



Government of Nepal

COUNTRY: NEPAL

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

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

Expected Output(s) /Annual Targets: Refer to RRF (page 13)

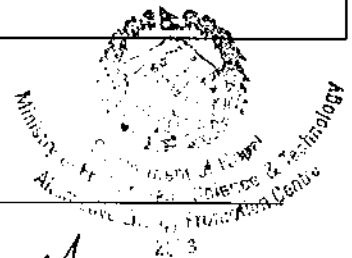
Implementing Partner: Alternative Energy Promotion Centre

Narrative

The objective of the Rural Energy Development Programme Phase III (REDP-III) is to contribute to the peace process by building local capacity for sustainable, community-managed, and equitable rural energy service delivery for poverty alleviation, livelihood promotion and environmental protection. This objective supports objectives of the Government of Nepal (GoN) and the United Nations Development Programme (UNDP) in line with the existing United Nations Development Assistance Framework (UNDAF, 2002-2007) as well as the new UNDAF (2008-2010). The intended outputs are: i) lessons and best practices of REDP and other experiences are used for design of new model and continuous learning in rural energy and poverty alleviation in Nepal; ii) local level has capacity built to increase energy access through community management model in 40 districts iii) local level has capacity built to link energy services to poverty alleviation through productive and other end uses, including for women and socially excluded, in 40 districts; iv) Support to AEPC for energy planning in line with the key elements of an operational/functional Rural Energy Policy and local level environment mainstreaming started in 75 districts and national levels; and v) innovative approaches for long-term micro-/mini hydro and RETs sustainability are piloted, including developing micro-hydro projects as a Clean Development Mechanism project. Over a two and half year period from 2007-2009 the project will deliver 1.7 MW of community-managed micro-/mini hydropower, 2,200 toilet-connected biogas plants, 9,000 improved cook stoves, and 550 solar home systems to 20,000 households in 40 districts of Nepal through a holistic community development model and integrated rural energy planning.

Programme Period: 2007 to 2010
 Programme Component: Expanding access to environmental and energy services for the poor
 Project Title: Rural Energy Development Programme -III
 Project ID: NEP/07/011 (00057572)
 Project Duration: 2007-2009
 Management Arrangement: National Implementation (NIM)

Total Budget (US\$) 1,904,500
 (UNDP TRAC) *



Agreed by (Government): Yoganath Poudel
 Secretary

Agreed by (Implementing Partner): _____

Agreed by (UNDP): Ghulam M. Isaozai
 Deputy Resident Representative

17 SEP 2007

* A parallel fund from WB amounting US\$ 3.8 million is reflected in the RRF section and more parallel funding arrangements are expected during implementation including PAF.

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LIST OF ACRONYMS

| | |
|--------|------------------------------------------------------|
| ADDCN | Association of District Development Committee Nepal |
| AEPC | Alternative Energy Promotion Centre |
| BSP-N | Biogas Sector Partnership-Nepal |
| CBO | Community Based Organisation |
| CDM | Clean Development Mechanism |
| CEF | Community Energy Fund |
| CRT/N | Centre of Rural Technology/Nepal |
| DDC | District Development Committee |
| DEEMC | District Energy and Environment Management Committee |
| DEES | District Energy and Environment Section |
| DEF | District Energy Fund |
| DfID | Department of International Development |
| DLGSP | Decentralised Local Governance Support Programme |
| ESAP | Energy Sector Assistance Programme |
| GoN | Government of Nepal |
| GTZ | German Technical Cooperation |
| GVEP | Global Village Energy Partnership |
| HPL | Himal Power Limited |
| IAEA | International Atomic Energy Agency |
| I/NGO | International Non-Government Organisation |
| KIND | Khimti Neighbourhood Development Project |
| MEDEP | Micro-Enterprise Development Programme |
| MLD | Ministry of Local Development |
| MOEST | Ministry of Environment, Science and Technology |
| MoF | Ministry of Finance |
| MOWR | Ministry of Water Resources |
| MFSC | Ministry of Forest and Soil Conservation |
| MHFG | Micro Hydro Function Group |
| MoWCSW | Ministry of Women, Children Social Welfare |
| MDGs | Millennium Development Goals |
| NAVIN | National Association of VDC in Nepal |
| NEA | Nepal Electricity Authority |
| NMHDA | Nepal Micro hydro Power Developers Association |
| NPC | National Planning Commission |
| PAC | Project Advisory Committee |
| PAF | Poverty Alleviation Fund |
| PDF | Power Development Fund |
| PEA | Power Exchange Agreement |
| PEG | Project Executive Board |
| PDD | Project Design Document |
| PIN | Project Identification Note |
| PRS | Poverty Reduction Strategy |
| REDP | Rural Energy Development Programme |
| REF | Rural Energy Fund |
| REP | Renewable Energy Project |
| RESC | Rural Energy Service Centre |
| RET | Rural Energy Technology |
| RMG | Results Management Guide |
| SO | Support Organisation |
| UNCCA | United Nations Common Country Assessment |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| VDC | Village Development Committees |
| WB | World Bank |

PART I: SITUATION ANALYSIS

The Common Country Assessment of the United Nations Agencies (UN CCA) in Nepal has identified that one cause of the recent conflict was the failure of the state to assure rural development and include vulnerable groups in the system. For this reason the United Nations Development Assistance Framework (UNDAF) has focused on preventing future conflict by building an equitable society that provides for everyone's needs (and right to) sufficient food, adequate health care, basic education, and employment, as well as ending the marginalization and discrimination that have prevented so many Nepali women, *Dalits*¹, *Janajatis*², *Madhesis*³ and other marginalized groups⁴ from accessing these basic rights. In the current transition to democracy following the April 2006 people's movement, Nepal is experiencing a high level of social mobilisation and expectations for quick service delivery, including the energy sector. Furthermore, with the return of displaced people and former combatants to the rural areas, rural employment creation is an urgent need. While the political agenda remains important, the Government of Nepal (GoN) is well aware that the development agenda cannot be ignored even in the near term. The provision of rural energy infrastructure will play an important role in addressing these issues.

More than 86 per cent of Nepal's population lives in rural areas, where due to poverty and geography, access to energy services is lower than the minimum needed for poverty alleviation and meeting basic needs. In rural Nepal, 98% of total energy consumed is traditional biomass and nearly 64% is consumed in cooking with an additional 17% in animal feed preparation. Surveys show an average of 3-4 hours per day spent by women in fuel collection; health costs of the traditional fuel cycle include mainly respiratory and eye diseases from indoor air pollution, and prolapsed uterus from load carrying. Deforestation remains a serious local problem in many mountain and hill areas and only 29% of the country remains forested, compared to 37% in 1990. Electricity accounts for only 0.1% of energy consumed in rural areas and only 27% of Nepalis living in rural areas have access to electricity, compared to 87% living in urban areas. Lack of electricity for social uses such as drinking water, lighting for education, media for information, and refrigeration for health clinics; as well as for productive uses such as water pumping for irrigation (84% of the population depend on agriculture), agro-processing, and income-generating applications, is an obstacle to meeting the related Millennium Development Goals (MDGs).

Renewable energy technologies (RETs) have been promoted in Nepal since the early seventies and the success of these initiatives is noteworthy: As of 2006, 9.5 MW of micro hydropower has been developed, covering around 95,000 households; 84,000 solar home systems have been installed; 350,000 households are using improved cook stoves, and 160,000 biogas plants have been installed. About 7% of the population uses renewable energy resources (not including traditional fuels, used by nearly 100% of mountain households and about 77% of hill households for cooking and heating). Various bi-lateral and multilateral development partners, such as, Denmark, Norway, Germany, Netherlands, Canada, United Nations Development Programme (UNDP), World Bank (WB), Asian Development Bank (ADB), European Union (EU), etc. have supported Nepal for these RETs promotion. Similarly, various government bodies, line ministries, private sector, non-governmental organisation (NGOs), and community based organisation (CBOs) have played vital role to achieve these outputs.

¹ *Dalits* are socially oppressed groups of people in Nepal by so called upper caste groups historically, and have become disadvantaged in all respects.

² *Janajati* are the Tibeto-Burman stock of people with mongoloid appearance. Also, sometime taken as synonymous to indigenous people. A very large proportion this group is still poor and their representation in the national systems is very minimal.

³ *Madhesis* are people living in the southern plain of Nepal called Terai or *Madhes* bordering to Indian states known as Bihar and Uttar Pradesh. They are still underrepresented in the national systems and their assertion is that they have been historically discriminated by the state on the basis of their being from this region.

⁴ The other marginalised groups include religious minorities like Muslims and poor people of remote areas irrespective of their caste and ethnicities.

However, many obstacles exist to the expansion of renewable energy use, including inadequate institutional structure, the need for a comprehensive framework for energy service delivery to the poor, high upfront costs of alternative energy compared to traditional fuels, low purchasing power of rural people and lack of viable and sustainable RET financing mechanism, lack of attention to productive uses that could pay for energy services, and lack of harmonised and collaborative efforts among the donors and national renewable energy programmes.

Nepal has an immense hydropower resource estimated at 42,000 MW⁵ but only 0.2% of this has been tapped due to institutional problems with grid electrification. To increase efficiency, the Nepal Electricity Authority (NEA) has already planned to unbundle generation, transmission and distribution functions. Furthermore, in line with the policy of allowing local communities and cooperatives to participate in the sale and distribution of electricity, NEA has decentralized some of these functions. The Power Development Fund (PDF) has been established to mobilise investments in small and medium power development projects. Given the slow progress and time lags in mobilising investment fund, however, the government projects that at least one-third of electrification planned under 10th Plan target of 55% electrification will need to be off-grid.

The rural energy systems development is under the purview of the Ministry of Environment, Science & Technology (MoEST) and is implemented through the Alternative Energy Promotion Centre (AEPCC). The AEPCC is taking lead in planning, policy, coordination, monitoring and fund mobilisation activities in the sector. It also works through the District Development Committees (DDCs) to implement district level rural energy programmes, particularly through Rural Energy Development Programme (REDP) and is in the process of expanding to all other districts. A comprehensive Rural Energy Policy was promulgated by the GoN in November 2006. It highlights the role of the private sector in expanding energy solutions and replacing inefficient and unsustainable use of biomass energy with cleaner energy sources, as well as the role of community-managed energy service delivery and the promotion of productive uses of energy for poverty alleviation.

GoN has begun to explore the possibility of injecting funds into the development of alternative energy via the Kyoto Protocol's Clean Development Mechanism (CDM). A first Emission Reduction Purchase Agreement (ERPA) was signed in May 2006 between the AEPCC and the World Bank (WB) which valued each biogas unit at reducing 5 tonnes of carbon dioxide (tCO₂) emissions annually and the agreed price is US\$ 7 per tonne of emission reduction. The period covered under this agreement is from 1 Aug 2004 to 31 July 2010.

Similarly, a second ERPA was signed between the AEPCC and the WB on 30 June 2007 to reduce 191,000 tCO₂ equivalent by 2012 through micro-hydros bundled to make a size of 15 MW and the agreed price is US\$ 10.25/tonne of emission reduction. With this ERPA an amount of US\$ 841,833 (43% of the total) will be from REDP's contribution of total amount of US\$1,957,750. The remaining part will be from the micro-hydros established with support of Energy Sector Assistance Programme (ESAP). In this ERPA, there is also a provision that additional 100,000 tCO₂ equivalent will be agreed with revised price in the next ERPA in 2012.

In 1996, the United Nations Development Programme (UNDP) began supporting the GoN in the rural energy sector through the REDP (Phase-I) as a pilot programme in 5 hilly districts. Based on the successful results, the programme was expanded to 10 districts in 1998 and to 15 in 2000. Since 2003 the programme (Phase-II) has been in operation as a joint programme of GoN, UNDP and the WB in 25 hilly and mountainous districts of Nepal. The support from UNDP has been agreed until 31 August 2007. Given the success of the programme, the AEPCC/GoN is keen to expand as well as to intensify the ongoing partnerships with the UNDP and WB in order to expand coverage to 40 districts for implementation and all 75 districts for planning, coordination and

⁵ The estimate is economically feasible one only. Technically feasible is estimated to be about 83,000 MW.

awareness creation from FY 2006/07 with the objective of providing energy services to households in hilly/mountainous areas for productive purposes.

The REDP has been appraised positively by various independent evaluations and impact assessments. An independent assessment of REDP impacts and contribution to achieving MDGs found substantial improvements in MDGs indicators for poverty reduction, primary education, gender equity, child mortality, access to drinking water, and reduction in fuel-wood consumption, in REDP project areas as compared with national averages. Good practices have been highlighted both nationally and internationally in the form of awards and recognitions. The final evaluation (Dec 2006 to Jan 2007) highlighted a number of positive impacts as well as drawing key lessons as future directions.

REDP-phase II has focused on community-managed micro-hydropower, institutionalisation of district-level energy planning, development of national rural energy policy, and preparation of micro-hydro for CDM. UNDP technical assistance has focused on capacity building of local level institutions to plan, implement and manage rural energy systems, operationalisation of a central level Project Support Unit and providing policy inputs to the government. The recent evaluation (2006/07) suggests that REDP is strong in the following aspects due to which the programme remained robust even during the difficult conflict period: i) significant benefits for the project communities, ii) positive image (high expectations), iii) effective information dissemination at national and international levels, iv) streamlined project processes, v) effective resource mobilisation at the local level (village/district), and vi) contribution to creating a pool of 'sustainable development' professionals⁶ within the country. The same evaluation also indicated the following as the areas for improvement: i) community contribution remains a problem, especially in villages where the entire community is very poor, ii) motivation level and project support to Support Organizations or local NGOs, iii) lacklustre impact of enterprise development and income generating activities, and iv) vision building internalization into government institutions specially at the district level.

The evaluation has further suggested some emerging directions both at the level of REDP and at the level of UNDP. For REDP, the key areas include working towards sustainability aspects of institutions built at different levels, fine-tuning of technical aspects and sharpening gender and social inclusion (GSI) strategies. As there is a high expectation from the programme, for UNDP, consolidation of lessons and practices learned through REDP, additional technical support for materialising the implementation of rural energy policy directed towards achievement of MDGs, and aligning partnership strategies are key issues. The present project document addresses these issues and rethinks the REDP/UNDP engagement in the energy sector in these lights.

REDP-phase II runs until August 2007. Both UNDP and the World Bank have committed to continue their support in the REDP-III phase. In the mean time, UNDP has built a partnership with the Himal Power Limited (HPL), a private company, including assistance from Norwegian Government recently with a project entitled "Khimti Neighbourhood Development Project (KiND)" which will also come under the overall management of the REDP's Phase-III (REDP-III).

PART II: STRATEGY

Broader programmatic framework: The objective of the REDP-III is to contribute to the peace process by building local capacity for sustainable, community-managed, and equitable rural energy service delivery for poverty alleviation, livelihood promotion and environmental protection. This objective supports the objectives of both the GoN and the UNDP in line with the current UNDAF (2002-2007) as well as the new UNDAF (2008-2010). The GoN is currently finalising

⁶ As REDP has been recognised nationally and internationally, it was favourable for staff members to pursue their higher studies and for their career growth. At present, ex-REDP staff could be found in government, Asian Development Bank, EU, Winrock International Nepal, NGOs and abroad working in UN and other agencies.

the 3 year Interim Plan, through a consultative process led by the National Planning Commission (NPC). High priority is being accorded to rural infrastructure, of which alternative energy has been identified as a critical component. Three critical areas of synchronization among GoN priorities, UNCCA/UNDAF, and REDP can be identified:

- *Poverty:* The overarching goal of the Tenth Plan (2002-7) of the GoN has been poverty alleviation with attention to social inclusion. The Tenth Plan has identified energy as a 'priority category I' sector in the Poverty Reduction Strategy (PRS). The plan has intended to promote renewable energy to reduce the consumption of fossil fuels and firewood on the one hand and to provide improved forms of energy to rural populations for poverty alleviation. The UNCCA and UNDAF have emphasized the need for poverty alleviation and social inclusion as a means of peace building.
- *Increasing access to energy:* The Tenth Plan aimed to increase access to electricity from 40% of the population to 55% during the plan period. However, the 3-year Interim Plan has estimated that only additional 8.5% people will have access to electricity at the end of the plan period leaving 6.5% unattained. Interim Plan also recognises that the community based rural electrification programmes initiated during 10th Plan are encouraging despite many problems and challenges. Similarly, the Interim Plan, recognising the achievements of 10th Plan in the alternative energy sector, envisages expanding access to electricity for additional 4.5% of rural population for which REDP's contribution will be crucial. The UNDAF (2008-2010) also highlights the importance of rural energy system development on impacting socio-economic development of rural Nepal as well as minimizing environmental deterioration.
- *Decentralized governance:* REDP's emphasis on decentralized governance is in line with 10th Plan strategies on decentralization including autonomy for local bodies in performing duties in line with the Local Self Governance Act of 1999; enhancing institutional capacity of local bodies to enable them to deliver services to the people and function responsibly; enhancing people's participation in the local development process; and making local bodies capable of mobilizing internal and external resources. The mechanism of District Energy Fund (DEF) empowers the local bodies for mobilising resources locally and expanding rural energy technology at the districts levels.

Increasing access to energy services is the key to achieving the MDGs and is one of the key areas of intervention for UNDP, together with its core business of capacity building. One of the key concerns for UNDP is supporting capacity development of public institutions to deliver modern energy services at the sub-national and local levels and building national ownership. UNDP is keen to mainstream energy into MDG-based development strategies including strong energy considerations in the national budgeting processes. The approach demonstrated by REDP for energy services promotion linked to poverty reduction and MDGs achievement is recognized as one workable solution. The keen interest of GoN to expand the programme is based on its achievements in this area. In addition, UNDP has supported the rural energy policy initiative which resulted in the promulgation of the Comprehensive Rural Energy Policy in November 2006; the GoN is very interested in implementing the Policy rigorously in order to achieve its goals and objectives. Further, UNDP has supported development of micro-hydropower as a Clean Development Initiative under the Kyoto protocol, which the GoN wishes to pursue as a means for sustainable subsidy of renewable energy.

Strategic focus of the REDP-III: REDP has been successful in developing the basic model of community managed rural energy systems and this model now needs to be scaled up and mainstreamed in all districts and national as well as local level planning systems. It needs to enlarge its mandate as a rural energy programme responding to the expressed energy needs, including cooking energy as well as micro-hydro based rural electrification. REDP needs to respond to the peace-building demand for energy service delivery in poorer and more remote areas including women, the poor, and socially excluded groups. In order to meet these needs, livelihoods promotion needs to be closely linked with energy service delivery and supported. In

addition, the promulgation of the rural energy policy is only the first step, and this needs to be made functional and operational through district-level energy planning, coordination and awareness creation in all 75 districts. AEPC needs to be further enabled to coordinate integrated rural energy planning with national energy programmes. The sustainability of small hydropower systems in a growing rural electrification system needs to be ensured through larger and inter-connected systems. There are high expectations from REDP, and UNDP support will be vital. All these led to the conclusion that the REDP-III will have the following key components (or outputs as explained in the Results and Resources Framework section), and based on UNDP experience in the rural development and energy sector in Nepal and elsewhere in the world, and based on the independent evaluations and reports, the following strategies are suggested:

Component 1: Consolidation and advancement of REDP Community Model

To consolidate and advance the innovative nature of the REDP holistic community development and rural energy planning model, an outward-looking “process learning model” “REDP-Plus” will be developed in the REDP-III. Best practices of REDP and other projects and programmes in both energy and poverty sectors will be reviewed and a revised service delivery model agreed by stakeholders will be prepared at process workshops both internal and external. Of particular importance will be the further integration of poverty, gender and social inclusion targeting, and livelihoods promotion for the poor, with the assistance of Poverty Alleviation Fund (PAF). Under the auspice of AEPC, the programme will partner with PAF (WB supported fund mandated to directly support the local institutions for poverty alleviation initiatives) to support livelihood activities. The issue of inclusion of the poor households, who lack equivalent collaterals required for their participation in the energy projects, will be resolved through mobilising additional resources from other partners for this. The findings of the final evaluation report of REDP will also be integrated in the new model. Studies and assessments will be used for continuous learning and feedback and M&E will maintain a complete overview of activities undertaken by REDP-III and its partners. An M&E model for measuring linkages between energy and poverty will be developed and used for project strategy corrections. Communications with key stakeholders, programmes and donors will be maintained through donor coordination meeting led by AEPC, a website and e-news and participation in seminars and training workshops by staff for continuous learning as well as dissemination of REDP experiences and innovative approaches.

Component 2: Expansion of energy access to poor and marginalised people

To expand community-driven energy access to poor and marginalized people in 40 districts, the REDP implementation model will be mainstreamed at district level by building local level capacity for energy service delivery through the holistic community management model. In the original 25 districts, there are still poverty pockets, and benefits for women, poor and socially excluded can be increased in some REDP areas. In the 15 new districts, which are selected on the basis of poverty criteria, the full implementation package will be mainstreamed. The new 15 districts include, Udaypur, Bhojpur, and Khotang in the Eastern Development Region; Ramechhap, Sindhuli, Sarlahi and Rasuwa in Central Development Region; Gulmi, Gorkha, and Kapilvastu in the Western Development Region; and Jajarkot, Kalikot, Jumla, Rukum and Rolpa in the Mid Western Development Region (See Annex 4 for details of districts selection).

In order to maximize benefits for the poor and women, a full menu of energy options will be offered, including cooking energy and improved water mills as well as micro-hydro and solar PV for Household electrification. The beginning of all these will be through comprehensive community mobilisation (CM) process drawing lessons from past REDP interventions and other programmes, such as, PAF, ESAP, which will also help to ensure social inclusion. Inclusion of marginalized people including women will be supported and monitored as beneficiaries, participants, operators and decision-makers. District Energy & Environment Sections (DEES) will be strengthened or established in all 40 districts and local bodies and NGO support organizations at district and VDC level will be strengthened and supported to carry out needs and supply assessments and implement the process learning model with gender and social inclusion and

livelihoods promotion integration. Micro-hydro implementation will continue as REDP core strength, and other renewable energy technologies will be implemented by mobilising technical assistance and resources from national energy programmes of AEPC and others, such as ESAP, Biogas Support Programme (BSP), Improved Water Mills Programme (IWMP) and Renewable Energy Project (REP) and others. It is targeted that 1.7 MW of community-managed micro-/mini hydropower will be installed through REDP-III. In addition, 2,200 toilet-connected biogas plants, 9,000 improved cook stoves, and 550 solar home systems will be delivered to 20,000 households (100,000 people) in the REDP-III villages in collaboration with the support from other programmes under AEPC. The project strategy, M&E and corrections will ensure that the poor, women and socially excluded benefit disproportionately. For micro-hydro, this level of delivery has been selected based on identified VDCs, the need for faster delivery in the post-conflict situation, and the need to achieve a target of 15 MW in order to bundle micro-hydro for CDM compliance (see 5 below).

Component 3: Capacity building for using energy for sustainable livelihoods promotion

To contribute to the generation of a rural economic growth process, a central tenet will be the linkage of the energy services to livelihoods promotion, income generation, and social services - both in order to pay for the new services and their maintenance, and to impact on achievement on MDGs, in particular poverty alleviation. Community grants for a livelihoods promotion and energy appliance and conservation fund, as well as linkages with PAF, line agencies, I/NGOs, and UNDP projects, will be used to channel livelihoods programmes to the communities based on participatory assessment of local needs, resources, skills and markets. Linkages for targeting include e.g. integrated water resource management linking irrigation, drinking water & micro-hydro; non-timber forest products (NTFP), agro-forestry and community forestry; diversified crops such as pineapple, ginger, tamarind, garlic with associated agro-processing facilities, non-farm income-generating activities, trekking and tourism energy needs, ICT for community education/business literacy classes, school education, sanitation, health, and social & institutional uses. In addition, an innovation fund will be available to pilot adaptive technology research for end-use promotion. In this connection, linkages will be established with UNDP supported project like Micro-Enterprise Development Programme (MEDEP) and government's PAF which have strong livelihoods focus.

Component 4: Operationalisation of Rural Energy Policy (2006)

To support rural energy policy and planning, key elements of the recently promulgated comprehensive Rural Energy Policy (2006) will be operationalised in all 75 districts and at national level. A package of measures will focus on establishing and strengthening district and national planning methods and structures and preparing operational guidelines, policy and legislations, and assessments. While full DEES will be established in 40 districts, all 75 districts need to have a basic capacity to plan, monitor, coordinate and mainstream rural energy planning and environment mainstreaming in district level planning, through an additional staff expert or training of existing staff and integration of energy with development information systems. This approach has already been piloted by AEPC, with UNDP support, in six additional districts and in REDP-III phase this will be expanded to all districts. At national planning level, a central data-base and system for coordination and monitoring of district-level and national level energy programmes and integration of energy with line agency sector programmes will be designed and implemented and institutionalized in AEPC. At policy implementation level, guidelines, policy & legal documents, acts and regulations, and assessments to support district and national level energy policy implementation will be prepared such as a study on pro-poor "smart" subsidy policy for renewable energy based on geographical and other criteria; guidelines for consistency and equity of subsidy policies for off-grid and on-grid electrification; policies and guidelines for financial and other modalities to overcome exclusion based on findings of ongoing AEPC study on gender mainstreaming and social exclusion strategy; a study on scale-up mechanisms for meeting cooking energy needs including health, forestry and women's development; and a study on new

financial mechanisms and private-public ownership modalities for small hydro development and expansion of micro-hydro sites.

Component 5: Piloting for sustainability of smaller hydropower systems and innovating on other RETs

To ensure the sustainability of future small hydropower development, innovative approaches will be piloted in mini-hydro development and in accessing resources through the CDM. Micro-hydro plants provide insufficient output for productive uses, balanced load and reliability for economic growth, as well as low output to justify grid connection. With increasing demand and to justify eventual connection to the grid, hydropower development in unconnected areas will need to develop beyond micro-hydro to mini-hydro in the 100-500 kW range. With this in view, the technical, economic and managerial feasibility of micro-grid connection to reach these levels will be piloted in 4 areas. In addition, the KiND project squarely fits in the context of piloting a mini-hydro (400kW power plant) for which a separate document has been already agreed which provides details of its strategies, implementation modalities and dedicated team members. The KiND team will be represented in the overall management arrangement of REDP. Furthermore, mini-hydro manufacturing potential in this range exists in Nepal but has not been developed by local manufacturers. Feasibility and capacity-building for the manufacture of mini-hydro turbines in Nepal will also be explored. Another area where the GoN is pursuing micro-hydro sustainability and requires further UNDP assistance is in design and implementation of a CDM-compliant micro-hydro process. In this connection, UNDP has already supported AEPC for the preparation of Project Identification Note (PIN) and Project Design Document (PDD) documents and the Emissions Reduction Purchase Agreement (ERPA) was signed on 30 June 2007 between the AEPC and the WB's Community Development Carbon Fund (CDCF). The project will support the achievement of full CDM qualification for mini-hydro (including upgrading and consolidating already installed systems as necessary to meet the 15 MW bundling target), and advocacy with UNDP and other international bodies for acceptance in global rules. Efforts will be made to access resources from the UNDP MDG Carbon Facility.

AEPC has made considerable progress in donor coordination with the establishment of the Rural Energy Fund (REF), a basket fund for subsidy of renewable energy technologies. Nonetheless, greater donor harmonization needs to be encouraged. AEPC needs to be supported in evaluating different approaches and modalities for rural energy services delivery for up-scaling. Specifically for micro-hydro, feasibility study of possible institutional and financial scale-up of community micro-hydro to 20 MW or higher will be carried out prior to the mid-term evaluation. In addition, by establishing innovation fund, identification, adaptation, upgrading and promotion of RETs will be enhanced. Various assessments will also be made involving stakeholders for their validation and satisfaction of the new RETs. The new Innovation fund will also allow exploring partnership opportunities with the private companies or individuals at the local level for generating power in the scale of 500 KW to 1 MW.

Programme Sustainability and Exit Strategy:

The exit strategy of the programme has to be designed based on some key considerations, such as the long term sustainability of the programme components, which are given below. It is expected that the detail exit strategy will be worked out by the programme management during the initial year of programme implementation. However, some key recommendations are proposed below as guidance.

a) Considerations:

- i. REDP will be primarily implemented during the Interim Plan period (2008-2010) of the GoN in line with the new UNDAF and UNDP CPD for the same period; and for that reason it will

require a reasonably flexible approach for its safe exit depending upon the nature of new governance structure to be set up at central and local levels within the Interim Period.

- ii. By the end of 2009 REF will be made fully capable of functioning as an autonomous national level rural energy funding mechanism to support NGOs, CBOs, private sector, or DEES directly to promote RET through decentralised systems.
- iii. Though the WB funding commitment to the project through Power Development Project (PDP) will end in 2009, it is expected that the AEPC and the WB will mutually agree upon some mechanism to inject additional funds from the WB for RET promotion, which can be further used as parallel financing for REDP III for the remaining period of the project beyond 2009.
- iv. UNDP funds remain committed for the entire five year period of the project subject to confirmation at the end of 2009 depending upon the availability of additional resources available to the project from WB, kinds of governance system emerged by then, and satisfactory performance of the project. For this reason the project outputs and activities are designed for the entire five year period.
- v. By the end of the project the functions of REDP central level programme management will be fully undertaken by AEPC. Similarly, the district level rural energy structures and systems promoted by REDP so far will be subsumed by respective DDCs including the positions under DEES⁷. The government, including the MLD and AEPC/MoEST will adopt prompt mechanism from the beginning of the project to convert these positions into regular structure of the DDC umbrella.
- vi. Mainstreaming of the 'best practices' of REDP shall be done at all levels (central, district and community levels) for which specific indicators will be established.

b) **Suggestions for programme exit:** Following suggestions are made for safe exit of the programme as a guidance:

i. National level:

- a. AEPC will depute four officer level staff to REDP on part time basis who will work with the REDP team at the centre in order to build AEPC's capacity to take full ownership of the programme from the end of the five-year period, starting from the second year.
- b. The Central level REDP team may opt to organise as an autonomous professional organization for providing technical and community support services to local communities and support organizations engaged in rural energy development, as well as supporting the GoN in policy analysis and energy planning.

ii. District level:

- a. AEPC will work together with the MLD to devise a mechanism for continued DDC support to DEES for their smooth functioning under regular programme structure of DDC. The composition and structure of DEES will depend upon the functions⁸ of the DEES as well as the capacity of DDC to sustain in the long run.

iii. Community level:

- a. A mechanism for sustained community empowerment shall be developed to maintain the functioning of Community Organisations (COs) after the project is phased out. Specific criteria/indicators shall be set out to assess their capacities

⁷ The existing REDS in 25 districts will be converted as District Energy and Environment Sections (DEES).

⁸ Key function of DEES is identified as providing support to DDC for energy and environment mainstreaming at the local level, including: a) environment assessment of infrastructure work, b) working out a formulate based budgetary allocation mechanism for energy and environment priorities, c) district level energy planning, e) providing support to the local communities for implementing community based rural energy schemes, and f) collaborating with line agencies/partners for sharing resources for development activities, and ensuring sustainable harvest of natural resources.

to sustain. Any support to these community level institutions if required, the respective DDC through REDS will be responsible for this.

- b. The project will support the formation of cooperatives and establishment of networks of the local COs for institutionalisation of the outcomes of community mobilisation.
 - c. From early stage, the project will engage into constant monitoring, consultations and dialogue with all concerned stakeholders at various levels in order to devise an effective way out of exit from the project villages based on lessons learnt.
- iv. Gradual phasing out strategy from mature districts:** The project management from the beginning will adopt a strategy of phasing out from those communities/VDC/DDC where the programme was started during the first and second phase depending upon the level of maturity they have attained. Based on the analysis done during REDP-II extended period (January –August 2007), further assessment will be carried out to establish a common basis and draw out a plan for gradual phasing out. It is estimated that direct REDP support will be phased out from 5 -10 districts by the end of 2008, which will be followed in other districts in the following years.
- v. Exiting of KiND Project:** The KiND project is a time-bound and output bound project the exit of which has been elaborated in a separate project document.
- vi. Transfer of assets and properties:** For property and asset management matters, standard procedures of UNDP in collaboration with the GoN will be adopted.

PART III: RESULTS AND RESOURCES FRAMEWORK

| Intended Outcome as stated in the UNDAF (2008-2010): | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|----------------|
| Energy and environment mainstreamed into national and local development planning with 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 the national level in place. | | | | | |
| Applicable MYFF Service Line: 3.3 Access to sustainable energy services. | | | | | |
| Partnership Strategy: | | | | | |
| Ministry of Environment, Science and Technology (MoEST) will be the implementing partner, designating the Alternative Energy Promotion Centre (AEPCC) for this purpose. Ministry of Finance (MoF), National Planning Commission (NPC), Ministry of Local Development (MLD), Ministry of Water Resources (MoWR), Ministry of Forests and Soil Conservation (MFSC), Poverty Alleviation Fund (PAF), Department of Women Development (DWD) of the Ministry of Women, Children & Social Welfare (MoWCSW), the World Bank (WB), Association of District Development Committees of Nepal (ADDCN) and National Association of VDCs in Nepal (NAVIN) will play key roles as members of government and elected bodies in planning, management and integration of experiences into national policy. DDCs and VDCs will play roles in bottom-up planning. At the district level, DDC will be the focal agency for implementation of the Programme through the DEES. District level line agencies and I/NGOs will provide critical linkages for poverty alleviation and livelihood promotion activities. The private sector as supplier and installer of rural energy systems and local NGOs as support organizations in community mobilization will have crucial roles to play. | | | | | |
| Important partners for cooperation with the project include the World Bank on micro-hydro delivery and capacity-building; national energy Programmes on energy service delivery; the Poverty Alleviation Fund on gender and social inclusion strategy, livelihoods promotion and financial supports for the poor; and line agencies, local bodies, I/NGO, private sector and other UNDP-supported projects on livelihoods promotion, enterprise development, education, health, forestry and other linkages. The Ministry of Finance (MoF) as the government cooperating agency will channel the IDA grant funding of the World Bank through AEPCC to support the district and community level rural energy activities and UNDP will provide technical assistance for implementation. | | | | | |
| Project title and ID (ATLAS Award ID): Rural Energy Development Programme –Phase-III (00047739) – NEP/07/011 | | | | | |
| Intended Outputs | Output Targets for (years) ⁹ | Indicative Activities ¹⁰ | Responsible parties | Inputs ¹¹ | Funding source |
| 1. Equitable access to environment¹² and energy services expanded for the poor, women and socially excluded groups (UNDP CPD, CP Output 4.1.1) Output Indicators: 1.1 % of people relying on wood as their main fuel (UNDP CPD Indicator 4.1.1a). | 2007 <ul style="list-style-type: none"> Framework for REDP-Plus model established. 2008 <ul style="list-style-type: none"> 3 studies conducted for (i) designing market based RETs promotion incentive mechanism/system; (ii) documenting and/or consolidating REDP best practices and lessons from other parts of the world; and (iii) gender analysis and mainstreaming in the REDP including gender audit. 2009 <ul style="list-style-type: none"> Market based RETs promotion incentive system designed and piloted. REDP-Plus model developed and submitted to government for consideration. | 1.1 Develop new REDP-Plus model consolidating/utilising lessons & best practices of REDP and other experiences that allow continuous learning in rural energy and poverty alleviation in Nepal | AEPCC | 987,500 | UNDP |

⁹ For detailed output targets the Annex 5 should be referred while developing Annual Work Plans.

¹⁰ The details of these indicative activities as sub-outputs have been placed as Annex 5.

¹¹ Among the 5 indicative activities nos. 1 and 5 will be fully funded and no. 4 partially funded by UNDP and accordingly will be entered into Atlas. However, the parallel funded activities are also reflected in the RRF to show partnership.

¹² Although the UNDP Country Programme Document (CPD) Country Programme (CP) Output covers both environment and energy, this project primarily addresses energy part.

| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------|------|
| <p>Baseline: 69.1% (UNDP CPD BL 4.1.1a)</p> <p>1.2 REDP-Plus model developed.</p> <p>1.3 Wattage of electricity generated from micro-hydro power plants (Approximately 100,000 additional people will have access to electricity).</p> <p>Baseline: 9.5MW of hydro electricity generated from Micro-hydro as of 2006 (national).</p> <p>1.4 Number of people who have rural energy based micro-enterprises.</p> <p>Baseline: Approximately 800 micro-enterprises created by REDP I & II.</p> <p>1.5 Rural Energy Policy (2006) integrated in all 75 districts.</p> <p>Baseline: RE Policy approved in November 2006, and piloting in 6 districts has begun in 2007.</p> <p>1.6 Number of innovations demonstrated for RET sustainability.</p> <p>Baseline: To be established.</p> | <p>2007</p> <ul style="list-style-type: none"> Installed 200 TAB, 50 SHS and 1000 ICS in the 40 districts Formed Strategy for Gender empowerment and Social inclusion. <p>2008</p> <ul style="list-style-type: none"> Installed 0.5 MW of Micro hydro, 1000 TAB, 250 SHS and 4000 ICS in the 40 districts Implemented Gender and Social Inclusion strategy <p>2009</p> <ul style="list-style-type: none"> Installed 1.2 MW of Micro hydro, 1000 TAB, 250 SHS and 4000 ICS in the 40 districts | <p>1.2 Built capacity at local level to increase energy access through holistic community management model, including women & socially excluded, in 40 districts</p> | AEPC | 3,225,000 | WB |
| | <p>2007</p> <ul style="list-style-type: none"> Conducted orientation workshops in 15 programme districts for coordination activities with stakeholders like PAF, CSD, line agencies etc. <p>2008</p> <ul style="list-style-type: none"> A Model End-use and Livelihood VDC established including guidelines Implemented the strategy on energy linked livelihood options Conducted R&D on rural enterprise and livelihood development technologies <p>2009</p> <ul style="list-style-type: none"> 3 enterprise development activities conducted. Conducted R&D on rural enterprise and livelihood development technologies | <p>1.3 Built livelihoods improvement capacity of 40 districts by linking energy services with poverty alleviation through productive & other end uses, including women & socially excluded.</p> | AEPC | 477,500 | WB |
| | <p>2007</p> <ul style="list-style-type: none"> RE policy dissemination & orientation trg-workshop in 15 districts 32 Districts supported to establish DEES <p>2008</p> <ul style="list-style-type: none"> RE policy dissemination & orientation trg-workshop in 25 districts 4 studies on i) district and national energy planning process, ii) pro-poor "smart" subsidy, iii) roles, responsibilities and effectiveness of TRC, and iv) cooking energy. <p>2009</p> <ul style="list-style-type: none"> RE policy dissemination & orientation trg-workshop in 50 districts One study to develop a new financial mechanism for small hydros conducted. One national consultative workshop on implementation strategy of "smart" subsidy. | <p>1.4 Institutionalise Rural Energy Policy in all 75 districts and national level.</p> | AEPC | 67,500 | WB |
| | | | AEPC | 384,000 | UNDP |

| | | | | | |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------|
| | <p>2007</p> <ul style="list-style-type: none"> Finalized and Registered the Micro hydro CDM project and set up the CER monitoring system. Guidelines and modalities for RET 'innovation fund' developed. <p>2008</p> <ul style="list-style-type: none"> One mini-grid connection completed. 2 studies conducted on i) capacity building of local manufacturers for larger hydro-turbines, and ii) community (public) ownership and private management practices of micro hydro for sustainability. One 'innovation fund' created at centre and operationalised. Alternative RETs promoted in Terai district on a pilot basis. <p>2009</p> <ul style="list-style-type: none"> Three mini-grid connections completed. One study conducted on community development plan for the use of CDM revenue. One workshop organised on community (public) ownership and private management model of micro hydro for sustainability. | <p>1.5 Innovate and pilot approaches for long-term micro-hydro and RETs sustainability.</p> | <p>AEPC</p> | <p>438,000</p> | <p>UNDP</p> |
| <p>Monitoring and Communication (US\$)-Approx 6% of UNDP fund allocated for the project.</p> | | | | <p>95,000</p> | |
| <p>Total of UNDP (US\$)</p> | | | | <p>1,904,500</p> | |
| <p>Total of GoN/WB (US\$)</p> | | | | <p>3,800,000</p> | |
| <p>Grand Total (US\$)</p> | | | | <p>5,704,500</p> | |

PART IV: ANNUAL WORK PLAN BUDGET SHEET



Annual Work Plan

Nepal - Kathmandu

Award Id: 00047739

Award Title: REDP-III

Year: 2007

Report Date: 7/8/2007

| Project ID | Expected Outputs | Key Activities | Timeframe | | Responsible Party | Planned Budget | | | | |
|--------------------|--------------------------------|------------------------------|-----------|-----|--------------------------------|----------------|-------|--------------|--------------------------------|------------|
| | | | Start | End | | Fund | Donor | Budget Descr | Amount US\$ | |
| 00057572 | Equitable access to energy ser | 1.Develop REDP-Plus mode | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71400 | Contractual Services - Individ | 90,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 8,540.00 |
| | | | | | UNDP (Direct Execution) | 04000 | UNDP | 71600 | Travel | 1,500.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 9,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72200 | Equipment and Furniture | 120,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72500 | Supplies | 11,500.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 74500 | Miscellaneous Expenses | 18,360.00 |
| | | 4.Institutionalise RE Policy | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 64,000.00 |
| | | 5.Innovate & pilot approache | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 2,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 13,333.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 9,000.00 |
| | | 6.Moniotoring & communica | | | UNDP (Direct Execution) | 04000 | UNDP | 74500 | Miscellaneous Expenses | 20,000.00 |
| | | TOTAL | | | | | | | | |
| GRAND TOTAL | | | | | | | | | 367,233.00 | |



Annual Work Plan

Nepal - Kathmandu

Award Id: 00047739

Award Title: REDP-III

Year: 2008

Report Date: 7/8/2007

| Project ID | Expected Outputs | Key Activities | Timeframe | | Responsible Party | Planned Budget | | | | |
|--------------------|--------------------------------|------------------------------|-----------|-----|--------------------------------|----------------|-------|--------------|--------------------------------|------------|
| | | | Start | End | | Fund | Donor | Budget Descr | Amount US\$ | |
| 00057572 | Equitable access to energy ser | 1.Develop REDP-Plus mode | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71400 | Contractual Services - Individ | 300,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 11,080.00 |
| | | | | | UNDP (Direct Execution) | 04000 | UNDP | 71600 | Travel | 2,500.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 2,500.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72200 | Equipment and Furniture | 10,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72500 | Supplies | 20,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 74500 | Miscellaneous Expenses | 25,720.00 |
| | | 4.Institutionalise RE Policy | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 160,000.00 |
| | | 5.Innovate & pilot approache | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 2,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 25,833.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 251,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 74500 | Miscellaneous Expenses | 12,500.00 |
| | | 6.Moniotoring & communica | | | UNDP (Direct Execution) | 04000 | UNDP | 74500 | Miscellaneous Expenses | 40,000.00 |
| TOTAL | | | | | | | | | 863,133.00 | |
| GRAND TOTAL | | | | | | | | | 863,133.00 | |



Annual Work Plan

Nepal - Kathmandu

Award Id: 00047739

Award Title: REDP-III

Year: 2009

Report Date: 7/8/2007

| Project ID | Expected Outputs | Key Activities | Timeframe | | Responsible Party | Planned Budget | | | | |
|--------------------|--------------------------------|------------------------------|-----------|-----|--------------------------------|----------------|-------|--------------|--------------------------------|------------|
| | | | Start | End | | Fund | Donor | Budget Descr | Amount US\$ | |
| 00057572 | Equitable access to energy ser | 1.Develop REDP-Plus mode | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71400 | Contractual Services - Individ | 300,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 11,080.00 |
| | | | | | UNDP (Direct Execution) | 04000 | UNDP | 71600 | Travel | 2,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 1,500.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72500 | Supplies | 20,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 74500 | Miscellaneous Expenses | 22,220.00 |
| | | 4.Institutionalise RE Policy | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 160,000.00 |
| | | 5.Innovate & pilot approache | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 71600 | Travel | 2,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72100 | Contractual Services-Companie | 17,834.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 72600 | Grants | 90,000.00 |
| | | | | | NEP-Alternative Energy Promoti | 04000 | UNDP | 74500 | Miscellaneous Expenses | 12,500.00 |
| | | 6.Moniotoring & communica | | | UNDP (Direct Execution) | 04000 | UNDP | 74500 | Miscellaneous Expenses | 35,000.00 |
| TOTAL | | | | | | | | | 674,134.00 | |
| GRAND TOTAL | | | | | | | | | 674,134.00 | |

PART V: MANAGEMENT ARRANGEMENTS

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

The REDP 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 MOEST. Potential members will be representatives from Ministry of Finance (MoF), National Planning Commission (NPC), Ministry of Local Development (MLD), Ministry of Water Resources (MOWR), Ministry of Forests and Soil Conservation (MFSC), PAF, Department of Women Development (DWD) of the Ministry of Women, Children & Social Welfare (MoWCSW), the World Bank (WB), Association of District Development Committees of Nepal (ADDCN), National Association of VDCs in Nepal (NAVIN) and UNDP Deputy Resident Representative. The PAC will meet to once or twice a year to assess the progress and achievement of the project as well as provide overall policy direction. The PAC may invite the Project Executive to attend the PAC meetings for necessary updates and consultations. The PAC members may undertake joint monitoring field visits for acquiring first hand information regard to project performance and delivery, providing guidance to resolve any issue pertaining to field implementation and gathering lessons from the field for policy advocacy/review/formulation. It is to be noted that PAC is only a temporary arrangement until an Outcome Board (OB) is constituted at the national level. Once the Outcome board will be formed, the PAC will be formally closed.

The REDP Project Board (PB): The Project Board is the group responsible for making consensus-based management decisions related to the project including recommendations for Implementing Entity/Implementing Partner, and for UNDP's approval of project revisions. Project reviews by this group are can be made at designated decision points during the implementation of the project, or as necessary when raised by the National Project Manager (NPM). This group will be consulted by the NPM for decisions when tolerances have been exceeded.

This Project Board will have three roles:

- Project Executive role - will be played by the Executive Director of AEPC as the representative of Implementing Partner. S/he will also chair the Board,
- 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 representative from ADDCN, NAVIN and MoF to ensure the interest of the beneficiaries.

MoF as Government Cooperating Agency will be involved in annual work plan preparation and its final approval. As and when required, the PB may invite the NPM and UNDP concerned Programme Officer in PB meetings, and ask to support in project operations as needed.

Project Assurance: Project assurance is the responsibility of each Board member, but the role can be delegated. The project assurance role ensures that works are done in line with the objectives and targets set for the programme and supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role also ensures appropriate project management milestones are managed and completed. The concerned UNDP Programme Officer will play the Project Assurance role to support the Project Board.

National Project Manager: The NPM will run (detail Job description is provided in Annex 1) the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The prime responsibility of the NPM is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. For any changes in the limits set out by the Project Board, the NPM will have to make a case for consideration for the Project Board. Once the changes are endorsed by the Project Board, this will be formalised through necessary budget revision. The

NPM, in consultation with the Implementing Partner and UNDP will set up the Programme Office as required.

Project Professional Team:

Under the NPM, the project will have following professional teams in order to implement stipulated activities within the given time frame. In view of the suggestions made by the REDP's final evaluation and to capitalise the emerging opportunities, the following multi disciplinary professional teams will be formed:

- 1) *A Rural Energy Systems Development Team* - composed of:
 - a. Senior Rural Energy Systems Development Advisor (SRESDA) - One,
 - b. Rural Energy Development Advisor (REDA) – One, and
 - c. Rural Energy Advisors (REAs) – Five (one for each development region).
- 2) *A Rural Energy Livelihoods Development Team* - composed of:
 - a. Livelihoods Promotion Advisor (LPA) - One,
 - b. Gender and Social Inclusion Advisor (GSIA) – One, and
 - c. Human Resources Development Advisor (HRDA) - One
- 3) *A Monitoring, Evaluation and Communications Team* – composed of:
 - a. Monitoring & Communication Officer - One, and
 - b. Management Information Systems Associate (MISA) – One
- 4) KiND Team and sub-teams – as per the KiND project document.

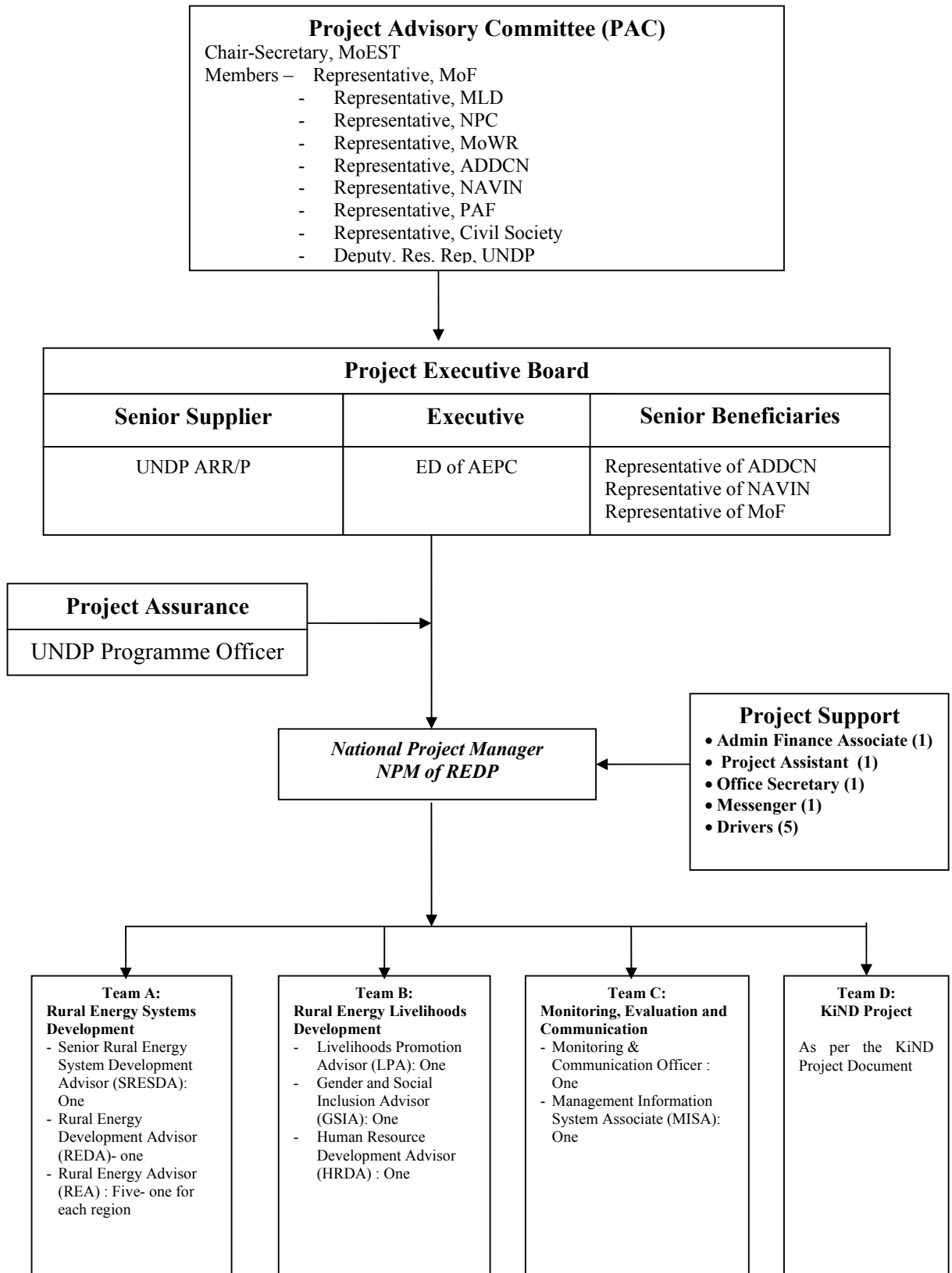
Project Support Staff:

To support the NPM and the professional teams, following support team will be constituted:

- a. Admin Finance Associate – One
- b. Project Assistant – One
- c. Office Secretary – One
- d. Messenger – One, and
- e. Drivers – Five

Based on the matching of job qualifications and competency required for the above positions with the existing positions within REDP II, the current staff members including the NPM of REDP II will continue for REDP III (See Annex 6 for job matching and recruitment plan).

The project management structure is illustrated as below:



Implementation arrangements at the district level:

Selection of districts: Programme Districts have been selected according to the established REDP criteria of potential for micro-hydro, proximity to on-going REDP districts, status of national grid coverage, lack/existence of other micro-hydro promoters, Human Development Index (HDI) and regional balance. In addition, emphasis on poverty criteria established by the National Planning Commission as well as the commitment of the DDC to internalise the functions of DEES (See Annex 4 for district selection). During the first two years, works in the present 25 districts will be consolidated, and preparatory activities will be carried out in the new 15 districts, which will be later implemented during the second half of the project period. The programme VDC will be decided at the district level on consultation with the concerned district level stakeholders.

District Development Committee (DDC): As per the Local Self-governance Act (2000), the DDCs are the nodal agencies for implementation of energy planning activities and transfer of affordable rural energy technologies including micro-hydro plant establishment. Hence, the programme activities will be implemented through DDCs.

District Energy Fund (DEF): Channelling fund from centre (like REF) to DEF, through District Development Fund (DDF) of DDC, is an established mechanism. In the new 15 districts, DEF will be established, which will receive funds directly from the REF. The DEFs are run by DEEMC as per the district annual work plan prepared for REDP activities, for which DEES will work as secretariat.

District Energy and Environment Management Committee (DEEMC)¹³: For approving the district annual work plan and for operationalisation of DEF, DEEMC will be formed in all new districts consisting of DDC Chairperson, Local Development Officer and EDO. AEPC and REDP will provide necessary policy and technical support to DEEMC through REDP.

District Energy and Environment Sections (DEES): DEES¹⁴ will be established as a part of DDC in all 40 districts to carry out district level activities. Key activities DEES include i) supporting local level capacity-building, ii) undertaking resource mobilisation and collaboration among various partners for synergistic impacts, iii) ensuring sustainable service delivery to the communities, and iv) mobilising support organizations, financial institutions, and private sector for efficient service delivery. The DEES will be headed by an Energy Development Officer (EDO). S/he will be assisted by a Technical Officer (TO), a Livelihoods Promotion Officer (LPO), Administration and Accounts Assistant (AAA) and a Messenger. The DEES will be responsible for coordination and facilitation of policy directions, coordination, planning, local resource mobilisation and day-to-day operation and management.

Support Organizations: Community mobilisation is critical to the formation of community groups, dissemination of information about energy and livelihood options, and development of community capabilities. District-based Support Organizations (SOs) will be competitively selected jointly by the DDC and REDP based on explicit criteria including appropriate experience, track record in the project areas, and experience with participatory development approaches including women and excluded groups. Contracted by the DDCs, SOs will create demand by disseminating project related information, mobilising community groups, and working with them to develop Community Action Plans, and monitoring the local level work. The SOs will appoint number of Community Mobilisation Coordinators (CMC) as necessary, at the rate of one co-ordinator for 4 Community Mobilisers (CMs) and one CM for each target VDC. The CMCs or the CMs will be recruited through a consultative process with the target communities, giving preference to the

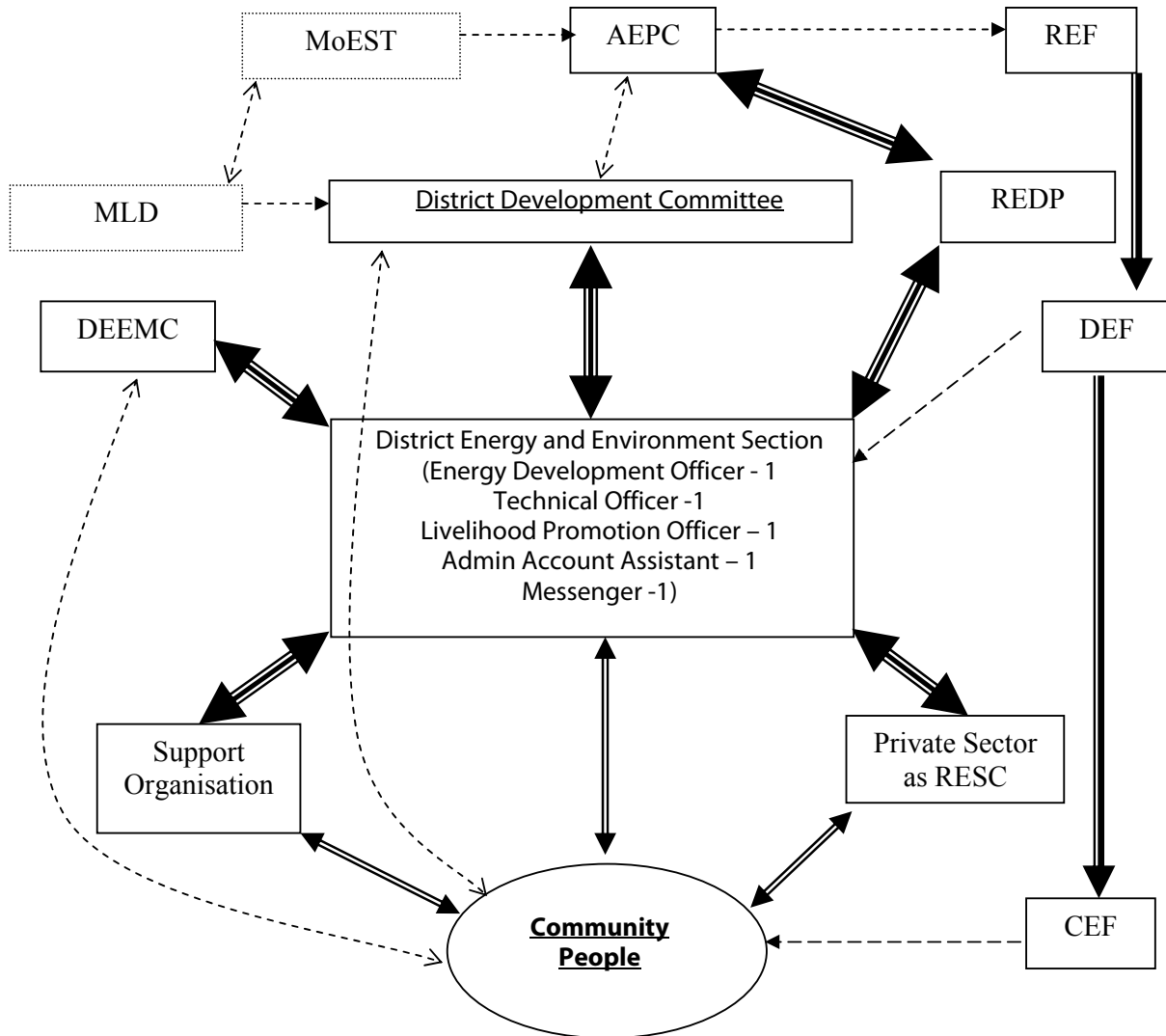
¹³ All 40 REDP districts will have District Energy and Environment Management Committee (DEEMC) established. In 25 old REDP districts, there are already District Energy Management Committees (DEMC) established, which will be converted into DEEMC; while in new 15 districts, new DEEMCs will be formed.

¹⁴ In the old REDP districts, the DDC:Rural Energy Development Sections (DDC:REDS) are already established which will be converted into District Energy and Environment Sections (DEES); while in 15 new districts, DEES will be established. In remaining 32 districts, the DEES will be established in a limited capacity to assist DDC only in energy planning and environment mainstreaming issues without any programmatic support.

local candidates, particularly the women and excluded groups as far as possible. Efforts will be made to recruit at least one-third out of the total CMs from women. SOs will liaise with DEES and local bodies to ensure that energy and livelihoods activities fit into VDC/DDC plans and priorities.

Private sector: The DEES will provide technical training, soft loans, technical backstopping and linkages to at least one local entrepreneur selected from among mechanical workshops in the district to establish a Rural Energy Services Centre (RESC) to provide technical support services to the community Functional Groups (FGs) for feasibility studies, installation, operation and maintenance of micro-hydro and other rural energy systems. The expertise of Regional Renewable Energy Service Centre (RRES) could also be brought as and when required.

The implementation arrangement at the district level is illustrated as below:



- Legends:**
- Direct two way communication with reporting responsibilities
 - Flow of fund only
 - Service provision and communications
 - Less frequent institutional communications
 - Collaboration with DEES or community to utilise fund

Community level implementation:

Community mobilisation is the main tool for project implementation at the community level for which a local NGO will be hired as a Support Organisation (SO) through a competitive selection process. The SO will facilitate to include one male member and one female member from each and every household of the target VDC or settlement into community organisation (COs) of about 25 members. At the very first stage, separate male and female COs will be created and oriented on energy and other socio-economic development issues pertaining to them.

At the second stage, the community members of the COs will be supported for forming various functional groups (FGs) based on their common interests ranging from income generation FG or community forestry FG or poultry farming FG or so on. Since micro-/mini- hydro is the key component of REDP, the SOs will give priority to formation of Micro-/Mini- hydro FG (MHFG) in the programme villages.

Following a democratic process, MHFG is constituted of representatives from all COs thus ensuring representation from both male and female members, and proportional representation from *Dalits*, vulnerable and other marginalised groups in the MHFG. The MHFG is the key body at the village level for establishment, operation and management of micro-/mini- hydro plants. With the support from REDP central office, DDES and SOs, the MHFG will enter into various agreements related to construction of MHs, mobilisation of local resources and making payments to companies selected for providing various goods and services. For local level resource mobilisation, and to establish community equity funds for the poor, MHFG will collaborate with DDCs, VDCs, and other partners as applicable.

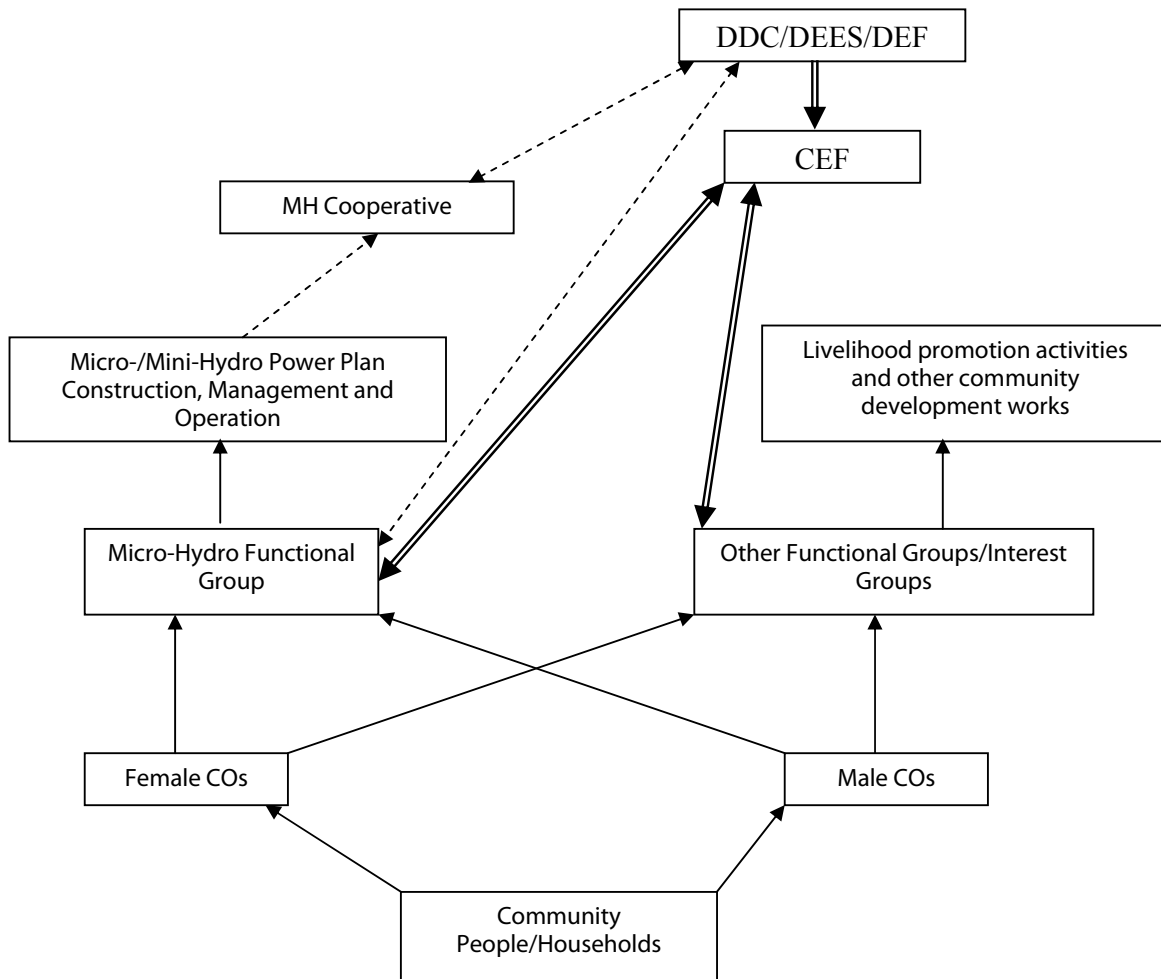
In addition, a Community Energy Fund (CEF) will be established at the level of each MHFG to fund energy related activities in the villages through the support of EDO.

The local communities through MHFGs will manage all the contributions to realize the total project costs from (approximately): 50% government subsidy; 10% DDC/VDC equity investment; 20% in kind and/or labour; and cash or loan of 20%. Considering the high project cost in mountain and in some hill districts, and low level of asset ownership by the community in those areas, specific measures such as equity fund mechanism will be implemented in collaboration with PAF (See Annex 3 for MoU with PAF) and GTZ¹⁵ wherever possible, to allow poor households to participate. A livelihood promotion grant will be allocated to support livelihoods activities linked to energy services as well as energy conservation and appliance purchase. All grant and subsidy funds will be deposited in the CEF operated by MHFG.

Upon the successful operation of the community managed micro hydro schemes for at least six months, the community groups will be encouraged to register the MHFG into MH Cooperatives for ensuring long term sustainability of the system.

¹⁵ Because of the difference in the funding cycles of GTZ and REDP-III, the MoU with GTZ has not yet been signed. However, GTZ has committed to collaborate with REDP in providing support to the poor households to participate in the project.

The community level implementation is illustrated below:



- Legends:**
- Direct two way communication with reporting responsibilities \longleftrightarrow
 - Flow of fund only \Rightarrow
 - Upward movement of organisation and activities flows \longrightarrow
 - Less frequent institutional communications $\langle \cdots \cdots \rangle$
 - MHFG may go to form MH Cooperatives $\cdots \cdots \longrightarrow$

Collaboration with the partners:

The AEPC, being GoN's responsible body for all alternative or renewable energy programmes and projects, will be responsible for ensuring coordination among all projects and programmes such as REDP, ESAP, BSP, REP, IWMP and others. AEPC will also ensure mobilising subsidy to the local communities through Rural Energy Fund (REF) for REDP supported various schemes such as micro-hydro, solar home systems (SHS), attached biogas, improved cook stoves and improved water mills. The AEPC will also co-ordinate with Centre for Rural Technology/Nepal (CRT/N), the Biogas Sector Partnership- Nepal (BSP-N), other NGOs, and partners to complement rural energy activities implemented by REDP as necessary.

The partnership with PAF and GTZ will play a crucial role in targeting poor women and men and the socially excluded groups for livelihoods promotion linked to energy services. PAF is a new funding mechanism supported by the World Bank targeted for reaching poor and excluded communities. The 2008 allocation for PAF amounts to US\$100 million out of a total World Bank allocation of Nepal being US\$280 million for the year. PAF aims to improve access to income-generation and community infrastructure for the groups that have tended to be excluded by reasons of gender, ethnicity and cast, as well as of the extreme poverty. Lack of energy infrastructure activities in PAF programming has constrained the impacts of income-generation activities supported by PAF. Possible areas of collaboration with PAF include strengthening linkage for livelihood promotion for the poor, strengthening community organizations to become sustainable and pro-poor, ensuring preparation of community action plans (CAP) through participatory process, cost-sharing in micro-hydro projects in the form of community equity funds for the poor, enhancing end-use applications for the benefit of the poor, and strengthening capacity of the DDC for managing energy information, joint monitoring and promotion of renewable energy technologies for the poor. A memorandum of understanding has been signed between PAF and AEPC through which AEPC/REDP will provide technical assistance in provision of community energy infrastructure while PAF provides financial support in terms of equity/grant and other assistance targeted for the poor communities. Other potential partners on livelihoods promotion include: Support for Poor Producers in Nepal (SAPPROS) on social mobilisation and livelihoods; the Rural Water Supply and Sanitation Fund Board (RWSSFB); and International Development Enterprises (IDE) on smallholder agriculture.

World Education-Nepal and other organizations promoting Information & Communication Technologies (ICTs) for empowerment of rural communities will play an important role in partnering with REDP in making use of electricity for enhanced access to information in the rural areas through rural connectivity. This will turn out to increase opportunities for socio-economic transformation and improved quality of life in the rural areas. World Education is a resource organization using innovative techniques for informal education in grassroots communities, focusing on vulnerable communities, women and youth. The Self-Employment & Economic Education Programme (SEEP) is working in 57 districts of Nepal using ICT to target youth. REDP will seek to sign a MoU with World Education to promote these linkages.

To mainstream gender and social inclusion (GSI) into the programme from the beginning, REDP will partner with several institutions such as: the Gender, Energy and Water Network of Nepal (GEWNet)/ CRT/N for gender focussed review, evaluation and Programme design, promotion of women-friendly technology, and policy analysis; Samanata on Safe Motherhood programme for gender research, policy analysis, review and evaluation; Women Organizing for Change in Agriculture and Natural Resource Management (WOCAN) for organizational gender mainstreaming, participatory planning approaches in research, capacity building of community mobilisers, policy analysis, review and evaluation; FEDO as feminist *Dalit* organization for empowering *Dalit* women in energy promotion; Forum for Indigenous Nationality for rural energy development; and the Dalit Federation for mainstreaming rural energy in their development programme.

Existing UNDP programmes and projects like Decentralised Local Governance Support Programme (DLGSP), Micro Enterprise Development Programme (MEDEP), and UN Capital Development Fund (UNCDF) will collaborate as necessary to provide support for environmental governance and environment mainstreaming at the district level through DEES, as well as livelihoods promotion and infrastructure building in REDP programme.

Partnership with the WB in this project is through parallel co-financing mainly to support purchase of hard ware required for micro-hydro plant installation. The WB funds (3.8 million USD) received to the GoN under micro-hydro village electrification component will be managed separately by AEPC as a matching fund to REDP activities related to micro-hydro and capacity building (See Annex 2 for the WB commitment to the Programme).

Risk analysis

On the short term, the lack of elected local government bodies and unstable security situation owing to fluid political situation may hamper programme implementation through DDC. The Programme will handle this by engaging DEES and SO staff into inclusive and participatory dialogues with the local communities and political parties for setting priority at the district level with regards to selection of energy projects. Whatever interim arrangement will emerge at the VDC and DDC level in the near future, the programme will align accordingly without any difficulty, as the programme has already implemented robust modality to work with the local communities and their leaders, though not formally represented into local government.

Over the longer term, improved energy service delivery, including for disadvantaged and excluded groups, should become the responsibility of local bodies. While Nepal is making progress in defining a legal framework and putting in place key aspects of fiscal and administrative decentralization, the process of decentralization and capacity building at local level will take considerable time. Thus, the longer-term sustainability of the energy service delivery model and local level planning promoted by REDP will be determined by progress in the decentralization and local capacity building agenda.

The programme period of five years starting from September 2007, will pass through a period of Interim Plan (2008-2010) during which the new government structure both at the central and local level is supposed to emerge. It has been designed in such a way that programme will review the county context and the environment supporting to programme implementation jointly with its partners towards the middle of the project, and will devise new strategies suitable to programme implementation for the rest of the programme period. In between if somehow the programme is exposed to unexpected risks related to safety and security of the project staff and personnel, it will adapt to the changing context based on its past experience, and under the overall guidance of UNDP programme security personnel.

PART VI: MONITORING AND EVALUATION

In Nepal, M&E has focused on quantitative targets rather than socio-economic impacts or even productive uses. The NPC's Poverty Monitoring and Analysis system (PMAS) included two energy related indicators: the percent of population with access to electricity, and average per capita electricity consumption. While these two indicators will form the starting point for the project, a new position has been created within the project specifically to ensure effective monitoring of REDP activities. Besides the role of monitoring and progress oversight, the role of new M&E position will include review of project activities implemented through the support of various partners, developing tools for monitoring, and evaluating project outputs and socio-economic impacts including distribution of benefits among women and vulnerable groups, and validating the monitoring indicators. The M/E component of the programme will be built on the work done by the Monitoring & Evaluation of Energy for Development (M&EED) International Working Group led by Global Village Energy Partnership (GVEP) and EDF as well as on Department for International Development (DfID) of UK Government, International Atomic Energy Agency (IAEA), and the WB work on guidelines and methodologies for energy indicators for sustainable development.

Considering the above, communication and monitoring plan for the programme will be prepared along with the first Annual Work Plan (AWP), which will be updated every year.

A mid-term review will be carried out including "stakeholders' workshop" in the beginning of the third year and a terminal evaluation will be conducted in the final year.

Together with UNDP and AEPC, REDP will develop an AWP Work Plan Monitoring tool as per the attached format.

The Annual Work Plan (AWP) Monitoring Tool

Year _____

CP Component _____

Implementing Entity _____

| <p>EXPECTED OUTPUTS AND INDICATORS including annual targets</p> | <p>PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i></p> | <p>EXPENDITURES <i>List actual expenditures against activities completed</i></p> | <p>RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i></p> | <p>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> </p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>OUTPUT 1:</p> <p>INDICATOR 1.1 WITH TARGET FOR THE YEAR:</p> <p>INDICATOR 1.2 WITH TARGET FOR THE YEAR:</p> <p>INDICATOR 1.3 WITH TARGET FOR THE YEAR:</p> | | | | |
| <p>OUTPUT 2:</p> <p>INDICATOR 2.1 WITH TARGET FOR THE YEAR: ETC.</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 Job descriptions of staff members.
- Annex – 2 Commitment of the World Bank towards REDP-III - (Part of the Nepal-Power Development Project: Mid-Term Review, 1-8 June, 2007, Aide-Memoire and Management Letter addressed to the Secretary, Ministry of Finance) – Copied to UNDP Nepal on 9 August 2007 by a letter from the World Bank Nepal Country Office.
- Annex – 3 Agreements between the AEPC and PAF.
- Annex – 4 Selections of 15 New Districts for REDP-III.
- Annex – 5 Details on the Results and Resources Framework.
- Annex – 6 Staff job matching and recruitment plan.

Annex - 1 Job description of staff members

Post Title: National Programme Manager (NPM)

Duty Station: Kathmandu with frequent travel to the districts

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The NPM will be responsible for the overall management of the programme implementation which includes personnel, subcontracts, training, equipment, administrative support and financial reporting. The incumbent will carry out programme activities approved by the REDP project Board (PB) with the guidance and supervision of the NPD. More specific responsibilities will be:

1. Prepare Annual Work Plan with budget allocation based on the Annual Plans of the DDCs and submit it to PB for approval.
2. Ensure the timely mobilization and utilization of programme personnel, subcontracts, training and equipment inputs, whether these are procured by the Programme itself or by other agents.
3. Exercise overall technical, financial and administrative oversight of the programme, including supervision of national and international personnel assigned to the programme.
4. Carry out regular follow-up and monitoring to district and communities and facilitate joint monitoring visits from the centre.
5. Ensure timely preparation and submission of required reports, including technical, financial, study tour/fellowship reports.

Besides, the NPM will carry out tasks and/or provide supports to:

1. Develop the conceptual and methodological framework for the implementation of based on the consultative process with all concerned stakeholders.
2. Develop and strengthen the DDCs, line agencies, private sector, NGOs and civic society organizations to successfully institutionalize the decentralized rural energy planning and management approach as envisaged in the Rural Energy Policy.
4. Implement activities related to the human resources development, community mobilization, private sector development, NGOs strengthening and gender and social inclusion.
5. Maintain close cooperation with member organizations represented in PAC and PB as well as UNDP and the World Bank in implementing the programme activities.
6. Prepare the Individual Performance Plans and Performance Appraisal Reports of all staff.
7. Participate and encourage the participation of programme staff in different forums that may be organized by various agencies related to rural energy, local development, governance, poverty alleviation, livelihoods, and gender and social inclusion related subjects.
8. Take lead role in networking meetings amongst the key stakeholders of rural energy systems development and other related government and donors agencies.
9. Document and disseminate the lesson learned through studies, audio visual production and electronic means such as CD-ROM and DVD.
10. Provide additional support as requested by the NPD, UNDP and the World Bank and as required to make the programme a success.

Qualifications:

The candidate should have at least Master's degree in energy/Natural resources related field or management from Nepali or equivalent University. The candidate should have at least 10 years of working experience in rural energy, local development efforts and development management. The candidate should have relevant experiences of working with government agencies and financial institutions. Working experience with bi-lateral and multi-lateral development agencies will be given priority. Experience on planning, monitoring and evaluation of rural energy development will be added advantage. The candidate and must be computer literate. Ability in English writing is required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: Senior Rural Energy System Development Advisor (SRESDA)

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The SRESDA will work under the direct supervision and guidance of the NPM. The incumbent will be mainly responsible for leading the Team A for supporting the NPM in achieving the programme outputs as appropriate and for facilitating the flow of technical advisory, innovative experiences, training and other inputs to the districts. More specifically the SRESDA will:

1. Work on action research and innovative technology development related to micro-hydropower development, end-use facilities and multi-sectoral linkages of energy systems development with the other sectors to make an impact on poverty alleviation, employment generation, women empowerment and environment.
2. Prepare annual rural energy plans, programmes and budgets of the districts for submission to the PB for approval and to AEPC for the inclusion in the Government Red Book.
3. Provide technical support to the DDCs and VDCs of the program districts, through respective DEESs, in implementation of decentralized energy and environment planning and management.
4. Assist NPM to prepare reports, guidelines and operational modalities on rural energy system development, mobilization of the private sector and capacity building of NGOs and civic societies.
5. Supervise and support to RESDA and REAs in carrying out technical survey, preparing Detailed Project Reports (DPRs), supervising construction and installation works, and monitoring the operation of maintenance of RETs.
6. Provide advisory support to monitor and document the process of the rural energy systems development programmes implemented in the districts.
7. Work as a trainer and resource persons in the training organized by the programme for developing trained manpower at local levels.
8. Identify the areas requiring further research and development in the rural energy field and appropriate institutions to undertake R&D. For this liaison with line agencies, NGOs, private sector, civic society organizations, research institutions, donor agencies and others as required.
9. Prepare a quarterly progress report on all activities being done for rural energy systems development and document the implementation of all programme activities.
10. Provide additional support as requested by the NPM and as required to make this programme a success.

Qualifications:

The candidate must be at least Master's degree in engineering or energy related subject. The candidate must have minimum of 8 years of extensive working experiences in rural energy systems development projects. The SRESDA must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory rural energy development programmes at the local level. Previous working experience with bi-lateral and/or multi-lateral development agencies will be an added advantage. Ability in English writing is required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: Rural Energy Development Advisor (REDA)

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The REDA will work under the supervision and guidance of SRESDA and overall guidance of the NPM. The REDA will be responsible for supporting the SRESDA in achieving the outputs as appropriate and to facilitating the flow of technical advisory, innovative experiences, training and other inputs to the districts. More specifically the REDA will:

1. Be responsible for providing technical and managerial supports to DEES to carryout the functions as a sectoral unit for planning and management of rural energy systems development in the district.
2. Work on action research and support in promoting micro hydro and other rural energy systems development. Specific emphasis will be to the development of micro hydro schemes, end-use facilities and multiple use of water to make an impact on poverty alleviation, employment generation, women empowerment and environment conservation and other innovative approaches as and when necessary.
3. Develop guidelines for micro hydro systems development as well as provide support in the standardization of micro hydro related technology and equipment.
4. Work as trainer and resource person in the training and orientation on technical and financial aspects of micro hydro systems and other rural energy technologies to staffs, technicians and community people such as survey, design, costing, installation supervision, operation, management and repair maintenance.
5. Supervise and monitor the district level operations, particularly related to the sustainability aspects of RETs and ensure corrective measures related to survey, installation, operation and repair maintenance.
6. Provide advisory support to DEESs to monitor and document the achievements and lesson learned.
7. Be the focal person for the monitoring and promotion of all the activities related to CDM, which will include annual monitoring of ER reduction, implementation and annual monitoring of the community development plan, planning and implementing measures needed to successfully satisfy the needs of the PDD for monitoring at all levels of the programme.
8. Provide additional support as requested by the SRESDA and NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a Master's degree in sustainable energy or relevant subject with a bachelors degree in engineering and with at least 5 years' experience. Preference will be given to candidate with practical experience in Rural Energy Systems and development works. The incumbent must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory development programmes at the local level. Previous working experience with bi-lateral and/or multi-lateral development agencies will be an added advantage. Ability in English writing is required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: Rural Energy Technical Advisor (RETA)

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The RETA will work under the direct supervision and guidance of SRESDA and overall guidance of the NPM. The RETA will be responsible for giving required advices to NPM and SRESDA to ensure technical qualities of the micro-/mini- hydro and other RETs. Specifically the RETA will:

1. Be responsible for ensuring required technical standards and qualities of micro-/mini- hydro systems and other RETs.
2. Reviews all technical proposal for micro-/mini/ hydro and other RETs and make necessary recommendation to meet needed quality standards.
3. Undertake field observation visits and ensure that the implementation of micro-/mini- hydros and RETs at the field level are implementation as per required technical standards.
4. Provide technical supports to REAs to carry out their technical functions to support DEES in the programme districts.
5. Facilitates REAs to undertake action researches in promoting and further developing the quality of micro hydro schemes
6. Develop guidelines for micro hydro systems development as well as provide support in the standardization of micro hydro related technology and equipment.
7. Provide advisory and technical supports in the preparation of DPRs of Micro Hydro Scheme and represent the programme in the Technical Review Committee (TRC) of the AEPC.
8. Work as trainer and resource person in the training and orientation on technical aspects of micro hydro systems and other rural energy technologies to staffs, technicians and community people such as survey, design, costing, installation supervision, operation, management and repair maintenance.
9. Supervise and monitor the district level operations, particularly related to the technical aspects of RETs and ensure corrective measures related to survey, installation, operation and repair maintenance.
10. Provide additional support as requested by the SRESDA and NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a Master's degree in engineering with 5 years' working experience in the rural energy sector. Preference will be given to candidate with practical experience in Rural Energy Systems Development. The incumbent must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory development programmes at the local level. Previous working experience with bi-lateral and/or multi-lateral development agencies will be an added advantage. Ability in English writing is required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: Rural Energy Advisors (REAs) - 5 positions (one REA assigned to one Region)

Duty Station: Kathmandu, with responsibility of frequent visit to the districts under the assigned region.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The REAs will work under the supervision of SRESDA and overall guidance of the NPM. One REA will be assigned to each development region. However, they will have to complement each other based on their technical expertise. There it is envisaged that this will be a group of engineers with their specialisation in a combination of Civil Engineering, Hydro Engineering, Electrical Engineering, and Mechanical Engineering. Largely, this group will be the key that is responsible for ensuring achievement of all the outputs related to the installation and operation of rural energy systems, particularly the community managed micro hydro systems in the districts under the assigned development region.

Specifically, this group of REAs will:

1. Work with the DDCs to establish and strengthen DEES, DEF and other committees as per the programme procedure in the districts.
2. Provide technical backstopping to DEES to implement participatory and decentralized energy systems development package in the district, prepare annual plan, programme and budget, and implement the approved activities effectively and efficiently.
3. Support EDOs for implementation, consolidation, improvement and institutionalization of rural energy systems development package including community mobilization, human resources development, gender and social inclusion and economic and environment related activities implementation.
4. Develop and strengthen DEES as a professionally oriented organization and provide advisory support in the recruitment of staff for the DEES.
5. Monitor and review the performances of DEES at regional level: achievements, fund management, outcomes and impacts at local levels.
6. Support DEES, as the resource person, for conducting training, workshop seminar and orientation on various aspects of rural energy systems development, specifically technical subjects to staffs of DDCs, VDCs, line agencies, NGOs, private sector, civic society organizations and community organizations as required at the local levels.
7. Prepare articles, success stories, best practices lesson learned and problematic issues related to implementation of rural energy systems development.
8. Provide technical inputs to RETA specific to their areas of expertise.
9. Perform other duties and responsibilities as assigned by the RETA, SRESDA and NPM to make this programme a success.

Qualifications:

As this will be a group of experts, in a combination the candidate must have a bachelor's degree in Civil Engineering, Mechanical Engineering, Hydro- Engineering, Electrical Engineering and Agricultural Engineering. The incumbent with Master's degree shall have at least 5 years' practical experience of working in the energy sector in Nepal. Likewise, the incumbent with Bachelor's degree shall have at least 8 years' practical experience of working in the energy sector in Nepal. A REA must have knowledge of all the major sectoral issues and possess analytical skills in planning and management of energy development. The REA must be computer literate, trainer and facilitator. Proven abilities in English writing is required. Preference will be given to candidates who have working experience with bi-lateral and/or multi-lateral development agencies as well as with the VDCs, DDCs and/or line agencies. For this new phase if suitable expertises are there in the exiting REDP, those staff will be aligned as a REA (s).

Post Title: **Livelihoods Promotion Advisor (LPA)**

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The LPA will work under the direct supervision and guidance of the NPM. The incumbent will be mainly responsible for leading the Team B for supporting the NPM in formulating strategies for the effective promotion of livelihoods and environment development activities in achieving the programme outputs as appropriate and for facilitating the flow of technical advisory, innovative experiences, training and other inputs to the districts. More specifically the LPA will:

1. Work on action research and innovative strategy related to livelihoods promotion outcomes based on micro-hydropower development through end-use facilities and multi-sectoral linkages with the other sectors to make an impact on poverty alleviation and employment generation.

2. Prepare annual rural energy based livelihoods plans, programmes and budgets of the districts for submission to the PB for approval and to AEPC for the inclusion in the Government Red Book.
3. Provide advisory support to the DDCs and VDCs of the program districts, through respective DEESs, in identifying potential energy-linked livelihoods and environmental activities in project districts based on local assessment of skills, resources and markets.
4. Assist NPM to prepare reports, guidelines and operational modalities on rural energy based small and micro enterprises development, mobilization of the local entrepreneurs and optimization of natural resources.
5. Supervise and advisory support to GSIA and HRDA in preparing participatory and consultative framework, implementing economic activities and monitoring of undertaking of on-farm, off-farm and forest-based income generating activities at local levels.
6. Establish livelihood promotion indicators, assist in establishment of baseline data and develop a participatory M&E system.
7. Work as a trainer and resource persons in the training organized by the programme for developing trained manpower on livelihoods promotion at local levels.
8. Prepare a list of priority sector line agency programs, I/NGO and donor programs directly relating to livelihoods promotion. For this liaison with line agencies, NGOs, private sector, civic society organizations, research institutions, donor agencies and others as required.
9. Prepare a quarterly progress report on all activities being done for livelihoods promotion, community mobilization, gender and social inclusion and document the implementation of all programme activities.
10. Provide additional support as requested by the NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a Master's degree in business administration, Sociology or other related equivalent subjects. The candidate should have at least 5 years of working experience in livelihoods promotion in rural areas. The LPA must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory development programmes at the local level. Priority will be given to candidates with working experiences related to rural energy sector development and/or environment management. Previous working experience with bi-lateral and/or multi-lateral development agencies will be an added advantage. Ability in English writing is required.

Post Title: Gender and Social Inclusion Advisor (GSIA)

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The GSIA will work under the supervision of LPA and overall guidance of the NPM. The incumbent will be responsible for supporting the LPA in formulating strategies for the effective participation of intended beneficiaries especially the poor, women, and socially excluded in project activities for achieving the outputs as appropriate and to facilitating the flow of technical advisory, innovative experiences, training and other inputs to the districts. More specifically the GSIA will:

1. Be responsible for providing advisory supports to DEES to carryout the functions for planning and management of vulnerable community development framework in the district.
2. Work on action research based on participatory and consultative frameworks on gender and social inclusion. Specific emphasis will be to the development of strategy and implementation modality for ensuring the social development outcomes at local levels.
3. Develop social development indicators and assist in establishment of baseline data and develop a participatory M&E system.

4. Work as trainer and resource person in the training and orientation on gender and social inclusion and other related subjects to staffs, technicians, community people and other stakeholders.
5. Supervise and monitor the district level operations, particularly related to the gender and social inclusion and ensure corrective measures.
6. Network with agencies, namely line agencies, I/NGOs and donor projects for resource pooling, collaboration and coordination for synergetic outcomes.
7. Provide advisory support to DEESs to monitor and document the achievements and lesson learned.
8. Provide additional support as requested by the SLPA and NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a degree on social science or related subject. The candidate with Master's degree must have 5 years' experience of working in the rural development sector and 10 years of experiences for the candidates with bachelor's degree. Preference will be given to candidate with working experience in rural energy and/or environment and gender/social inclusion related development works. The incumbent must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory development programmes at the local level. Previous working experience with bi-lateral and/or multi-lateral development agencies will be an added advantage. Ability in English writing is required.

Post Title: Human Resource Development Advisor (HRDA)

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The HRDA will work under supervision of LPA and overall guidance of the NPM. The HRDA will be responsible for planning and implementation of human resource development initiatives, achieving the outputs as appropriate and facilitating the flow of technical advisory, innovative experiences, training and other inputs to the districts. More specifically the HRDA will:

1. Undertake action research and support in developing policies and guidelines on human resource development for ensuring sustainable rural energy systems development.
2. Prepare human resource development package concentrating on training on energy technology and management, end-uses, micro enterprises and income generating activities, environment and natural resources management, gender and social inclusion, institution development and management.
3. Organize training, workshop seminar and orientation to community people and staffs of all key stakeholders namely government, elected bodies, private sector, NGOs and others.
4. Develop human resources development manuals and training modules. Specific emphasis will be to the development of strategy and implementation modality for ensuring the planned development outcomes at local levels.
7. Work as a trainer and resource persons in the training organized by the programme for various categories of participants. Supervise and provide advisory supports to DEEC in carrying out HRD activities at local levels.
8. Develop HRD indicators and assist in establishment of baseline data and develop a participatory M&E system.
9. Identify and network with HRD related agencies, namely line agencies, I/NGOs and donor projects for resource pooling and coordination for synergetic outcomes.
10. Provide additional support as requested by the SLPA and NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a Masters degree in human resource development, social science, or engineering. The candidate should have extensive experiences of working at the community and district levels at least for 5 years. Likewise, the candidate Bachelor's degree shall have at least 10 years' practical experience of working in the energy sector in Nepal. The incumbent must possess research, report writing and computer skills. The candidate must have practical experience of implementing the participatory development programmes at the local level. Priority will be given to candidates with working experiences on rural energy and environment management. Preference will be given candidates with previous working experience with bi-lateral and/or development agencies. Abilities in English writing and computer skills are required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: **Monitoring and Evaluation Officer (MEO)**

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The MEE will work under the direct supervision and guidance of the NPM. The incumbent will be mainly responsible for leading the Team C for supporting the NPM in designing and implementing systematic documentation and dissemination of in achieving the programme outputs as appropriate and for facilitating the timely monitoring, evaluation and reporting on the progress, achievements and outcomes from the implementation of the programme activities at all levels. More specifically the SMEE will:

1. Work on establishing effective two-way monitoring and reporting and oversee progress to maintain a complete overview of activities undertaken by REDP and its partners.
2. Develop indicators, monitoring tools and formats for monitoring and evaluation suitable to the nature of responsibilities undertaken by REDP, DEES and COs.
3. Provide advisory supports to partner organizations to strengthen their monitoring systems, data collection, compilation and reporting based on analysis and recommendations.
4. Assist NPM to prepare progress reports, situations reports and impact studies on periodic manner and review, assess and undertake corrective measures as envisaged by the programme for energy based poverty alleviation and holistic development.
5. Develop ToRs for contracting out M&E, performance audit and impact assessment and studies and review reports submitted by consultants.
6. Document & disseminate information on M&E "best practices" to REDP core staff, DEES, COs, donors and all related stakeholders.
7. Work as a trainer and resource persons in the training and workshops seminars organized by the programme for developing trained manpower on M&E.
8. Supervise and advisory support to CO, MISA and GISA in collection of information and data, analysis and interpretation, documentation and reporting.
9. Prepare a quarterly progress report on all activities being done for energy systems development, livelihoods promotion, community mobilization, gender and social inclusion and document the implementation of all programme activities for internal uses and external information dissemination.
10. Provide additional support as requested by the NPM and as required to make this programme a success.

Qualifications:

The candidate must possess a Masters degree in economics, sociology or related subject. The candidate must have minimum of 5 years of working experience in M&E and research on the rural

development. The MEO must possess research, analysis, report writing and computer skills. The candidate must have practical experience on the participatory development programmes at the local level. Priority will be given to candidates with working experiences related to rural energy sector development and/or environment management. Working experience with bi-lateral and/or multi-lateral development agencies will be given priority. Ability in English writing required.

Post Title: **Communication Officer (CO)**

Duty Station: Kathmandu, with frequent visit to the districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The CO will work under supervision of SMEE and overall guidance of the NPM. The incumbent will be responsible for planning and undertaking of communication strategy and action plans for the proper documentation and dissemination of programme activities to all stakeholders as appropriate. More specifically the CO will:

1. Develop strategies and plan of actions for promoting REDP concept and achievements at different levels and to different target groups.
2. Produce quarterly report in English and Nepali in the form of a newsletter and a wall newsletter respectively. The newsletter will inform all concerned on the (a) activities being implemented, progress made, problems encountered (b) what and how other activities are being planned (c) innovative ideas and work being done at the district level (d) summary of research outputs and (e) any other topics of interest.
3. Assist NPM in disseminating lessons and best practices in different media for mass communication as appropriate.
4. Undertake various works related to the documentation and dissemination of the information pertaining to collection of information, printing, audio visual production and distribution and broadcasting.
5. Update the programme website on a regular basis.
6. Edit the reports in English and Nepali prepared by programme staff.
7. Work as trainer and resource person to impart skill and knowledge on development communication to programme staffs and stakeholders.
8. Carry out additional support as requested by the SMEE and NPM and as required to make this programme a success.

Qualifications

The CO must possess a degree in communication, journalism or other related fields. The candidate with Master's degree shall possess practical experiences of working in the field of development communication at least for 5 years and it is 10 years for the candidate with Bachelor's degree. Preference will be given to the person with training on journalism/mass communication. The CO must possess skills on report writing, designing, computer operation, web designing, internet and others as required in the field of communication. Proven abilities in English and Nepali writing and computer skills are essential. Experience with national level communication and publication house and bi-lateral and/or multi lateral development agencies will be given priority.

Post Title: **Management Information System Associate (MISA)**

Duty Station: Kathmandu, with regular travel to districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The MISA will work directly under the supervision of SMEE and overall guidance of NPM. The incumbent shall be responsible to update database in line with overall M&E system developed. Specifically, the MISA will:

1. Support data entry of information collected at field level into computer system
2. Carry out necessary analysis and prepare summary tables for reports
3. Assist SMEE in designing, developing and upgrading MIS system as needed
4. Provide necessary support in computer operation and solve related problems.
5. Ensure regular back-up of MIS database and electronic documents stored in computers.
6. Identify and develop an appropriate GIS for central and district level offices of REDP.
7. Develop a system for linking-up REDP MIS system with district office and train REDP staff on handling the system.
8. Assist in preparing the data and analysis in proper GIS presentations in the programme reports and studies.
9. Support in documentation and supervise the operation of Documentation Center.
10. Carry out additional support as requested by the SMEE and NPM and as required to make this programme a success.

Qualifications:

The MISA shall have a Bachelor's degree in arts, commerce, or a relevant field with at least 5 years work experience in GIS and management information system (MIS). The incumbent must have practical experience on various aspects of MIS such as data collection, data entry and data analysis and GIS such as Arc view, Arc info and other GIS related software. Priority will be given to candidate with practical experience on documentation and publication works. Preference will be given candidates with previous working experience with national level communication and publication house, bi-lateral and/or development agencies. Abilities in English writing and computer skills are required. *These qualifications may not apply for a candidate currently occupying the post.*

Post Title: Administrative/Finance Associate (AFA)

Duty Station: Kathmandu, with regular travel to districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The AFA will work directly under the supervision and overall guidance of NPM. The AFA will be responsible to ensure smooth administrative and financial management to the programme. Specifically, the AFA will:

1. Maintain accurate financial and personnel records of the programme as required by GoN, UNDP and The World Bank.
2. Supervise administrative and financial records of DEESs, SOs, MHFGs as needed.
3. Assist NPM in all matters related to financial and administrative functions of the programme.
4. Manage all correspondence related to administrative, financial and security related matters.
5. Maintain the inventory and keep records of all office equipment, furniture, fixing, and vehicle. Undertake physical verification of all assets and update records.
6. Work as a resource person and trainer on administrative and financial management to train programme staffs, DEESs and others stakeholders.
7. Undertake all tasks related to the audit and related tasks.
8. Carry out additional support as requested by the NPM and as required to make this programme a success.

Qualifications:

The AFA shall have a Bachelor's degree in a relevant field with work experience of at least 5 years. The incumbent shall have experience in management of procurement, organization of training programmes and provision of secretarial and communication services. Proven abilities in English writing and computer skills are required. The candidate must have previous experience of working in the UNDP and/or the World Bank financed or implemented programmes.

Post Title: Teams Assistant (TA)

Duty Station: Kathmandu, with regular travel to districts.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The TA will support NPM and all thematic teams in performing their duties. Specifically, s/he will:

1. Maintain records of activities or works to be done by all teams and NPM.
2. Analyse and advise various teams on common issues.
3. Facilitate the teams to understand each others synergistic contribution to achieve the common goal of the REDP.
4. Assist the Communication officer to in collecting lessons and managing knowledge.
5. Undertake field visits together with MEO and other team members and facilitate their functions.
6. Carry out additional support as requested by the NPM and as required to make this programme a success.

Qualifications:

The TA shall have a Bachelor's degree in development fields with work experience of at least 5 years. Proven abilities in analysing issues, English writing and computer skills are required. Previous experience in the UNDP and /or the World Bank funded pogrammes in similar capacity will be an added advantage.

Post Title: Office Assistant cum Clerk (OAC)

Duty Station: Kathmandu

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The OAC will work directly under the supervision of the AFA and overall guidance of NPM. The OC will be responsible to ensure smooth administrative and secretarial functions of the programme. Specifically, the OS will:

1. Handle the office reception and related tasks.
2. Supervise telephone system, facsimile, photocopier, Internet, e-mail, etc.
3. Arrange appointments as required by programme staff
4. Assist AFA in maintaining filing system, mailing, data entry, vehicle log books and inventory lists.
5. Manage vehicle pool and office equipment.
6. Carry out additional support as requested by the AFA and NPM and as required to make this programme a success.

Qualifications:

The OAC shall have an intermediate level degree in a relevant field with working experience of at least 5 years. The candidate must be computer literate and must be fluent in writing and speaking

English. Previous experience in the UNDP and /or the World Bank funded programmes will be an added advantage.

Post Title: Drivers – 5 Positions

Duty Station: Kathmandu and/ or Districts, with frequent travel to programme districts/ VDCs

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The Driver will work directly under the supervision of the AFA and overall guidance of NPM. The driver will be responsible to ensure smooth and safe driving and maintenance of the office vehicle. Specifically, the Driver will:

1. Drive the assigned office vehicle as per the rules and regulations specified.
2. Ensure safe driving of the office vehicle as the schedule prepared.
3. Keep daily log of vehicle movement and fuel consumption as prescribed.
4. Assist OS in collection and distribution of programme related mails and documents.
5. Carry out additional support as requested by the AFA and NPM and as required to make this programme a success.

Qualifications:

The Driver must hold a valid driving license for car/jeep and motorcycle with the minimum of 10 years of driving experience in both all weather and fair weather roads. The incumbent must be able to read and write Nepali and English. Priority will be given to candidate with the working experiences in the development projects and at local levels. Previous experience in the UNDP and/ or the World Bank funded programmes will be an added advantage.

Post Title: Messenger

Duty Station: Kathmandu

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The Messenger will work directly under the supervision of the AFA and overall guidance of NPM. The Messenger will be responsible to ensure smooth handling of mails and overall cleanliness in the office premises. Specifically, the Messenger will:

1. Supervise the security and upkeep of office premises.
2. Assist OS in inventory updating and operation and maintenance of office equipment, furniture and fixtures.
3. Assist OS in petty purchase of supplies, detergents and other related items.
4. Handle the mails and programme related documents and correspondences.
5. Carry out additional support as requested by the AFA and NPM and as required to make this programme a success.

Qualifications:

The Messenger must be literate in both English and Nepali with the working experiences of at least 5 years in the related tasks. Priority will be given to the candidate with skills on the operation and minor maintenance of office equipments that include the photocopiers, fax and binding gadgets. Working experience in similar position in the UNDP and/or the World Bank funded programmes will be an added advantage.

Post Title: Energy Development Officers (EDOs) - 40 Positions

Duty Station: District Headquarters, with required travel to rural areas of the district.

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The EDO will work directly under the supervision of REA and overall guidance of the NPM. The ED will be responsible to manage the DEES and ensure achieving all the outputs at the district and the community levels. Specifically, the EDO will:

1. Provide leadership to operate the DEES for planning, programming, implementation and institutionalization of the participatory and decentralized energy systems development package in the district.
2. Manage and maintain the database and fund related to rural energy systems development programmes.
3. Establish and operate Rural Energy Development Section, District Energy Fund and District Energy Committee at the district level under the DDC.
4. Prepare and conduct human resource development package as required at the district and community levels.
5. Provide advisory supports to SO, Private sector and community people for undertaking of rural energy systems development for poverty reduction, environment management and strong social capital building at local levels.
6. Assist the DDC in selection of a local NGO to work as Support Organization and support in implementation or Community Mobilization package in programme VDCs.
7. Assist DDC in identification of a private sector workshop to provide technical backstopping for rural energy technologies at the district level.
8. Work as a trainer and resource person in the training, workshop seminars, orientation and exposure visits organized by the programme for various categories of participants.
9. Prepare a quarterly progress report on all activities being done at the local level and will document the implementation of all programme activities.
10. Carry out additional support as requested by the DDC and NPM and as required to make this programme a success.

Qualifications:

The EDO shall have a Bachelor's degree in engineering with at least 3 years' experience of working with in energy or water resources sector in Nepal. The candidate must have knowledge of all the major sectoral issues and the practical knowledge and skills on the survey, design, cost estimates, supervision and maintenance of RETs, particularly micro hydro. The EDO must possess analytical skills in planning and management of decentralized energy systems development. The EDO must be a trainer, facilitator and proven abilities in English writing and computer skill are required. Previous experience of working with the UNDP and/or the World Bank funded programmes, local bodies (DDCs and VDCs) and line agencies will be an added advantage.

Post Title: Technical Officer (TO) – 40 Positions

Duty Station: District Headquarters, with frequent travel to remote locations

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The TO will work directly under the supervision of EDO and overall guidance of the NPM. The TO will be responsible for all technical matters related to rural energy systems development. Specifically the TO will:

1. Conduct pre-feasibility and detailed feasibility of the potential sites for the development and operation of micro hydro sites.
2. Carry out survey, design and cost estimates for the preparation of Detailed Project Report including Bill of Quantities of micro hydro schemes for submission to Technical Review Committee.
3. Provide advisory support to SO for the formation of micro hydro functional groups and other rural energy functional groups through the implementation of community mobilization process.
4. Act as the resource person and trainer in the trainings conducted on the technical aspects of the micro hydro systems development including the safety and precautionary measures in handling the electricity from the micro hydro systems.
5. Supervise the procurement, construction, installation, operation and maintenance of micro hydro schemes at community levels.
6. Assist EDO in the preparation of monthly reports and other publications as appropriate.
7. Encourage private sector for the establishment of Rural Energy Service Centre to provide technical support services at the local levels.
8. Carry out additional support as requested by the EDO and NPM and as required to make this programme a success.

Qualifications:

The TO should have a Bachelor's degree in engineering with at least one years of working experiences on the energy and /or water resources development. Priority will be given to the candidate with the academic knowledge and field experience on technical aspects of the micro hydro scheme development. Experience of working with community managed schemes and local bodies (DDCs and VDCs) will be added advantage. Proven abilities in English writing and computer skill are required.

Post Title: Livelihoods Promotion Officer (LPO) – 40 Positions

Duty Station: District Headquarters, with frequent travel to remote locations

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The LPO will work under the direct supervision of the EDO and overall guidance of NPM. The LPO will be responsible for the promotion of livelihoods related activities for the sustainability of the micro hydro systems installed and operated at the community levels. Specifically the LPO will:

1. Assist the EDO in the identification and planning of various energy based activities for the enhancement of rural livelihoods at community levels.
2. Provide advisory support for planning, implementation, operation and management of livelihoods related activities at the local levels
3. Act as the resource person and trainer in conducting training, workshop seminar, orientation and exposure visits focused to livelihoods enhancement.
4. Support the communities in the capacity building, market information, business establishment and linkages for undertaking of income generation activities and other productive end-uses.
5. Supervise SOs and FGs to ensure the initiation, operation and management of social, economic and environmental activities for the livelihoods enhancement.
6. Assist EDO in the preparation of monthly reports and other publications as appropriate.

7. Promote linkages and networking amongst the line agencies, I/NGOs, academic institutes, community organizations and related stakeholders on livelihoods primarily at the local levels.
8. Carry out additional support as requested by the EDO and NPM and as required to make this programme a success.

Qualifications:

The LPO should have a Bachelor's degree in agriculture, forestry, or business at least one year of working experiences on the small and micro enterprises development. Priority will be given to the candidate with the academic knowledge and field experience on livelihoods enhancement. Experience of working with community managed schemes and local bodies (DDCs and VDCs) will be added advantage. Proven abilities in English writing and computer skill are required.

Post Title: Office Assistant (OA) – 40 Positions

Duty Station: District Headquarters

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The OA will work directly under the supervision of EDO and overall guidance of NPM. The OA will be responsible to ensure smooth administrative and financial management to the DEES. Specifically, the OA will:

1. Maintain accurate financial and personnel records of the programme as required by GoN, UNDP and The World Bank.
2. Supervise administrative and financial records of DEESs, SOs, MHFGs as needed.
3. Manage all correspondence related to administrative, financial, audit and security related matters.
4. Maintain the inventory and keep records of all office equipment, furniture, fixing, and vehicle. Undertake physical verification of all assets and update records.
5. Work as a resource person and trainer on administrative and financial management to train staffs, community people and others stakeholders.
6. Handle the office reception, appointments and related tasks.
7. Supervise telephone system, facsimile, photocopier, Internet, e-mail, etc.
8. Carry out additional support as requested by the EDO and NPM and as required to make this programme a success.

Qualifications:

The OA shall have a Intermediate degree in a relevant field with work experience of at least 3 years. The incumbent shall have experience in management of procurement, organization of training programmes and provision of secretarial and communication services. Proven abilities in English writing and computer skills are required. The candidate must have previous experience of working in the UNDP and/or the World Bank financed or implemented programmes. The incumbent must be a domiciled resident of the same district.

Post Title: Messenger-cum-Assistant (MA) – 40 Positions

Duty Station: District Headquarters

Duration: Post valid for the entire duration of the programme. Service contract issued annually, if extended based on performance appraisal.

Responsibilities:

The MA will work directly under the supervision of EDO and overall guidance of NPM. The MA will be responsible to assist OA to ensure smooth administration as well as security and cleanliness of the office premises. Specifically, the MA will:

1. Upkeep of cleanliness of office premises.
2. Ensure the security of office premises, equipments, furniture and fixtures.
3. Assist OA in inventory updating and operation and maintenance of office equipment, furniture and fixtures.
4. Handle the mails and programme related documents and correspondences.
5. Assist OA in petty purchase, photocopying and running documentation unit.
6. Carry out additional support as requested by the OA and NPM and as required to make this programme a success.

Qualifications:

The MA must be literate in both English and Nepali with the working experiences of at least one year in the related tasks. Priority will be given to the candidate with skills on the operation and minor maintenance of office equipments that include the photocopiers, fax and binding gadgets. Working experience in similar position in the UNDP and/or the World Bank funded programmes will be an added advantage. The Messenger must be a domiciled resident of the same district and willing to stay in the office premises at night for the security purpose through out the year even during the Dashian and Tihar holidays.

Annex – 2 Commitment of the World Bank towards REDP-III (Part of the Nepal-Power Development Project: Mid-Term Review, 1-8 June, 2007, Aide-Memoire and Management Letter addressed to the Secretary, Ministry of Finance) – Copied to UNDP Nepal on 9 August 2007 by a letter from the World Bank Nepal Country Office.

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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KATHMANDU
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July 10, 2007

Mr. Vidyadhar Mallik
Secretary
Ministry of Finance
Singha Durbar
Kathmandu

Mr. Jitendra Ghimire
Acting Secretary
Ministry of Water Resources
Singha Durbar
Kathmandu

Dear Mr. Mallik and Mr. Ghimire:

*Nepal - Power Development Project (Cr. 3766-NEP/Gr. H039-NEP):
Mid-Term-Review (MTR) Mission - June 1-8, 2007*

I would like to thank the Government of Nepal (GoN) for the cooperation and hospitality extended to the recent IDA mission on the Power Development Project. I confirm the findings of the mission, which are provided in the attached Aide-Memoire.

I am pleased to note considerable progress in the Power Development Fund (PDF) component in particular, the first window supporting medium size hydro projects. This progress is reflected in the submission of the bid evaluation report (BER) for the Kabeli-A Project by the Department of Electricity Development (DoED) and the subsequent approval by IDA of this BER on June 4, 2007. I am also happy to learn that the implementation of the Micro Hydro Village Electrification (MHVE) and the Nepal Electricity Authority (NEA) components are proceeding well with the notable exception related to NEA's weak financial performance requiring urgent corrective actions from GoN and NEA.

While good progress has been made by the project, there are still several challenges and crucial actions that need to take place over the coming months, as noted in the attached Aide-Memoire under Section VII. The most critical action is to complete the contract negotiations with the winning bidder for the Kabeli-A Project, the Joint Venture (JV) led by M/S Batwal Power Company (BPC). As stated in section 7, paragraph 1, of the DoED's 'Evaluation Report on Technical Proposal of Bidders for the Development of Kabeli-A Hydroelectricity Project', dated March 2007, the time-line proposed by JVBPC, whereby commercial operations would start by June 24, 2014 is too long and can be shortened to 2011-12. We agree with the DoED's assessment and anticipate that the negotiation team would agree on a shortened time-line with JVBPC, as proposed by the DoED. This time-line would also have the benefit that it would coincide with the construction timing of the transmission line associated with the Kabeli-A Project.

As agreed with the IDA mission, the negotiated contract with JVBPC must be sent to IDA for review, by August 31, 2007, before it is signed. As you are aware, the implementation of the PDF component is already much delayed, and any further delays

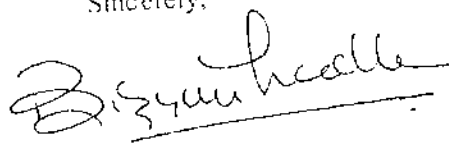
July 10, 2007

beyond the agreed date would jeopardize the Project, possibly leading to the cancellation of the PDP funds.

I would also like to call your attention to the other actions listed under Section VII of the Aide-Memoire, in particular the ones related to the analysis, funding and implementation of the transmission line associated with the Kabeli-A Hydro Power Project. These key actions and their proposed completion dates were discussed and agreed during the wrap-up meeting held on June 8, 2007, and I would like to urge you to comply with these dates.

I thank you for your attention in implementing the actions laid out in this letter and the accompanying Aide-Memoire.

Sincerely,



Bigyan B. Pradhan
Acting Country Director for Nepal

Attachments: Aide-Memoire

- cc: Hon'ble Member, Er. Ramakanta Gauro, National Planning Commission
Mr. Bachehu Ram Dahal, Acting Auditor General, Office of the Auditor General
Mr. Laxman P. Mainali, Acting Secretary, Ministry of Environment, Science and
Technology
Mr. Sushil Prasad Sharma, Financial Comptroller General, FCGO
Mr. Arjun Karki, Managing Director, Nepal Electricity Authority
Mr. Jaya Keshar Mackay, Director General, Department of Electricity Development
Dr. Govind Raj Pokharel, Executive Director, Alternative Energy Promotion Centre
Mr. Krishna Gyawali, Joint Secretary, FACD, Ministry of Finance
Mr. Kiran Man Singh, National Program Manager, Rural Energy Development
Program
Mr. Mahesh Prasad Acharya, Project Coordinator, NEA Component, NEA

**Power Development Project
IDA Mid-Term Review
(June 1-8, 2007)**

AIDE-MEMOIRE

1. Introduction

1. A Mid-Term-Review (MTR) mission for the above Project was held over the period June 1-8, 2007¹. The main objectives of the MTR mission were as follows: (a) reassessment of project objectives, evaluation of implementation performance and financing requirements; and discussions on proposed project changes where necessary; (b) reviewing project implementation arrangements and management of the three project components; and compliance with the legal covenants, with special focus on the financial covenants associated with NEA financial performance; (c) discussing and agreeing with GoN officials and implementing agencies the proposed reallocation of the unutilized PDP financing to the other project components proceeding well - the Micro Hydro Village Electrification component, and the Nepal Electricity Authority (NEA) component.

2. While in Nepal, the mission, supported by Jeremy Levin (Consultant), also appraised and negotiated the Carbon Finance (CF) operation, linked with the Micro-Hydro Village Electrification component of the Project. The Aide-Memoire of that operation has been prepared separately.

3. The mission would like to thank the Ministry of Water Resources (MoWR), the Ministry of Finance (MoF), the Department of Electricity Development (DoED), the Power Development Fund Board (PDF Board), the Power Development Fund Administrator (PDF Administrator), the Nepal Electricity Authority (NEA), the Alternative Energy Promotion Centre (AEPCC), and the Rural Energy Development Program (REDP) for the cooperation extended to the team. The list of people met is in Annex 1.

4. Key project data and summary of implementation progress to date are provided below.

Key Project Data

| Key Data | Current Ratings and Flags |
|--------------------------------|-------------------------------------------------------|
| Effectiveness Date: 03/25/2004 | Development Objectives: Satisfactory |
| Closing Date: 06/30/2009 | Implementation Progress: Moderately Unsatisfactory |
| Project Age: 4 years | Problem Flags: 3 |
| % Disbursed: 15.95% | |

5. The Project Development Objectives are to: develop Nepal's hydropower potential in an environmentally and socially sustainable manner to help meet electricity demand; improve

¹ The mission comprised: Kuan Baral (Sr. Procurement Specialist), Rajendra Dhoj Joshi (Sr. Education Specialist), Bhojan Pradhan (Sr. Financial Management/Operations Specialist), Shyam Sundar Raut (Kant) (Sr. Engineer/Programmer), Pedro Sanchez (Senior Energy Specialist), Nagendra N. Karan (Sr. Program Assistant), Sona Shrestha (Research Analyst), Santu Gurung (Program Assistant) and Madhuskar Bhandari (Sr. Energy Consultant). The mission was joined by Mr. Jeevan Neupane (Consultant) to review and approve the social covenants of the project components, under the guidance of Ms. Zambhala Khawana (Sr. Social Development Specialist, OED/GO). Samir Bhandariya (Local Environmental Specialist) was unable to join the mission because of a lack of communication. He supported the mission remotely, from Sri Lanka. Manoj Das (Sr. Financial Engineer) was also unable to join the mission because of other commitments and was in Nepal during the

access of rural areas in electricity services, and promote private participation in the power sector to improve efficiency and to mobilize financing in the sector's investments. Based on the progress so far, it is likely that the project will achieve its development objectives. The performance indicators of the project and the status and progress towards achieving these are in Annex 2.

II. Implementation Progress

Micro hydro Village Electrification Component

6. The implementation of the Micro Hydro Village Electrification component is advancing well. As of Mid-March, 2007, some 36 Micro hydro Village Electrification Projects (MHVEPs) have been completed, generating a total of some 760 kW power and benefiting directly 6,915 households. Another 52 schemes are at advanced stage of implementation, and are expected to be completed by end December 2007. The combined 88 schemes would generate roughly 2200 kW of power, providing access to about 22,000 household. Necessary ground-work has been completed on the remaining 32 MHVEPs and these are expected to be completed by end June 2008. With the completion of these schemes, the project targets in terms of the number of schemes (120 MHVEPs), increases in generation capacity (2.5-3 MW), and household electrified (30,000) would be met.

7. **Disbursements.** As of June 4, 2007, around US\$ 2.88 million has been disbursed (which is about 55% of the allocated funds). AEPC plans to submit withdrawal application of about US\$2.0 million, shortly. The allocated funds for this component are expected to be utilized by FY2007/08. AEPC has requested additional funds of about US\$3.8 million to expand its program from 25 districts to 40 districts.

8. **Financial Management.** The AEPC has a robust financial management system. It has the operational guidelines to implement the program. Following are the main issues that require attention by AEPC management: (1) monitoring and follow-up on district expenditures, and timely submission of claims so that there are no large gaps between physical progress and financial progress; (2) continue with the hiring of auditing firm on an annual basis for internal audit of micro-hydro programs; and (3) continue with the training initiatives. The internal audit report of last year recommended a few actions related to revising subsidy grant policy, improving monitoring of district programs, and capacity building of district level staff. AEPC has implemented most of the recommended actions.

9. **Implementation Progress Reports:** There are no pending trimester Implementation Progress Reports. The mission reminded that the third trimester report of FY2006/07 is due on August 31, 2007.

10. **Audit Reports.** There are no overdue audit reports under this component. This year AEPC took a long time to submit the audit report. The mission requested AEPC management to closely follow-up on this matter so that the reports are submitted on time next year. The mission reminded AEPC that the unaudited accounts of FY2006/07 are due on October 15, 2007, and the audited accounts on January 15, 2008.

NFA Component

11. The physical progress of the Project has picked up over the past year. During this period, the project implementation and disbursement forecasts have closely matched the

III. Proposal for Project Restructuring.

22. The PDP has three components. The components and the original Credit Grant amounts are presented as follows:

- Power Development Fund (PDF) \$ 37.5 million (\$35 credit, \$2.5 grant TA for PDF A);
- Microhydro and Village Electrification \$ 5.5 million (all grant);
- NEA \$ 32.6 million (\$15.4 credit, \$17.2 grant including \$1.6 TA for the two consultancies);
- Total \$ 75.6 (\$50.4 credit, \$25.2 grant). Includes unallocated amount of \$ 6.3 million (\$3.6 credit, \$2.7 grant) in the above three components.

23. Given the commitments to the developers of Kabeli-A (about US\$ 23 million subject to the successful negotiation of the contract) and to Riddi Khola (about US\$ 3 million), roughly US\$ 9 million would be available from the PDF component for reallocation amongst other project components. Considering the 6.3 million unallocated funds, about US\$ 15.30 million would be available for re-allocation and/or cancellation².

24. The IDA has received requests from the NEA and AEPC to support the following additional activities:

- The NEA has requested IDA to fund a transmission line (TL) to evacuate power from the Kabeli-A hydro power generation project, expected to be financed under the PDP. Originally, this TL was part of the Kabeli-A project, but was declined at the request the GoN. The GoN has proposed that this TL be built by the NEA to support three additional hydro power generation projects in the Kabeli region - with a combined capacity of 141 MW, including Kabeli-A. This strengthened TL requires larger investments than anticipated for evacuating power only from Kabeli-A project. The approximate cost of the TL is US\$ 18 million, as per NEA estimates.
- The AEPC has requested roughly US\$ 3.8 million to further support micro-hydro development - about US\$ 2.9 million to scale-up the micro-hydro development by another 1.5 MW and about US\$ 0.9 million to finance increase in the subsidy recently approved by GoN. The funds would be used to complete ongoing work on 120 micro hydro schemes of which some are completed and others at various stages of construction. The expected outcome is the expansion of electricity access to 15 additional districts (to a total of 40 districts, up from 25) reaching 15,000 households in remote areas of Nepal.

25. The mission has appraised the request from AEPC and considers it to be justified. Pending a request from the GoN to reallocate the requested proceeds from the project to the Micro Hydro Village Electrification component, the mission would be willing to recommend the transfer of US\$ 3.8 million from the unallocated grant funds to the AEPC.

26. The mission affirms the critical importance of building the TL associated with the Kabeli-A project and seeks GoN/NEA commitment that sufficient funds would be available to build this line in order to evacuate power from the Kabeli-A project. The mission noted

² The unallocated amount of US\$ 6.3 million may also be available due to SDR appreciation. However, the current inflation rate in Nepal is 12.5% and US\$ 2.7 million is lost.

Annex 3

MEMORANDUM OF UNDERSTANDING (MoU)

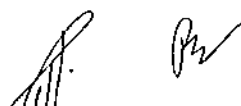
BETWEEN

POVERTY ALLEVIATION FUND (PAF), NEPAL

AND

**ALTERNATIVE ENERGY PROMOTION CENTRE (AEPC),
MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY**

August 2007, Lalitpur, Nepal




1. This Memorandum of Understanding (MoU) is made and entered into by and between the Alternative Energy Promotion Centre (AEPC) of the Government of Nepal (GoN) and the Poverty Alleviation Fund (PAF). AEPC and PAF are hereinafter jointly referred to as "the Parties".
2. Whereas AEPC is an autonomous government led institution mandated for rural energy promotion and development in Nepal, and the World Bank supported PAF is mandated to alleviate rural poverty by creation of maximum number of income and employment opportunities at the rural level.
3. Whereas AEPC not only provides direct financial and technical support in terms of subsidy and capacity building support for managing rural energy systems at the community level, it also encourages partnership with the community based organizations, private sector, non governmental organizations and other institutions for maintaining energy systems at affordable level, meeting basic quality standards, and maximizing use of energy for income generation activities.
4. Whereas, the PAF aims to enable poor, women, *Dalit*, *Janjati* and vulnerable groups to empower them for better access to resources and get engaged into productive self employment and income generating activities. PAF provides skill training and access to resources and markets to the poor communities for promotion of viable enterprise by them.
5. Whereas AEPC is presently executing Rural Energy Development Programme (REDP) supported by the WB and UNDP, Energy Sector Assistance Programme (ESAP) supported by Norwegian and Danish Governments, Biogas Support Programme (BSP) supported by KfW and SNV/N, Improved Water Mill Programme (IWMP) supported by SNV/N, and Renewable Energy Project (REP) supported by EU.

NOW, THEREFORE, the Parties agree to cooperate as follows:

Article 1:
Preamble

6. The Parties agree that energy is one of the vital inputs to livelihood and prerequisites for socio-economic development. Nepal's rural areas are far behind using cleaner energy sources. While the modern forms of energy such as grid power, fossil fuels, etc have only limited access to the rural areas of Nepal, very often these means are not affordable for the poor communities. Despite immense possibility of using alternate energy sources like solar, wind, biogas, etc. expansion of these services to the poor households faces serious challenge. Nevertheless, it has been widely recognized that expansion of sustainable means of energy services to the reach of the poor households is of utmost importance to reduce rural poverty and achieve the Millennium Development Goals.



7. This MoU sets out the general terms and principles of the institutional collaboration between the Parties regarding implementation of rural energy technology promotion interfaced with poverty alleviation activities.
8. The Parties agree to go into long term programme partnership contributing to the overall goal of poverty reduction in the rural areas through expanded opportunities of energy services, enterprise, micro-infrastructure, and formation of social and financial capital.
9. The Parties recognize each other's comparative advantages and complementarities of their respective programmes and activities to produce synergistic impacts in tackling poverty alleviation issues.
10. The Parties agree to collaborate together regarding the implementation of rural energy systems—mini and micro-hydro, solar energy, biomass including biogas technologies, improved water mill and other rural energy projects, in common working areas targeted for poverty reduction.

Article 2:
Role of the Parties

Alternative Energy Promotion Centre (AEPC):

11. AEPC will provide the technical support and strengthen the capacity of PAF and its target communities to establish and operate rural/renewable energy technologies/ systems related projects sustainably.
12. AEPC will provide subsidy according to government policy, delivery mechanism, and guidelines.
13. AEPC will make biogas credit line funds available for eligible PAF target cooperatives.
14. AEPC will collaborate with PAF to create awareness and promote, facilitate, commercialize and monitor micro and mini-hydro, solar energy systems, improved cooking stove, biogas, improved water mill etc. projects/systems.
15. AEPC will share the information related to the poverty, involve in discussion in policy and plan formulation etc. to PAF.

Poverty Alleviation Fund (PAF):

16. PAF will promote micro and mini-hydro, solar, biomass energy including biogas, improved water mill projects/systems in its target community based on demand.

17. PAF will provide funds to PAF community organizations to invest as credit or equity investment in AEPC's energy related projects to further the cause of inclusion of poor and disadvantaged.
18. PAF will support targeted poor beneficiaries in AEPC supported energy project areas to carryout income generating activities in PAF districts.
19. PAF will support the government's renewable/rural energy subsidy policy objective by ensuring the non-topping up of the subsidy/grant from the multiple sources.
20. PAF will make use of community organizations and other out-reaches of AEPC programmes as far as possible by creating sub-group of poor and disadvantaged in planning and implementing energy related projects and income generating activities.

Article 3:
Miscellaneous:

21. The Parties may develop together a common agreed mechanism - revolving fund modality for their resource mobilization to assist the targeted communities through enhanced access of rural energy technologies and income generation activities.
22. Executive Directors of AEPC and PAF will be directly responsible for implementation of this MoU. They or their designees shall meet regularly and coordinate activities pointed out under this MoU.
23. Any reference to this MoU regarding undertaking joint projects/sub-projects or future initiatives shall be done only with the prior consent of the Parties. The Parties will not make any commitments or take any positions on behalf of each other without a written consent.
24. The terms of the present MoU shall commence on the date of signature of the MoU by the Parties for a period of five years.
25. The Parties agrees to publicize the purpose of the MoU and its content, and to inform any third party of interest and concerned about it, only after an agreement on this matter reached between the Parties. Any such publicity material has to be mutually agreed by the Parties.
26. This MoU has been developed and finalized in a spirit of mutual cooperation and assistance. It will be interpreted in light of its primary purpose, which is to enable AEPC to expand its reach to the poor communities in the rural areas and enhance energy access to them while reducing their poverty levels by having worked through PAF.

27. Any difference of opinion concerning this MoU will be resolved through amicable dialogue between the Parties.

28. This MoU may be modified, amended or extended by prior written agreement between the Parties.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below.

Signed:

Name: Dr. Govind Raj Pokharel

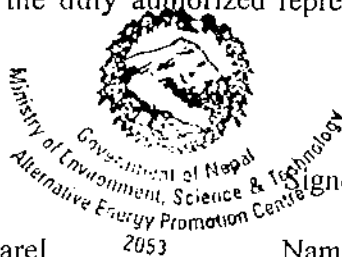
Designation: Executive Director,
Alternative Energy Promotion Centre

Date: 10 August 2007

Witness:

Kiran Man Singh
National Programme Manager,
Rural Energy Development Programme

Niels Juhl Thomsen
Chief Adviser, Energy Sector Assistance
Programme



Signed:

Name: Raj Babu Shrestha

Designation: Executive Director,
Poverty Alleviation Fund

Date: 10 August 2007

Witness:

Jhank Narayan Shrestha
M & E Expert, Poverty Alleviation Fund



Annex - 4: Selection of 15 New Districts for REDP-III

| Dev. Region | SN. | Districts of Nepal | Ist Stage Screening Criteria | Remaining districts after Ist Screening | IInd Stage Screening Criteria (HDI Rank up to 40) | Remaining District After IInd Screening | Access to electricity (%) | Selected District with Ranks |
|-------------|-----|--------------------|------------------------------|-----------------------------------------|---------------------------------------------------|-----------------------------------------|---------------------------|------------------------------|
| Eastern | 1 | Siraha | Siraha | Siraha | 51 | Siraha | 19.50 | |
| | 2 | Udayapur | Udayapur | Udayapur | 20 | | 1.65 | Udayapur 15 |
| | 3 | Sunsari | Sunsari | Sunsari | 16 | | 33.72 | |
| | 4 | Dhankuta | Dhankuta | Dhankuta | 13 | | 17.74 | |
| | 5 | Sankhuwasabha | Existing REDP District | | | | 16.61 | |
| | 6 | Tehrathum | Existing REDP District | | | | 18.54 | |
| | 7 | Saptari | Saptari | Saptari | 41 | Saptari | 17.00 | |
| | 8 | Khotang | Khotang | Khotang | 45 | Khotang | 7.27 | Khotang 10 |
| | 9 | Jhapa | Jhapa | Jhapa | 18 | | 41.27 | |
| | 10 | Ilam | Ilam | Ilam | 11 | | 21.15 | |
| | 11 | Okhaldhunga | Existing REDP District | | | | 9.03 | |
| | 12 | Taplejung | Existing REDP District | | | | 11.41 | |
| | 13 | Bhojpur | Bhojpur | Bhojpur | 32 | | 6.83 | Bhojpur 14 |
| | 14 | Panchthar | Existing REDP District | | | | 8.76 | |
| | 15 | Solukhumbu | Existing REDP District | | | | 21.45 | |
| | 16 | Morang | Morang | Morang | 8 | | 25.00 | |
| Central | 17 | Dhanusa | Dhanusa | Dhanusa | 43 | Dhanusa | 22.22 | |
| | 18 | Rasuwa | Rasuwa | Rasuwa | 62 | Rasuwa | 12.51 | Rasuwa 6 |
| | 19 | Dhading | Existing REDP District | | | | 18.39 | |
| | 20 | Ramechhap | Ramechhap | Ramechhap | 48 | Ramechhap | 11.91 | Ramechhap 8 |
| | 21 | Sindhuli | Sindhuli | Sindhuli | 34 | | 6.08 | Sindhuli 13 |
| | 22 | Bara | Bara | Bara | 37 | | 26.02 | |
| | 23 | Rautahat | Rautahat | Rautahat | 56 | Rautahat | 13.73 | |
| | 24 | Chitawan | Chitawan | Chitawan | 12 | | 56.57 | |
| | 25 | Makawanpur | Makawanpur | Makawanpur | 31 | | 33.22 | |
| | 26 | Sarlahi | Sarlahi | Sarlahi | 58 | Sarlahi | 14.51 | Sarlahi 7 |
| | 27 | Mahottari | Mahottari | Mahottari | 59 | Mahottari | 15.20 | |
| | 28 | Parsa | Parsa | Parsa | 44 | Parsa | 34.95 | |
| | 29 | Lalitpur | Ktm Valley districts | | | | 99.70 | |
| | 30 | Kavre | Existing REDP District | | | | 43.83 | |
| | 31 | Dolakha | Existing REDP District | | | | 21.34 | |
| | 32 | Sindhupalckowk | Existing REDP District | | | | 25.37 | |
| | 33 | Kathmandu | Ktm Valley districts | | | | 128.23 | |
| | 34 | Bhaktapur | Ktm Valley districts | | | | 97.61 | |
| | 35 | Nuwakot | Nuwakot | Nuwakot | 38 | | 31.66 | |
| Western | 36 | Nawalparasi | Nawalparasi | Nawalparasi | 25 | | 35.39 | |
| | 37 | Gorkha | Gorkha | Gorkha | 40 | | 15.82 | Gorkha 11 |
| | 38 | Lamjung | Lamjung | Lamjung | 19 | | 33.01 | |
| | 39 | Palpa | Palpa | Palpa | 23 | | 37.25 | |
| | 40 | Rupandehi | Rupandehi | Rupandehi | 5 | | 42.18 | |
| | 41 | Gulmi | Gulmi | Gulmi | 35 | | 19.86 | Gulmi 12 |
| | 42 | Arghakhanchi | Arghakhanchi | Arghakhanchi | 33 | | 12.37 | |

| Dev. Region | SN. | Districts of Nepal | Ist Stage Screening Criteria | Remaining districts after Ist Screening | IInd Stage Screening Criteria (HDI Rank up to 40) | Remaining District After IIndScreening | Access to electricity (%) | Selected District with Ranks |
|-------------|-------------|------------------------|------------------------------|-----------------------------------------|---------------------------------------------------|----------------------------------------|---------------------------|------------------------------|
| | 43 | Kapilbastu | Kapilbastu | Kapilbastu | 47 | Kapilbastu | 19.61 | Kapilbastu 9 |
| | 44 | Tanahun | Existing REDP District | | | | 29.07 | |
| | 45 | Syangja | Syangja | Syangja | 7 | | 42.93 | |
| | 46 | Parbat | Existing REDP District | | | | 24.39 | |
| | 47 | Manag | Manag | Manag | 15 | | 117.76 | |
| | 48 | Mustang | Mustang | Mustang | 26 | | 141.69 | |
| | 49 | Baglung | Existing REDP District | | | | 28.44 | |
| | 50 | Kaski | Kaski | Kaski | 3 | | 88.16 | |
| | 51 | Myagdi | Existing REDP District | | | | 35.25 | |
| | Mid Western | 52 | Dang | Dang | Dang | 57 | Dang | 21.61 |
| 53 | | Banke | Banke | Banke | 29 | | 33.69 | |
| 54 | | Bardiya | Bardiya | Bardiya | 50 | Bardiya | 17.68 | |
| 55 | | Surkhet | Surkhet | Surkhet | 22 | | 17.25 | |
| 56 | | Pyutahn | Existing REDP District | | | | 19.15 | |
| 57 | | Rolpa | Rolpa | Rolpa | 65 | Rolpa | 2.56 | Rolpa 4 |
| 58 | | Salayan | Salayan | Salayan | 61 | Salayan | 15.84 | |
| 59 | | Jajarkot | Jajarkot | Jajarkot | 71 | Jajarkot | 0.23 | Jajarkot 2 |
| 60 | | Dailekh | Existing REDP District | | | | 3.71 | |
| 61 | | Dolpa | Dolpa | Dolpa | 67 | Dolpa | 35.26 | |
| 62 | | Jumla | Jumla | Jumla | 70 | Jumla | 31.47 | Jumla 3 |
| 63 | | Humla | Existing REDP District | | | | 24.08 | |
| 64 | | Kalikot | Kalikot | Kalikot | 73 | Kalikot | 2.47 | Kalikot 1 |
| 65 | Mugu | Existing REDP District | | | | 11.91 | | |
| 66 | Rukum | Rukum | Rukum | 64 | Rukum | 6.64 | Rukum 5 | |
| Far Western | 67 | Achham | Existing REDP District | | | | 5.57 | |
| | 68 | Dadeldhura | Existing REDP District | | | | 20.32 | |
| | 69 | Kailali | Kailali | Kailali | 46 | Kailali | 17.16 | |
| | 70 | Kanchanpur | Kanchanpur | Kanchanpur | 39 | | 25.14 | |
| | 71 | Doti | Existing REDP District | | | | 6.71 | |
| | 72 | Bajura | Existing REDP District | | | | 7.16 | |
| | 73 | Bajhang | Existing REDP District | | | | 7.11 | |
| | 74 | Darchula | Existing REDP District | | | | 12.62 | |
| | 75 | Baitadi | Existing REDP District | | | | 14.40 | |

Notes:

1. After second stage screening of the districts, the selection of districts was based on the combination of (i) HDI (ii) access to electricity and (iii) regional balance.
2. Gulmi selected over Arghakhanchi primarily due to HDI difference.
3. Sarlahi selected over Mahottari because the HDI difference was very minimal and there was relatively lesser access to electricity in Sarlahi.
4. As per WB's requirement, a minimum of 13 districts should have micro-hydro potential which makes it compulsory to select hilly districts.
5. Source of HDI data was the Nepal Human Development Report 2004.
6. Source of Access to Electricity data was "Renewable Energy Data of Nepal 2003" by CADEC (Community Awareness Development Centre).

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| sector and NGO support organizations (SOs) in 40 districts have capacity to deliver energy access including participation of women & socially excluded as beneficiaries, contributors, operators & decision-makers Modalities for working with national energy programs, PAF, line agencies, I/NGOs, and other UNDP projects are institutionalized - 2000 no. of people trained and 100 no. of orientation programmes conducted- action plans implemented 30% of trainees will participate in key roles in REDP energy service delivery | | 2.12 Training needs assessments for DDC's, local support organizations, private sector and financial institutions | AEPC | 2,000 | WB | | |
| | | 2.13 Design and implementation of orientation programs on REDP Plus model including energy options, gender & social inclusion, PAR methods & community mobilization, livelihoods promotion. | AEPC | 3,000 | WB | | |
| | | 2.14 Provide inputs, supervision and follow-up support | AEPC | 3,000 | WB | | |
| Sub-total | | | | 3,225,000 | | | |
| 3. Built livelihoods improvement capacity of 40 districts by linking energy services with poverty alleviation through productive & other end uses, including women & socially excluded. Output Indicator: (a) Energy services in 40 districts are linked to poverty alleviation through productive & other end uses including women & socially excluded. Baseline: In original 25 REDP districts, some energy services are linked to end uses. Target: In all 40 REDP districts, energy services are linked to poverty alleviation including women & socially excluded. - 100 activities and 120 no of people participating in energy-linked income generation, with target of 33% women and 20% socially excluded groups - 100 activities and 2000 no of people benefiting from energy-linked social & institutional uses, with target of 33% women and 20% socially excluded groups - 35 to 50% additional resource mobilization by community organizations and from non-REDP sources Impact indicators (to be finalized in Inception Report) could be: - 25% of communities have access to ICTs - Household time in fuel collection is reduced by at least 50% - Kerosene expenditures are reduced by at least 50% | 2007 <ul style="list-style-type: none"> Conducted orientation workshops in 15 programme districts for coordination activities with stakeholders like PAF, CSD, line agencies etc. Rural energy based livelihood options identified. 2008 <ul style="list-style-type: none"> 3 enterprise development training conducted. Established a Model End-use and Livelihood VDC Implemented the strategy on energy linked livelihood options End-use guidelines prepared. Conducted R&D on rural enterprise and livelihood development technologies 2009 <ul style="list-style-type: none"> End-use guidelines implemented. 3 enterprise development training conducted. Conducted R&D on rural enterprise and livelihood development technologies | 3.1 Hold orientation workshop to establish linkages with PAF and other line agencies, I/NGOs, private sector & UNDP projects working at district level in energy- and poverty-related areas | AEPC | 3,000 | WB | | |
| | | | 3.2 Design & implement participatory action research and social mobilisation to raise awareness about energy-linked livelihood options and identify local needs, resources, skills, markets, gender & social inclusion situation opportunities and prepare community organisation action plans | AEPC | 15,000 | WB | |
| | | | 3.3 Design & implementation of continuing training, capacity building and exposure visits of community mobilisers and community organizations, linked to community action plans, including on e.g. business planning & development, micro-credit & finance, skills training. | AEPC | 46,000 | WB | |
| | | | 3.4 Link & support community organizations with external resources and TA to initiate livelihood activities linked to energy services. | AEPC | 5,000 | WB | |
| | | | 3.5 Establish demonstration/training centres in best practice VDCs for exposure visits and training | AEPC | 6,000 | WB | |
| | | | 3.6 Design guidelines and provide grants to CO's for community-based sustainable livelihoods fund to make available seed capital for livelihoods promotion activities as well as for energy conservation and appliance purchase. | AEPC | 2,500 | WB | |
| | | | 3.7 Provide inputs, supervision and follow-up support of community action plan activities. | AEPC | 400,000 | WB | |
| | | Sub-total (US\$) | | | | 477,500 | |
| | | 4. Institutionalised Rural Energy Policy in all 75 districts and national level. Output Indicators: | 2007 <ul style="list-style-type: none"> Established Rural Energy Coordination committee at the NPC | 4.1 Establish and/or strengthen Rural Energy Coordination Committees (RECS). | AEPC | 3,000 | WB |
| 4.2 Develop capacity of District Information and Documentation Centre (DIDC) to integrate energy with development information systems | AEPC | | | 4,000 | WB | | |

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| <p>(a) In all 75 districts, integrated rural energy planning capacity is mainstreamed through training, integration of energy with development information systems, and integration of energy planning with district planning</p> <p>Baseline: In 25 REDP districts, integrated rural energy planning capacity has been established through DEES.</p> <p>Target: In all 75 districts, integrated rural energy planning capacity is mainstreamed in district level planning (reflected in the district energy plans, district plans, decisions of DDC councils).</p> <p>(b) At national planning level, design & implementation of a system for coordination of district-level and national level energy programs and integration of energy with line agency sector programmes.</p> <p>Baseline: Informal systems for coordination of district-level and national level</p> | <ul style="list-style-type: none"> RE needs and issues reflected into DIDC system. Conducted workshops for AEPC and other line agencies on RE Policy RE policy dissemination & orientation trg-workshop in 15 districts <p>2008</p> <ul style="list-style-type: none"> RE policy dissemination & orientation trg-workshop in 25 districts 4 studies on i) district and national energy planning process, ii) pro-poor "smart" subsidy, iii) roles, responsibilities and effectiveness of TRC, and iv) cooking energy. One national workshops on RE policy implementation <p>2009</p> <ul style="list-style-type: none"> One study to develop a new financial mechanism for small hydros conducted. One national consultative workshop on implementation strategy of "smart" subsidy. Strategy developed for fulfilling alternative cooking energy services. | 4.3 Design and implement integrated mechanism for district-level rural energy planning, monitoring, and coordination. | | 3,000 | WB |
| | | 4.4 Develop capacity of DDC to implement 4.3 and to integrate district-level rural energy planning with integrated water resource management, forestry management, and other line agencies programs; through workshops and exposure visits. | AEPC | 3,000 | WB |
| | | 4.5 Develop capacity of DDC for Rural Energy Policy institutionalisation and fund mobilization; | AEPC | 3,000 | WB |
| | | | | 384,000 | UNDP |
| | | 4.6 Review existing information systems and develop management information system for (a) integrated database on national level energy programs and district-level activities and (b) integration of energy with line agency sector programs. | AEPC | 3,000 | WB |
| | | 4.7 Prepare integrated rural energy planning guidelines for national and district level. | AEPC | 5,000 | WB |
| | | 4.8 Orientation & training through process workshops for AEPC, district level and line agency staff. | AEPC | 10,000 | WB |
| | | 4.9 Mentoring & follow-through supervision of trained staff on preparation & effectiveness of planning. | AEPC | 4,000 | WB |
| | | 4.10 Carry out a study on pro-poor "smart" subsidy policy for renewable energy based on geographical & other criteria, develop policy, formulate guidelines, revise subsidy policy for targeting vulnerable groups. | AEPC | 10,000 | WB |
| | | 4.11 Carry out a study and recommend guidelines for consistency and equity of subsidy policies for off-grid and on-grid electrification. | AEPC | 3,500 | WB |
| | | 4.12 Prepare policies and guidelines based on findings of AEPC study on gender mainstreaming, social exclusion strategy and action plan. | AEPC | 5,000 | WB |
| | | 4.13 Prepare study on scale-up mechanisms for meeting cooking energy needs including health, forestry and women's development line agencies. | AEPC | 3,000 | WB |
| | | 4.14 Study on new financial mechanisms and private-public ownership modalities for small hydro development & expansion of micro-hydro sites | AEPC | 3,000 | WB |
| | | 4.15 Review & revise Technical Review Committee guidelines | AEPC | 5,000 | WB |
| | | Sub-total (US\$) | | | |
| 5. Innovative approaches for long-term micro-hydro and RETs sustainability piloted | 2007 | 5.1 Design and pilot implementation of micro-grid connection in 4 areas (100-500 kW) | AEPC | 40,000 | UNDP |

| | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------|----------------|
| <p>Output Indicators:</p> <p>(a) Feasibility of connection of micro-hydro through mini-grids is established Baseline: Micro-hydro plants provide insufficient output for productive uses, balanced load and reliability for economic growth, as well as low output to justify grid connection. Target: Feasibility of micro-hydro gridconnection established in 4 areas.</p> <p>(b) Feasibility and capacity-building for local manufacture and installation of micro (<100 kW) and mini-hydro (100-500 kW) in Nepal is established Baseline: Micro- and mini-hydro local manufacturing and installation potential exists but is insufficient to meet the anticipated demand. Target: Micro-hydro local manufacturing and installation capacity is established. Feasibility and capacity building plan for local manufacture of mini-hydro plants prepared.</p> <p>c) Design & implementation of a CDM-compliant micro-hydro process Baseline: The DNA (Designated National Authority, e.g. Ministry of Environment, Science and Technology) has recently approved the CDM for micro hydro. Target: Signing of the ERPA (Emission Reduction Purchase Agreement) with the World Bank and the final registration by UNFCCC (UN Framework for Convention on Climate Change). Total Emissions Reduction of 191,000 tCO2 equivalent by 2012</p> <p>(d) Action plan for scale-up of community micro-hydro to 20 MW or higher, prior to the mid-term evaluation. Baseline: Various institutional models of micro-hydro service delivery have been implemented in Nepal. Their effectiveness has not been compared. Considerable potential for micro-hydro exists but has not been developed. Target: Comparative effectiveness of different institutional models of micro-hydro service delivery is known and an action plan for scale-up of micro-hydro is available.</p> | <ul style="list-style-type: none"> Finalized and Registered the Micro hydro CDM project and set up the CER monitoring system. Guidelines and modalities for RET 'innovation fund' developed. | 5.2 Study of technical, economic, management feasibility of micro-grid connection based on REDP and other experiences | AEPC | 4,000 | UNDP |
| | <p>2008</p> <ul style="list-style-type: none"> One mini-grid connection completed. 2 studies conducted on i) capacity building of local manufacturers for larger hydro-turbines, and ii) community (public) ownership and private management practices of micro hydro for sustainability. One 'innovation fund' created at centre and operationalised. Alternative RETs promoted in Terai district on a pilot basis. | 5.3 Support technical training to the private sector for manufacture of micro-hydro components and installation of micro-hydro plants | AEPC | 3,000 | UNDP |
| | <p>2009</p> <ul style="list-style-type: none"> Three mini-grid connections completed. One study conducted on community development plan for the use of CDM revenue. One workshop organise on community (public) ownership and private management model of micro hydro for sustainability. | 5.4 Establish and implement innovation fund for identification and adaptation of appropriate new technologies for livelihoods promotion and quality of life. | AEPC | 180,000 | UNDP |
| | | 5.5 Install other RET technology | AEPC | 165,000 | UNDP |
| | | 5.6 Based on previous development of PIN and PDD, support AEPC in securing final registration by UNFCC or participation in voluntary fund mechanism | AEPC | 2,000 | UNDP |
| | | 5.7 Upgrade & consolidate already installed micro-hydro systems for CDM compliance and set up a monitoring and verification modality in the districts | AEPC | 15,000 | UNDP |
| | | 5.8 Support an independent & highly credible assessment of the efficiency, equity, participation, impact, & sustainability of different institutional models of micro-hydro service delivery in Nepal | AEPC | 15,000 | UNDP |
| | | 5.9 Expert review and stakeholder workshop to validate the assessment. | AEPC | 2,000 | UNDP |
| | | 5.10 Feasibility study and preparation of action plan for institutional and financial system for scale-up of micro-hydro including e.g. institutional alternatives, investment and management of schemes, composition of shares between private and public ownership. | AEPC | 5,000 | UNDP |
| | | 5.11 Feasibility study and action plan for the REDP itself to transition to an autonomous and professional support organization providing technical and community support services to communities or support organizations engaged in rural energy development as well as policy analysis and planning support to GON. | AEPC | 7,000 | UNDP |
| | Sub-total (US\$) | | | | 438,000 |
| Monitoring and Communication (US\$)-Approx 6% of UNDP fund allocated for the project. | | | | 95,000 | |
| Total of UNDP (US\$) | | | | 1,904,500 | |
| Total of GoN/WB (US\$) | | | | 3,800,000 | |
| Grand Total (US\$) | | | | 5,704,500 | |

Annex 6: Staff job matching and recruitment plan

| S.N. | Staff Position in REDP-II | New Staff Position in REDP-III | Level | Qualified Saff for REDP-III | New recruitment to be done. √ or X |
|------|----------------------------------|------------------------------------------------|------------|-----------------------------|------------------------------------|
| 1 | National Project Manager | National Project Manager | NPPP-4 | Mr. Kiran Man Singh | X |
| 2 | Deputy Project Manager | Senior Rural Energy System Development Advisor | NPPP-3 | Mr. Thakur Raj Devkota | X |
| 3 | Rural Energy Development Advisor | Rural Energy Development Advisor | NPPP-2 | Mr. Sabin Basnyat | X |
| 4 | Regional Energy Advisor 1 | Rural Energy Advisor 1 (Civil Eng.) | NPPP-2 | Ms Tara Shrestha | X |
| 5 | Regional Energy Advisor 2 | Rural Energy Advisor 2 (Electrical Eng.) | NPPP-2 | Mr. Manoj Khadka | X |
| 6 | Regional Energy Advisor 3 | Rural Energy Advisor 3 (Mechanical Eng.) | NPPP-2 | Mr. Jagadish Khoju | √ |
| 7 | Regional Energy Advisor 4 | Rural Energy Advisor 4 (Hydro-power) | NPPP-2 | Mr. Narendra K.C. | X |
| 8 | Regional Energy Advisor 5 | Rural Energy Advisor 5 (Civil Eng.) | NPPP-2 | Mr. Keshav Pradhanang | X |
| 9 | Human Resource Dev Advisor | Human Resource Dev Advisor | NPPP-2 | Mr. Mahendra Neupane | X |
| 10 | No | Gender & Social Inclusion Advisor | Need based | - | √ |
| 11 | No | Livelihoods Promotion Advisor | Need based | - | √ |
| 12 | No | Monitoring and Communication Officer | NPPP-1 | - | √ |
| 13 | GIS Associate | Management Information System Associate | SU-6 | Ms Sunjita Pradhan | X |
| 14 | Admin Finance Associate | Admin Finance Associate | SU-6 | Ms Sabina Joshi | X |
| 15 | No | Project Assistant | SU-5 | - | √ |
| 16 | Office Secretary | Office Secretary | SU-4 | Ms. Maiya Shrestha | X |
| 17 | Driver 1 | Driver 1 | SU-2 | Mr. Karna Thapalia | X |
| 18 | Driver 2 | Driver 2 | SU-2 | Mr. Ram B. Maharjan | X |
| 19 | Driver 3 | Driver 3 | SU-2 | Mr. Laxman Thapa | X |
| 20 | Driver 4 | Driver 4 | SU-2 | Mr. Man B Raut | X |
| 21 | No | Driver 5 | SU-2 | - | √ |
| 22 | Messenger | Messenger | SU-1 | Mr. Ramesh Nepal | X |

Notes:

1) There will be 40 sets of district level staff each set including i) One Energy Development Officer, ii) One Technical Officer, iii) One Livelihoods Promotion Officer, iv) One Office Assistant and v) One Messenger. These will be directly recruited by the programme districts with the support of AEPE/REDP.

2) Mr. Khoju's replacement is to be recruited because he is leaving for higher studies.