



Government of Nepal



Country: Nepal

UNDAF Outcome: Energy and environment mainstreamed into national and local development planning with a focus on gender, social inclusion, and post-conflict environmental rehabilitation

UNDAF Indicator(s): Mechanism for budget allocation to support energy and environment friendly interventions at local level and in national level in place.

Expected Output(s)/Annual Targets: Refer to RRF (Page 10)
Implementing Partner: Alternative Energy Promotion Centre

Narrative

This Khimti Neighbourhood Development (KiND) Project is a public-private partnership project between Government of Nepal (GoN), United Nations Development Programme (UNDP) and Himal Power Limited (HPL). Key intended outputs are i) electrification of 3,100 households in Khimti Hydro-power plant neighbourhood; ii) provision of community infrastructures and promotion of micro-enterprises; and iii) strengthening of Khimti Rural Electric Cooperative (KREC) to make it fully capable of taking forward the rural electrification in a sustainable way in the future. The rural electrification will be accomplished through construction of a 400kW mini-hydro power plant, establishment of rural electrification and distribution lines to connect the households. Community will be mobilised and gender and social development plans will be prepared. Smaller community infrastructures will be constructed or improved as well as micro-enterprises will be promoted. Training will be provided to KREC members and support will be provided for KREC's institutional development. Alternative Energy Promotion Centre (AEP) of GoN will implement the project. REDP, DLGSP and MEDEP will be the key players in providing expertise in the area of rural electrification, enterprise development and social empowerment. The total funding for the project will be equivalent to approximately US\$ 3,859,319 of which US\$ 200,000 will be funded by UNDP and NOK 22,248,662 will come from HPL. Of the total amount from HPL, NOK 19,574,000 will be provided by the Norwegian Government. The project period will be 3 years beginning from 2007 to 2010.

Programme Period: 2007 to 2010
Programme Component: Expanding access to environmental and energy services for the poor
Project Title: Khimti Neighbourhood Development Project
Award ID: 00047492 - NEP/07/009
Project IDs: 00057071, 00057072 & 00057073
Project Duration: 2007-2010
Management Arrangement: National Implementation (NIM)

Total Budget: US\$ 3,859,319*
Allocated resources:
• Government: NA
• Regular (UNDP): US\$ 200,000
• Himal Power Ltd/Norway: NOK 22,248,662 (US\$ 3,659,319)
• In kind contributions: NA

Agreed by (Ministry of Finance): [Signature] Under Secretary



Agreed by (AEP): [Signature] EXECUTIVE DIRECTOR



Agreed by (UNDP): [Signature] 5/7/07

Ghulam M. Isaczai
Resident Representative, a.i.

* The NOK value is the agreed base value which may cause variation in the US\$ value.

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LIST OF ACRONYMS

AEPC	Alternative Energy Promotion Centre
CBO	Community Based Organisation
CCA	Common Country Assessment
CPA	Comprehensive Peace Agreement
DDC	District Development Committee
DLGSP	Decentralised Local Governance Support Programme
GON	Government of Nepal
HPL	Himal Power Ltd.
IPPs	Independent Power Producers
JREDP	Jhankre Rural Electrification and Development Project
KHPP	Khimti Hydro Power Project
KiND	Khimti Neighbourhood Development Project
KREC	Khimti Rural Electric Cooperative
MEDEP	Micro-Enterprise Development Programme
MOEST	Ministry of Environment, Science and Technology
MDGs	Millennium Development Goals
NEA	Nepal Electricity Authority
NOK	Norwegian Kroner
PAC	Project Advisory Committee
PEA	Power Exchange Agreement
PEG	Project Executive Board
PPA	Power Purchase Agreement
REDP	Rural Energy Development Programme
RMG	Results Management Guide
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
VDC	Village Development Committees
WECS	Water Energy Commission Secretariat

PART-I SITUATION ANALYSIS

Nepal's gross energy needs and consumption will continue to increase as the population increases although, at present, the per capita energy consumption is quite low 435 kWh per year (2005/06) (WECS, 2006). Nepal's electricity consumption is even low at only 61 kWh per capita per year, compared to 360 kWh per capita in India (CCA, 2007). Despite Nepal's hydropower holds out immense potential to fulfil the increasing domestic electricity needs as well as supplying to the neighbouring countries, however, so far, only 0.2% of Nepal's potential 42,000 MW of hydropower is being generated (CCA, 2007).

Government of Nepal (GON) has encouraged promotion of hydro-power through Hydro Power Development Policy (1990 and revisions) and Electricity Act (1992) by the Independent Power Producers (IPPs). The Hima Power Limited (HPL) is one of the IPP companies registered in Nepal in 2049 BS (1993). The HPL has established Khimti Hydro Power Plant (KHPP) of 60 Megawatt (MW) installed capacity in May 2000. While constructing the KHPP, the HPL has complied with 'effects mitigation'¹ aspects and has been supporting community development activities in the surrounding areas as a part of corporate social responsibility (CSR) since the beginning.

The *Jhankre khola* mini-hydro power plant (630 kW) was installed by the HPL primarily for its use in implementation of the KHPP, such as, tunnelling, construction works and establishment of transmission lines from *Palati* (intake site) to *Kirne* (power house location). As a part of HPL's CSR, the Jhankre Rural Electrification and Development Project phased one (JREDP-I) was implemented to electrify the surrounding areas with the *Jhankre* hydro power plant and to carry out some community development works like literacy and toilet constructions. Later by implementing the JREDP-II, the power plant refurbishment and electrification, and community development activities were done by the HPL together with the Norwegian Government. The *Chyama, Hawa, Thulopatal, Sahare* Village Development Committees (VDCs) of Dolakha district and *Rasnal, Betali, Namadi, Pharpu, Khimti* and *Fulasi* VDCs of Ramechhap district were identified as target areas of work covering nearly 7,500 households for the sustainability of the rural electrification system.

By the time when the JREDP-II was completed in 2006, only about 4,300 households were covered under rural electrification. HPL supported for the establishment of Khimti Rural Electric Cooperative (KREC) which would finally take over the management responsibility of rural electrification project. Accordingly, the process of asset transfer from HPL to the co-operative was also initiated.

Given that the power outputs from JREDP could not cover all the identified households in the target area there was a continued demand from the local communities for electrification of remaining households for which the HPL remained positive since the beginning. At the same time, capacity of KREC was not sufficiently built to take-up overall responsibility of managing the rural electrification during the stipulated time. This led HPL to decide implementation of another project entitled "**Khimti Neighbourhood Development Project (KiND)**" with an installed capacity of 400kW from *Haluwa khola* with the main focus on ensuring the electricity coverage of remaining households, making provisions of basic infrastructure facilities (such as drinking water, toilets, rural road, etc.), local capacity building for enterprise development and institutional strengthening of KREC (for details please see Annex-1 "Project document for Financial Assistance Submitted to the Royal Norwegian Embassy, Kathmandu, Nepal"² by HPL). The proposed area of rural electrification includes about 3,100 households of *Namadi, Pharpu, Khimti* and *Fulasi* VDCs of Ramechhap district, 2 wards each of *Gelu* VDC (Ramechhap) and *Malu* VDC (Dolakha) and *Siureni* of

¹ In legal terms, the 'effects mitigation' for KHPP was defined as electrification in 2KM periphery of 33 kV transmission line from Jhankre - Kirne (around 1,000HH), irrigation, re-vegetation, release of 500 lit/sec of water for fish, drinking water (minor). This part has already been accomplished.

² The document prepared by HPL will be the key document to refer for all technical details.

Jiri (Dolakha) VDCs. The people living there mainly include *Brahmin, Chhetri, Tamang, Sunuwar, Magar, Sherpa and Dalits*. In addition, there is a provision of community development works for the Nayapul-Kirne road corridor to include *Melung, Japhe, and Bhirkot* VDCs. Recently, the people of that area have demanded that the fund allocated for them (as per Annex 1) should be prioritised for further electrification. This matter has to be re-confirmed with the Nepal Electricity Authority (NEA) whether these areas fall under their distribution extension plan or not. Similarly, consensus among the people living in that area needs to be sought if electrification with the allocated funds are to be utilised for rural electrification.

At present, electricity supply from *Jhankre* power plant is not sufficient to fully meet the needs of already connected households, particularly during the peak hours of the day and during dry season. The deficit amount of electricity has been supplied by the HPL for free (due to legal reasons) by synchronizing the JREDP with the KHPP to ensure uninterrupted power supply to the local community. With the completion of *Haluwa khola* power plant under KiND, the total power output in the *Jhankre-Haluwa* mini hydro-grid will increase. However, with the increase in the number of households to be covered, the problem of power deficit is likely to continue. This would demand to develop a mechanism to connect the rural electrification system with the system of the NEA.

It has, however, been evident that the local communities in the neighbourhood areas are consuming electricity at lower price than that of NEA which needs to be brought, at least, at par. The differences in tariffs also need to be resolved for synchronization of the mini-hydro grid with the national grid through a Power Purchase or Power Exchange Agreement (PPA or PEA) with NEA.

HPL as well as the Government of Nepal has agreed that United Nations Development Programme (UNDP) Nepal would implement the KiND project together with the Alternative Energy Promotion Centre (AEPCC) in the best interest of all parties concerned to provide benefits to the local community.

PART-II STRATEGY

To connect the rural population living in the remote countryside through rural electrification and alternate energy resources has been a key priority of the GoN since long time. However, a major barrier due to difficult geography is the extremely high transmission cost for rural electrification through grid connection. Therefore, an alternative approach of rural electrification through off-grid electricity has been found quite promising for Nepal. The Electricity Act (1992) has created an enabling environment for off-grid power extension through micro-hydro by making provisions of de-licensing to the private sector or to the communities. The Rural Energy Policy (2006) of the government has further highlighted the need for public private partnership for expanding energy services to the rural areas and has identified rural electrification as a means to economic growth and rural development. The policy has clearly opened-up subsidy provisions for up to 500 kW installed capacity hydro power plants under the jurisdiction of Alternative Energy Promotion Centre (AEPCC).

The United Nations Development Assistance Framework (UNDAF, 2002-2006) has highlighted the importance of rural energy for improved socio-economic development in rural areas and minimizing environmental deterioration. The upcoming UNDAF (2008-2010) has emphasized to enhance the access to energy services for the poor and marginalized groups. UNDP corporate mandates lie in expanding energy access to the rural areas and developing national capacity to remove barriers in the way. There has been a strong link between availability of energy services and poverty alleviation as well as achieving the MDGs. Recent MDG study³ has clearly indicated

³ The title of the study is "Assessment of Rural Energy Development Programme: Impacts and its contribution in achieving MDGs" and the study was carried out by the Wincroft International Nepal, 2006.

that rural energy services contribute to achieve all MDGs including people's livelihood.

UNDP Nepal has been working with the GoN for expanding cleaner energy in 25 districts through Rural Energy Development Programme (REDP) since 1996. Under the decentralized energy planning and implementation framework of the government, UNDP has strongly worked with District Development Committees (DDCs), Village Development Committees (VDCs) and the local communities to establish and maintain rural energy systems at the local level. More than 200 micro-hydro power plants established so far have generated over 4.5 MW of power benefiting over 200,000 people.

This project is a joint public-private initiative aimed to expand rural electrification accompanied by community development in the selected VDCs of Dolakha and Ramechhap districts. The project will contribute to replace bio-mass based energy by cleaner sources thereby ensuring a healthy environment in the surrounding, and opportunities for increased income and employment from micro-enterprises.

Broader Implementation Strategies:

The AEPC will take the leadership role in project implementation in collaboration with the local communities, HPL and the KREC. HPL will provide technical guidance and support to the project based on its prior experience in the project area, particularly in rural electrification including community development works. In addition to the financial contribution, HPL will extend in-kind contributions as mentioned in the Annex 1. The role of KREC will be important in institutionalising rural electrification at the local level. Participation of non-governmental organisations (NGOs), private companies and consulting firms will be brought as and when necessary based on their comparative advantages and area of expertise. UNDP will bring in experiences from Micro Enterprise Development Programme (MEDEP) and Decentralized Local Self Governance Programme (DLGSP) to implement micro-enterprise development and community mobilization activities. The project will ensure regular communication with the local bodies, particularly the two DDCs (Dolakha and Ramechhap) and the programme VDCs, and between them and KREC to explore opportunities for joint programming to support rural infrastructure and community development works.

Once the project document will be signed off by GoN and UNDP, the first three months of implementation will be considered as an Inception Period of the project. During this, while community mobilisation begins and project team is set up, reconfirmation of project boundaries, beneficiary households and community mobilisation tools will be completed. This will be an opportunity to engage the local leadership and community representatives into dialogue to discuss any issues related to project implementation and bring clarity on the detail implementation modality as well as fostering local community to take programme ownership.

The project will adopt a gender and social inclusion (GSI) focused implementation approach for the entire period of the project to ensure that the women and the marginalized communities get equal chance of capacity building, skill training and entrepreneurship development opportunities.

Under the overall leadership of AEPC, the management responsibility of this project will be undertaken by the programme management of on-going UNDP supported REDP which is functional in Dolakha district and is set to extend to Ramechhap district from July 2007. The National Programme Manager of REDP will be the in-charge of this project with a dedicated team of project personnel deputed at the field office. This arrangement will allow interfacing UNDP's longstanding experiences in rural energy sector to the KiND project. As required, the National Programme Manager of REDP will be able to bring in expertise and resources from REDP to the KiND project at no additional cost to REDP. The programme management of REDP will maintain separate Book of Accounts for the KiND project.

In addition to above, the following strategy will be adopted during implementation of project components:

1) Rural electrification component:

There are three sub-components under this main component: i) construction of a new mini-hydro power plant of 400 kW installed capacity at the *Haluwa khola* of *Namadi* VDC of Ramechhap district, ii) synchronisation of the *Haluwa khola power plant* with the *Jhankre* plant, and iii) distribution of electricity to cover remaining 3,100 households in the neighbourhood area.

Since the project will be implemented by AEPC through REDP, there will be opportunities for linking the project activities to the decentralised planning process within DDCs and VDCs as well as cross learning from REDP and other projects implemented by AEPC under ESAP. It is also envisaged that experiences of JREDP-II will be sought in the process of project implementation.

Once the *Haluwa khola* power plant is constructed it will be synchronised with the *Jhankre* power plant. The distribution lines will be installed in the target villages to cover all 3,100 households and electricity will be distributed as per the rural electrification master plan included in the KiND project document prepared by HPL (Annex 1) with its reconfirmation.

A contractor company will be identified for the design and construction work and a team of dedicated staff will be recruited at the site to supervise the electrification and civil works. Regular monitoring from REDP and joint monitoring from AEPC, HPL and UNDP will be organised from time to time. Procurement of equipment and materials from abroad will be done following UNDP standard procedures; whereas local procurement will be done following local bidding. As far as possible, local resources and labour will be mobilised for the construction work.

2) Community mobilisation, basic infrastructure provisions, micro-enterprise promotion, and gender and social development:

Community mobilisation is an essential element in the implementation of KiND project. A group of locally trained staff (recruited either through a local NGO or KREC) will take the responsibility of community mobilisation under KiND project. The community mobilisers will be trained in mobilisation techniques from the perspective of decentralised rural energy system management and local level planning based on the experience of REDP and DLGSP. Through community mobilisation process, effective participation of women, poor and marginalised groups will be ensured in the decision making including *Haluwa khola* mini-hydro plant construction, other basic infrastructure provisions, skill development, micro-enterprise promotion and institutional capacity building of the KREC.

Community mobilisation process followed by a baseline study will help to identify as well as to validate/determine the basic infrastructures for the project area (such as opening of new motorable tract, trail improvements, toilet construction, drinking water, irrigation etc.) and micro-enterprises as mentioned in the Annex 1. The baseline will also include well being ranking and preparation of a socio-economic profile of the area. The HPL's project document (Annex 1) has already tentatively indicated the types of infrastructures to be constructed/improved and types of micro-enterprises to be promoted. However, the community mobilisers will facilitate the process of priority and target setting for community infrastructures and micro-enterprises by ensuring effective participation of women, poor and marginalised groups. Among the infrastructures/community development activities provisioned for the *Nayapul-Kirne* corridor that include *Bhirkot*, *Jophe*, *Melung* and *Malu* VDCs, the people of that area have demanded to prioritise for rural electrification. This is subject to consensus of the beneficiary households of that area and agreement of the NEA. For this, along with social mobilisation, a number of interaction/dialogues may be required. The activities of community mobilisation and decision making will be closely supervised and monitored by the dedicated project staff. Similarly, the KREC will be encouraged to closely observe and monitor field activities.

It is envisioned that a pro-poor community trust fund will be created which will be fully managed by the poor and the marginalised households identified based on agreed criteria with the local people. The community trust fund will support to the poor and the marginalised households and the women from such households for environment friendly income generation activities. The local labours who will work in the power plant construction and electrification work are the prime beneficiaries of the trust fund. The project will develop operational guidelines for the trust fund in the first year of project implementation.

As far as possible, local resources and expertise will be used for construction/improvement of basic infrastructures as mentioned above as well as in the Annex 1 based on competitive bidding. For micro-enterprise promotion in the area the expertise of MEDEP will be brought through sub-contracting. MEDEP will develop a strategy for micro-enterprise development in the area based on base line study and market analysis. MEDEP will also conduct necessary skill and marketing training for the potential micro-entrepreneurs.

While undertaking all infrastructural and enterprise related activities full consideration will be given to environmental conservation aspects for sustainability of the development impacts. A gender sensitive societal development plan will be developed towards the beginning of the project to ensure that concerns of women and the marginalised groups are addressed during implementation. Opportunity for skill training and micro-financing will be created to support the poor, women and disadvantaged groups and the focus of micro-infrastructure development work will be on the projects directly benefiting to the poor.

3) Institutional strengthening of KREC:

The main purpose of the establishment of the KREC is that it will take-up full management responsibility of managing both *Jhankre* and *Haluwa khola* power plants and rural electrification system in the defined neighbouring areas to KHPP.

At present, inclusiveness of the existing KREC Executive members has been contested by some local people. The conflict was found to be primarily due to communication gap between the user members (households) and the executive committee of KREC. Therefore, in the beginning joint efforts will be made by AEPC, UNDP and HPL in order to ensure that every beneficiary feels ownership of the KREC as an institution. Ownership building and institutional strengthening of KREC will ensure long term sustainability of the rural electrification system in the area after the exit of the project.

For institutional strengthening, KiND project will support capacity gap assessment for KREC based on which various training on institutional development and technical skills related to mini-hydro power plant functioning and maintenance will be conducted.

In order to build ownership of the KREC by all beneficiary household and to establish a democratic norms in its procedures, cooperative awareness programmes will be organised as well as the communication link between Executive Member of KREC and user members will be strengthened. For cooperative educations and awareness programmes, expertise of the Department of Cooperatives under the Ministry of Agriculture and Cooperatives (MOAC) and its district offices will be sought. Similarly, for strengthening the communications, a community information centre will be established at the KREC office and will be connected to all target VDCs through telephone lines and Internet facilities (if possible) along with capacity building for regular updating and management of information. This mechanism could also be a platform for market linkages for micro-enterprises and their products. More will be explored during the time of project implementation.

KREC's involvement from the beginning of the project is important for their capacity building as well as to demystify the project exit strategy among all concerned stakeholders including

community, GoN, UNDP, and the HPL. An exit strategy with a long term implementation plan for KREC will be prepared together with KREC board members taking consensus of all beneficiary households/user members. The preparation of exit strategy will be carried out early on while other activities are also under implementation. There will be a number of consultations with all stakeholders in the process including the DDCs of Ramechhap and Dolakha.

As a local credible institution of the local communities and as part of learning for the KREC, it is envisioned that the KREC will also be involved for recruiting necessary local level staff required for the project for rural electrification and community development works.

Since the project area is spread over two districts, namely, Dolakha and Ramechhap, linkage of KREC with the local government bodies and the concerned line agencies of the two districts will be established for the project interventions and a synergy with local development planning in the long run.

PART-III RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the UNDAF (2008-2010):				
Country Programme Outcome 3: Energy and environment mainstreamed into national and local development planning with a focus on gender, social inclusion, and post-conflict environmental rehabilitation.				
Outcome indicators (only relevant one picked here):				
Mechanism for budget allocation to support energy and environment friendly interventions at local level and in national level in place.				
Applicable MYFF Service Line: 3.3 Access to sustainable energy services.				
Partnership Strategy:				
Norwegian Government and HPL provide major funding support. UNDP in addition to implementation responsibility will allocate some funding. The Alternative Energy Promotion Centre (AEPC) under the Ministry of Environment, Science and Technology (MOEST) will provide overall policy supports. UNDP assisted projects, particularly, REDP, DLGSP and MEDEP will provide their support based on their areas of expertise. The KREC will be given responsibility for recruiting local level staff members for community mobilization and other relevant community development initiatives.				
Project title and ID (ATLAS Award ID): Khimti Neighbourhood Development Project (00047492)				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
1. Rural electrification covering 3,100 households in the project target area.	2007 · Detail feasibility survey conducted ⁴ · Canal construction work for <i>Haluwa khola</i> power completed. · Detail survey of transmission and distribution lines completed.	1.1 Construct <i>Haluwa khola</i> power plant and synchronise with the <i>Jhankre</i> plant (detail survey, contracting, canal construction, procurement of electro-mechanical equipment, installation of power plant, construction of power house, test operation of power plant, and synchronisation with <i>Jhankre</i> plant).	AEPC	211,548
			UNDP	395,879
	2008 · <i>Haluwa khola</i> power plant construction completed. · Transmission and distribution lines installed. · Electricity use related training conducted.	1.2 Establish rural electrification network in the targeted area (survey and design of rural electrification network, system design, and installation of transmission distribution lines, house wiring, connection of electricity to households, and training on electricity uses, operation and maintenances).	AEPC	222,533
			UNDP	1,557,590
	2009 · Testing and commissioning of <i>Haluwa</i> plant accomplished. · Synchronisation with <i>Jhankre</i> power plant completed. · Connection of electricity to all target users (3100 households) completed.	1.3 Monitoring and communication	AEPC	39,026
			UNDP	59,504
		1.4 Project management services	AEPC	42,109
			UNDP	365,277
		Sub total		2,893,467

⁴ The HPL has undertaken a detail feasibility study with the help of BPC Hydro consult which may be taken as an activity already completed or undertaken.

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
2. Basic infrastructures improved, enterprise opportunities expanded and communities become aware of improved living practices in the target area	2007 · Rural electrification groups formed in KiND project command area. · 600 meter motorable tract opened · Gender and social development plan prepared for the target area ⁵ . - Baseline study with socio –economic profile prepared and priority projects and viable enterprise identified	2.1 Conduct baseline study, validation of project boundary and beneficiaries, community mobilisation and gender and social development programmes (health/hygiene, literacy, skill development and women’s empowerment).	AEPC	50,400
		2.2 Construct and/or improve selected community infrastructures (toilet, rural road/trails, drinking water, irrigation canal, schools, etc).	AEPC	468,936
	2008 · 400 toilets and 10 water supply schemes improved/constructed. · Market feasibility and linkages studied · Establish pro-poor community trust fund · 60 electricity-based and other related micro-enterprises promoted · 5 irrigation canals and 5 schools’ facilities improved. · Gender and social development programmes as per the plan implemented.	2.3 Promote local resources based micro-enterprises, market linkages and capacity building	AEPC	119,385
		2.4 Prepare a plan for gender and social development programmes and implement it.	AEPC	91,434
	2009 · 200 toilets and 5 water supply schemes improved/constructed. · 40 electricity-based and other related micro-enterprises promoted. · 5 irrigation canals and 5 schools’ facilities improved. · Gender and social development programmes as per the plan implemented.	2.5 Establish community trust funds and make it operational to support the poor and marginalised communities		
		2.5 Monitoring and communication	AEPC	21,400
			UNDP	27,400
		2.6 Project management services	AEPC	11,000
	UNDP		76,337	
			Sub total	

⁵ The gender and social development plan will establish basic minimum activities that need to be carried out over the next two year.

Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs				
3. Capacity of Khimti Rural Electric Cooperative (KREC) built towards making it fully functional.	2007	3.1 Conduct capacity assessment for KREC, co-operative education and awareness programmes	AEPC	34,878				
	· Four cooperative awareness programmes organised							
	· One training of KREC committee members organised	3.2 Conduct management and organisational development programme for KREC Board, new general members and village user committees	AEPC	19,567				
	2008							
	· Electricity User Village Committees formed in all new project villages							
	· Three orientation programmes organised for the newly electrified villages.	· One community information centre established	3.3 Establish community information centre at the KREC; connect it to the programme VDC through telephone and internet; develop project exit strategy and KREC implementation plan and implement them	AEPC	5,080			
						3.4 Monitoring and communication	UNDP	9,000
							AEPC	7,460
	2009	· Recruitment of required staff member for KREC	3.5 Project management services	UNDP	6,000			
	· Exit strategy and implementation plan developed			AEPC	1,500			
· Integration of newly electrified household under KREC			UNDP	16,074				
		Sub total		99,560				
		TOTAL		3,859,319				

PART-IV ANNUAL WORK PLAN BUDGET SHEET



Annual Work Plan

Nepal - Kathmandu

Award Id: 00047492

Report Date: 21/6/2007

Award Title: Khimti Neighbourhood Development (KiND) Project

Year: 2007

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00057071	Rural electrification	1. Constrct Haluwa Khla Pow			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	20,000.00
					UNDP (Direct Execution)	30000	PRIVSECT	72200	Equipment and Furniture	25,722.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74500	Miscellaneous Expenses	1,645.00
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	3,289.00
		2. Establish R E network			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	32,986.00
					UNDP (Direct Execution)	04000	UNDP	72200	Equipment and Furniture	5,000.00
					UNDP (Direct Execution)	30000	PRIVSECT	72200	Equipment and Furniture	294,800.00
					UNDP (Direct Execution)	30000	PRIVSECT	72300	Materials & Goods	8,224.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74500	Miscellaneous Expenses	4,112.00
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	4,112.00
		3. Monitoring & Communicat			UNDP (Direct Execution)	30000	PRIVSECT	74700	Transport, Shipping and handle	30,428.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	1,974.00
					UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	1,974.00
					NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
		4. Project mangement servid			UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	500.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71400	Contractual Services - Individ	16,447.00
					UNDP (Direct Execution)	04000	UNDP	71600	Travel	400.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	1,645.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	4,980.00
			UNDP (Direct Execution)	04000	UNDP	72200	Equipment and Furniture	27,000.00		
			UNDP (Direct Execution)	30000	PRIVSECT	72500	Supplies	1,645.00		
		UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	1,645.00			
		UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	34,092.00			
TOTAL									525,620.00	
00057072	Community development & skill	1. Baseline, com.mob.G&So			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	20,400.00
		2. Const/impr com. infrstrctu			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	2,000.00
		3. Micro-entrprise,mrkt linkg			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	5,000.00
		4. G&S development progra			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00
		5. Monitoring & communicat			UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00



Annual Work Plan

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Award Id: 00047492

Report Date: 21/6/2007

Award Title: Khimti Neighbourhood Development (KiND) Project

Year: 2007

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
	5. Monitoring & communication				NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	2,556.00
					UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	2,556.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
	6. Project management services				NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	5,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	1,000.00
					UNDP (Direct Execution)	04000	UNDP	71600	Travel	2,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companies	4,000.00
					UNDP (Direct Execution)	04000	UNDP	72200	Equipment and Furniture	2,000.00
					UNDP (Direct Execution)	04000	UNDP	72500	Supplies	500.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	500.00
UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	2,888.00					
TOTAL										53,400.00
00057073	KREC strengthened	1. Coop education & awareness			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companies	5,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companies	1,974.00
	2. Mgmt & org dev program			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companies	1,000.00	
				NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companies	1,926.00	
	3. Establish Community InfoCenter			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companies	500.00	
				NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companies	2,040.00	
				UNDP (Direct Execution)	04000	UNDP	72600	Grants	5,000.00	
	4. Monitoring & communication			UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00	
				NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	500.00	
				UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00	
	5. Project management services			UNDP (Direct Execution)	04000	UNDP	71400	Contractual Services - Individ	1,000.00	
				UNDP (Direct Execution)	04000	UNDP	72100	Contractual Services-Companies	1,000.00	
				UNDP (Direct Execution)	04000	UNDP	72200	Equipment and Furniture	500.00	
UNDP (Direct Execution)				04000	UNDP	74500	Miscellaneous Expenses	300.00		
UNDP (Direct Execution)				30000	PRIVSECT	75100	Facilities & Administration	477.00		
TOTAL										23,217.00
GRAND TOTAL										602,237.00



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Report Date: 21/6/2007

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Year: 2008

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget					
			Start	End		Fund	Donor	Budget Descr	Amount US\$		
00057071	Rural electrification	1. Constrct Haluwa Khla Pow			UNDP (Direct Execution)	04000	UNDP	72200	Equipment and Furniture	12,000.00	
					UNDP (Direct Execution)	30000	PRIVSECT	72200	Equipment and Furniture	251,250.00	
					UNDP (Direct Execution)	30000	PRIVSECT	72300	Materials & Goods	65,789.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74500	Miscellaneous Expenses	37,825.00	
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	29,605.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74700	Transport, Shipping and handle	152,079.00	
			2. Establish R E network			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	93,219.00
					UNDP (Direct Execution)	30000	PRIVSECT	72200	Equipment and Furniture	576,673.00	
					UNDP (Direct Execution)	30000	PRIVSECT	72300	Materials & Goods	75,658.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74500	Miscellaneous Expenses	16,447.00	
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	16,447.00	
					UNDP (Direct Execution)	30000	PRIVSECT	74700	Transport, Shipping and handle	74,013.00	
		3. Monitoring & Communicat			NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	12,898.00	
				UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	25,544.00		
				NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	4,000.00		
				UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00		
		4. Project magement servid			NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	1,000.00	
				NEP-Alternative Energy Promoti	30000	PRIVSECT	71400	Contractual Services - Individ	62,034.00		
				UNDP (Direct Execution)	04000	UNDP	71600	Travel	400.00		
				NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	6,481.00		
				NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	12,898.00		
				UNDP (Direct Execution)	30000	PRIVSECT	72500	Supplies	3,249.00		
				UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	3,249.00		
				UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	104,712.00		
TOTAL									1,638,470.00		
00057072	Community development & skill	1. Baseline, com.mob.G&So			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	15,000.00	
		2. Const/impr com. infrstrctu			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	3,000.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	336,446.00	
		3. Micro-entrprise,mrkt linkg			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	3,000.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	38,760.00	



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Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget					
			Start	End		Fund	Donor	Budget Descr	Amount US\$		
		4. G&S development program			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	38,241.00	
		5. Monitoring & communication				UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00
						NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	7,490.00
						UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	7,490.00
						UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
		6. Project management services				UNDP (Direct Execution)	04000	UNDP	71400	Contractual Services - Individ	5,000.00
						NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	1,000.00
						UNDP (Direct Execution)	04000	UNDP	71600	Travel	2,000.00
						NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	3,000.00
						UNDP (Direct Execution)	04000	UNDP	72500	Supplies	500.00
						UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	400.00
						UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	29,234.00
TOTAL									493,561.00		
00057073	KREC strengthened	1. Coop education & awareness			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	2,000.00	
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	9,102.00	
		2. Mgmt & org dev program				NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00
						NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	5,338.00
		3. Establish Comnity InfoCen				NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	500.00
						NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	2,040.00
						UNDP (Direct Execution)	04000	UNDP	72600	Grants	4,000.00
		4. Monitoring & communication				UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00
						NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	1,987.00
						NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	500.00
						UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
		5. Project management services				UNDP (Direct Execution)	04000	UNDP	71400	Contractual Services - Individ	2,000.00
						NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	500.00
						UNDP (Direct Execution)	04000	UNDP	72100	Contractual Services-Companie	2,000.00
						UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	300.00
						UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	1,293.00



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Award Id: 00047492

Report Date: 21/6/2007

Award Title: Khimti Neighbourhood Development (KiND) Project

Year: 2008

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
TOTAL										34,560.00
GRAND TOTAL										2,166,591.00



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Year: 2009

Report Date: 21/6/2007

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00057071	Rural electrification	1. Constrct Haluwa Khla Pow			UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	8,224.00
					2. Establish R E network			NEP-Alternative Energy Promoti	30000	PRIVSECT
		UNDP (Direct Execution)	30000	PRIVSECT	72200			Equipment and Furniture	311,050.00	
		UNDP (Direct Execution)	30000	PRIVSECT	72300			Materials & Goods	29,605.00	
		NEP-Alternative Energy Promoti	30000	PRIVSECT	74500			Miscellaneous Expenses	8,224.00	
		UNDP (Direct Execution)	30000	PRIVSECT	74500			Miscellaneous Expenses	8,224.00	
		UNDP (Direct Execution)	30000	PRIVSECT	74700			Transport, Shipping and handle	28,782.00	
		3. Monitoring & Communicat			NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	5,214.00
					UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	10,326.00
					NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	3,000.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
		4. Project magement servid			NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	1,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71400	Contractual Services - Individ	25,077.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	2,620.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	5,214.00
					UNDP (Direct Execution)	30000	PRIVSECT	72500	Supplies	1,313.00
UNDP (Direct Execution)	30000				PRIVSECT	74500	Miscellaneous Expenses	1,314.00		
UNDP (Direct Execution)	30000				PRIVSECT	75100	Facilities & Administration	34,990.00		
TOTAL									541,388.00	
00057072	Community development & skill	1. Baseline, com.mob.G&So			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	15,000.00
					2. Const/impr com. infrstrctu			NEP-Alternative Energy Promoti	04000	UNDP
		NEP-Alternative Energy Promoti	30000	PRIVSECT	72100			Contractual Services-Companie	125,489.00	
		3. Micro-entrprise,mrkt linkg			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	3,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	32,905.00
		4. G&S development prograt			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	21,000.00
		5. Monitoring & communicat			UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	6,420.00
					UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	6,420.00
UNDP (Direct Execution)	04000				UNDP	74500	Miscellaneous Expenses	1,000.00		



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Year: 2009

Report Date: 21/6/2007

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
		6. Project management serv			NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	5,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	1,000.00
					UNDP (Direct Execution)	04000	UNDP	71600	Travel	2,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00
					UNDP (Direct Execution)	04000	UNDP	72500	Supplies	500.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	400.00
					UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	13,457.00
TOTAL										238,591.00
00057073	KREC strengthened	1. Coop education & awaren			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	2,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	6,579.00
		2. Mgmnt & org dev program			NEP-Alternative Energy Promoti	04000	UNDP	72100	Contractual Services-Companie	1,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	6,014.00
		4. Monitoring & communicat			UNDP (Direct Execution)	04000	UNDP	71600	Travel	1,000.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	1,986.00
					NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	500.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	1,000.00
		5. Project management serv			UNDP (Direct Execution)	04000	UNDP	71400	Contractual Services - Individ	2,000.00
					NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	500.00
					UNDP (Direct Execution)	04000	UNDP	72100	Contractual Services-Companie	1,000.00
					UNDP (Direct Execution)	04000	UNDP	74500	Miscellaneous Expenses	300.00
					UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	1,021.00
TOTAL										24,900.00
GRAND TOTAL										804,879.00



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Year: 2010

Report Date: 21/6/2007

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00057071	Rural electrification	2. Establish R E network			UNDP (Direct Execution)	30000	PRIVSECT	72200	Equipment and Furniture	82,237.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	74500	Miscellaneous Expenses	12,336.00
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	12,336.00
		3. Monitoring & Communicat			NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	7,940.00
					UNDP (Direct Execution)	30000	PRIVSECT	71600	Travel	17,660.00
					NEP-Alternative Energy Promoti	04000	UNDP	74500	Miscellaneous Expenses	2,000.00
		4. Project mangement servid			NEP-Alternative Energy Promoti	04000	UNDP	71400	Contractual Services - Individ	500.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71400	Contractual Services - Individ	31,616.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	3,337.00
					NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	4,934.00
					UNDP (Direct Execution)	30000	PRIVSECT	72500	Supplies	852.00
					UNDP (Direct Execution)	30000	PRIVSECT	74500	Miscellaneous Expenses	852.00
					UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	11,390.00
TOTAL									187,990.00	
00057072	Community development & skill	3. Micro-entrprise, mrkt linkg			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	36,720.00
		4. G&S development progra			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	29,193.00
		5. Monitoring & communicat	NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	4,934.00		
			ECU-UNDP - Implementing Agenc	30000	PRIVSECT	71600	Travel	4,934.00		
		6. Project management serv			ECU-UNDP - Implementing Agenc	30000	PRIVSECT	75100	Facilities & Administration	4,958.00
TOTAL									80,739.00	
00057073	KREC strengthened	1. Coop education & awaren			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	8,224.00
		2. Mgmnt & org dev program			NEP-Alternative Energy Promoti	30000	PRIVSECT	72100	Contractual Services-Companie	3,289.00
		4. Monitoring & communicat			NEP-Alternative Energy Promoti	30000	PRIVSECT	71600	Travel	1,987.00
		5. Project management serv	UNDP (Direct Execution)	04000	UNDP	71400	Contractual Services - Individ	1,000.00		
			NEP-Alternative Energy Promoti	04000	UNDP	71600	Travel	500.00		
			UNDP (Direct Execution)	04000	UNDP	72100	Contractual Services-Companie	1,000.00		
UNDP (Direct Execution)	30000	PRIVSECT	75100	Facilities & Administration	883.00					
TOTAL									16,883.00	



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Report Date: 21/6/2007

GRAND TOTAL

285,612.00

PART-V MANAGEMENT ARRANGEMENTS

This project will be implemented by adopting the National Implementation Modality (NIM) as a component of Rural Energy Development Programme (REDP) under the leadership of the Alternative Energy Promotion Centre (AEPCC). The NPM of REDP will also be the Project Manager for this project. This arrangement is also open for all possibilities of outsourcing certain activities to other UNDP assisted projects based on their comparative advantages as well as other service providers.

As per the Results Management Guide (RMG) of UNDP, project management arrangements include the following roles:

Project Advisory Committee (PAC): In order to provide overall policy guidance an advisory committee will be constituted under the chairpersonship of the Secretary of the Ministry of Environment, Science and Technology (MOEST). Potential members will be representative from Ministry of Finance, Ministry of Water Resources, Himal Power Limited, UNDP Deputy Resident Representative and DDC Chairpersons of Ramechhap and Dolakha districts. It is to be noted that once the related Outcome Board (OB) is constituted at the national level, the PAC will be formally closed and necessary adjustments will be made.

Project Board: The Project Board is the group responsible for making on a consensus basis management decisions for a project when guidance is required by the Project Manager, including recommendation for Implementing Partner and UNDP's approval of project revisions. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. This group is consulted by the Project Manager for decisions when PM tolerances have been exceeded.

This Project Board will have three roles:

- Executive role as chair of the Board will be played by Alternative Energy Promotion Centre,
- Senior Supplier role to provide guidance regarding the technical feasibility of the project will be played by the Assistant Resident Representative (ARR) of E&E Unit of UNDP, and
- Senior Beneficiary role will be played by the KREC Chairperson⁶

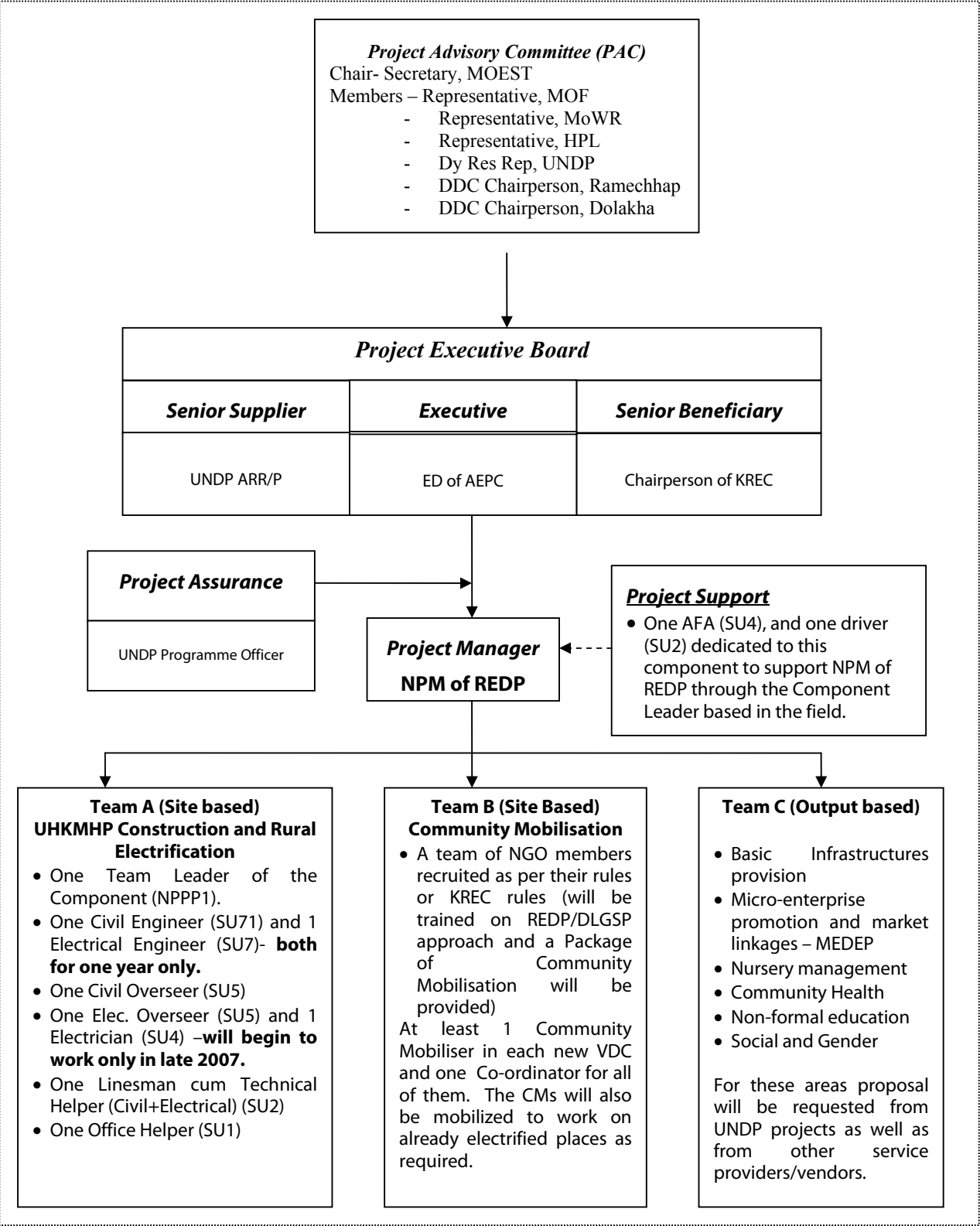
The final decision making on project activities and accountability rests with UNDP in accordance with its applicable regulations, rules, policies and procedures.

Project Assurance is the responsibility of each Project Board member, however the role can be delegated. The Project Assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. A UNDP Programme Officer typically holds the Project Assurance role for the UNDP Board member, and a similar government representative would undertake this role for the Project Director.

Project Manager: The National Programme Manager of REDP will be the Project Manager who has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The Project Manager's prime responsibility is to ensure that the project produces the results as specified in the project document to the agreed standard of quality and within the specified constraints of time and cost. The PM will have dedicated team working under him at the project site.

The above project management structure can be illustrated as follows:

⁶ Although, as mentioned earlier, at present the inclusiveness of the existing KREC Executive members has been contested by some local people, as an institutional and beneficiaries representative the Chairperson has been suggested to play the role of Senior Beneficiary.



PART-VI MONITORING AND EVALUATION

The following year-wise “**Annual Work Plan (AWP) Monitoring Tool**”⁷ further elaborate the yearly indicators, yearly indicative activities to be conducted in different years as well as outlines a separate activity for field monitoring of all activities from time to time. Field monitoring of activities will be undertaken every quarter by UNDP, or project staff or jointly by all concerned stakeholders as appropriate. In early stage of implementation a couple of joint monitoring would be advisable. Similarly, to observe the impact in the field and work completion status, again a few joint field visits would be important towards the end of the project duration. In the beginning of every year a rolling monitoring field visit plan⁸ and tracking will be done on regular basis.

Every quarter a progress report verified by field monitoring will be circulated to all concerned parties. This could also be done at the time of quarterly meeting of the Project Board. If any problem arises, additional ad hoc meetings of all concerned will be organized and field visits for problem solving organised as necessary.

Every year a public auditing of work done and resource spent will be organized for maintaining transparency in addition to regular auditing of project as per UNDP rule.

Annual progress reports will be prepared at time of completion of every calendar year. Since it is a 3 year project, an independent evaluation of project will be conducted in the 2nd half of the 3rd year. The evaluation will be done against the baseline established in the first year of implementation. The evaluation study is also expected to identify key lessons which will be widely publicized locally, nationally and internationally.

The communication and monitoring plan will be prepared along with the first AWP and updated every year.

Issues and Risks:

Issues:

Following issues are identified at the stage of project document formulation:

- a) Any change in exchange rate of USD or Norwegian currency will have impact on the project budget for which constant dialogue between partners will be required.

Risks:

- a) Additional beneficiaries to be included:

Risk statement: Despite clearly indicated in the KiND project document about the boundary of the target area and beneficiary households, at the changed context, the local people might demand for additional households to be included in the project as beneficiaries. Recently, some far-away people who were not originally covered in the project have gone on strikes backed by some political parties.

Risk management: This will be sorted out through open dialogues with the political parties and the local communities both at the centre and the field levels with the support of HPL. The project social mobilisation process will further expand the opportunities for understanding the differences

⁷ The year wise AWP Monitoring Tool is a tentative sketch for now and needs to be refined based on the observations and beginning of baseline study in the field.

⁸ This will also feed into the UNDP’s overall “Rolling Field Visit Plan”.

between various groups and come to a consensus about the beneficiaries. One such meeting was already organized at Summit Hotel on 10 April 2007.

b) Power exchange agreement with NEA:

Risk statement: It is evident that the current power supply is not sufficient as per the demand of the local people and it is likely that even after the construction of *Haluwa khola* power plant, the problem will continue to remain. Currently, HPL has synchronised the JREDP to KHPP to offset the power deficit from the national grid and the local people are availing uninterrupted electricity without any additional cost to them. There is a risk that local people would not agree to purchase power from the national grid at additional cost to them. Presently the local people are paying only 4 NRS for one unit of electricity while the NEA rate is NRS 7 per unit. This risk might delay the power purchase or exchange agreement with the NEA

Risk management: This will be addressed through constant dialogue with the local communities regarding revising the local electricity tariff and bearing the additional costs by them as agreed under PPA or PEA with the NEA. HPL will do continuous advocacy to grant the additional power from national grid without additional cost to the local communities.

c) Security of the project and staff:

Risk Statement: Currently with the implementation of Comprehensive Peace Agreement (CPA) between the seven parties and the Maoists and formation of the joint interim seven-party-Maoist government, it seems that security risks to the project implementation have significantly reduced and development space has increased than before. It has now created better enabling environment for the project implementation throughout Nepal. However, since Nepal is still passing through a phase of political transition, where several ethnic minorities have already called on strikes, demonstrations and blockades, the local security situation can deteriorate any time posing risks to the project activities.

Risk management: Constant risk analysis of the project components will be worked out and discussed with the project partners. UNDP Risk Management Officer will provide support for such analysis and the way to manage it. In case of any project component exposed to any kind of risks, constant dialogue with the project partners will be held to find appropriate solutions.

d) KREC board composition:

Risk statement: The KREC is managed through its constitution and operational guidelines which provide guidance on its board composition and execution of its functions. The current Board members are elected and represent all the households' beneficiaries of the existing electrification project. However, with an increase in number of households (3,100) reshuffling of the board composition will be required. In the present context, the dominance of one or other political parties in the area may influence the election process which can create difficult working environment for KREC. In the changed context, some political parties have already raised the concerns regarding their representation in the KREC Board and lack of transparency in its operation.

Risk management: This will be addressed through continuous dialogue with the political parties and KREC Board members with the help of HPL. A mechanism to ensure two-way communication between KREC Board and local people will be in place.

The Annual Work Plan (AWP) Monitoring Tool

Year 1

CP Component ???

Executing Entity AEPC/REDP/UNDP

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	EXPENDITURES <i>List actual expenditures against activities completed</i>	RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i>	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: <ul style="list-style-type: none"> ▪ <i>Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged</i> ▪ <i>Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i>
OUTPUT 1: Rural electrification covering 3,100 households in the project target area. INDICATOR 1.1 Canal construction INDICATOR 1.2 Detail survey of transmission and distribution lines	1. Carry out details survey of the power plant.			
	2. Carry out canal construction work.			
	3. Survey and design of rural electrification network.			
	4. Field monitoring of above 3 works			

<p>OUTPUT 2: Basic infrastructures improved, enterprise opportunities expanded and communities become aware of improved living practices in the target area</p> <p>INDICATOR 2.1</p> <p>No. of rural electrification groups</p> <p>INDICATOR 2.2</p> <p>No. of identified entrepreneur</p>	1. Conduct baseline study, socio economic profile and priority setting.			
	2. Carry out community mobilization-formation of User Groups and facilitation for their institutionalization.			
	3. Construct # toilets, # drinking water taps, # irrigation canal and # school			
	4. Carry out micro-enterprise orientation training (#)			
	5. Prepare gender and social development plan.			
	6. Field monitoring of above works.			
<p>OUTPUT 3: Capacity of Khimti Rural Electric Cooperative (KREC) built towards making it fully functional.</p> <p>INDICATOR 3.1</p> <p>No. of awareness programmes</p> <p>INDICATOR 3.2</p> <p>X no. of training for X no. of KREC members</p>	1. Conduct # cooperative awareness training in the field.			
	2. Conduct # organizational development training to KREC Board members.			
	3. Field monitoring of above works.			

The Annual Work Plan (AWP) Monitoring Tool

Year 2

CP Component ???

Executing Entity AEPC/REDP/UNDP

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	EXPENDITURES <i>List actual expenditures against activities completed</i>	RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i>	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: <ul style="list-style-type: none"> ▪ <i>Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged</i> ▪ <i>Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i>
OUTPUT 1: Rural electrification covering 3,100 households in the project target area. INDICATOR 1.1 Haluwa khola power plant ready	1. Procurement of electro-mechanical equipment			
	2. Installation of power plant			
	3. Construction of power house.			
	4. Installation of transmission and distribution lines			
	5. House wiring of targeted villages.			
	6. Conduct electricity use related training.			
	7. Field monitoring of above works.			

<p>OUTPUT 2: Basic infrastructures improved, enterprise opportunities expanded and communities become aware of improved living practices in the target area</p> <p>INDICATOR 2.1 No. of ward level ward groups of rural electrification</p> <p>INDICATOR 2.2 No. of entrepreneurs</p>	1. Formation of User Groups and facilitation for their institutionalization.			
	2. Construct # toilets, # drinking water taps, # irrigation canal and # common facility centre.			
	3. Carry out micro-enterprise orientation training (#), capacity building training (#) and # gender training			
	4. Carry out market linkage surveys.			
	5. Field monitoring of above works.			
<p>OUTPUT 3: Capacity of Khimti Rural Electric Cooperative (KREC) built towards making it fully functional.</p> <p>INDICATOR 3.1 No. of Electricity User Village Committee formed</p> <p>INDICATOR 3.2 3 orientation programme</p> <p>INDICATOR 3.3 1 community information centre</p>	1. Conduct # cooperative awareness training in the field.			
	2. Establish community information centre at KREC			
	3. Develop mechanism for accessing information from KREC			
	4. Produce reports and distribute among stake holders.			
	5. Field monitoring of above activities.			

The Annual Work Plan (AWP) Monitoring Tool

Year 3

CP Component ???

Executing Entity AEPC/REDP/UNDP

EXPECTED OUTPUTS AND INDICATORS including annual targets	PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	EXPENDITURES <i>List actual expenditures against activities completed</i>	RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i>	PROGRESS TOWARDS ACHIEVING OUTPUTS Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: <ul style="list-style-type: none"> ▪ <i>Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged</i> ▪ <i>Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i>
OUTPUT 1: Rural electrification covering 3,100 households in the project target area. INDICATOR 1..1 Testing, commissioning and operational condition of <i>Haluwa khola</i> power plant	1. Carry out test operation or power plant.			
	2. Interconnection with <i>Jhankre</i> plant.			
	3. Connection of electricity to households.			
	4. Field monitoring of above activities.			
OUTPUT 2: Basic infrastructures improved, enterprise opportunities expanded and communities become	1. Conduct workshops for market linkages at the field level.			
	2. Organize public awareness activities.			

<p>aware of improved living practices in the target area</p> <p>INDICATOR 2.1</p> <p>Market linkage established for the village IG activities.</p>	<p>3. Field monitoring of above activities.</p>			
<p>OUTPUT 3:</p> <p>Capacity of Khimti Rural Electric Cooperative (KREC) built towards making it fully functional.</p> <p>INDICATOR 3.1</p> <p>X no. of staff fulfilled in the KREC</p>	<p>1. Recruitment of necessary staff members for KREC</p>			
	<p>2. Training to the new staff.</p>			
	<p>3. Participatory evaluation of KiND implementation.</p>			
	<p>4. Exit workshop of KiND project</p>			

PART-VII LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Nepal and the United Nations Development Programme, signed by the parties on 23 February 1984. The host-country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The following types of revisions may be made to this project document with the agreement and signature of the UNDP Resident Representative only:

- a. Revisions in, or addition of, any of the annexes of the project document
- b. Revisions which do not involve significant changes in the project objectives, outputs or activities of a project, but are caused by rearrangement of inputs agreed to or by cost increases due to inflation; and
- c. Mandatory annual revisions, which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

PART-VIII ANNEXES

- Annex 1.** Project document for Financial Assistance Submitted to the Royal Norwegian Embassy, Kathmandu, Nepal by HPL
- Annex 2.** Memorandum of Understanding between HPL and UNDP dated on 15 March 2006
- Annex 3:** Terms of References (ToRs) of staff.