

Preparing Local Governments in Sudur Paschim Province of Nepal to Develop and Promote Renewable Energy

Nepal's Constitution espouses a federal system comprising of three levels of governments - federal, provincial and local which can enact laws, prepare annual budgets, take decisions and prepare and implement policies and plans within their respective areas of authority. Local governments are mandated to act on local-level development projects, small hydropower projects and alternative energy sources, which include small-scale renewable energy (RE) sources up to 1 MW. It also stipulates that women, Dalits and the traditionally marginalised be represented at the local level. Thus, the current centralised operation of the government system with regard to small-scale RE is in the process of being decentralised. Local governments are expected to be directly engaged in managing the implementation of RE promotion programmes. Suitable positions and departments should be created to lead and manage these efforts with adequate human and financial resources.

The **Renewable Energy for Rural Areas (RERA)** program is a technical support program for the small-scale RE

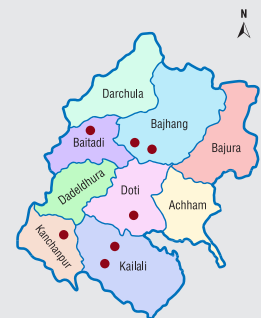
sector jointly supported by the Government of Nepal (GoN) and the German Federal Ministry for Economic Cooperation and Development. The over-arching vision of RERA is to **ensure the efficient and effective service delivery of small-scale RE through improved outreach and enhanced local cooperation in a federalised and decentralised Nepal**. The programme was jointly implemented by the Alternative Energy Promotion Centre (AEPC) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in selected local governments of Province 1 and Province 7 (later named as Sudur Paschim Province).

GIZ and the Programme Implementation Unit (PIU) of the AEPC provided technical assistance to Province 1. In Sudur Paschim Province, SNV Netherlands Development Organisation (SP) was appointed to provide technical assistance in cooperation with the PIU of the AEPC. Both efforts ran from February 2018 to September 2019.

Program Areas:

Nepal's Sudur Paschim province consists of nine districts that are among the remotest and poorest in Nepal, with a low Human Development Index (HDI), just 0.475 (the nation's average HDI is 0.574, a medium score). Using detailed feasibility studies, the AEPC and GIZ selected six local governments as partner municipalities (PMs). Of them, one, Shuklaphanta, is an urban municipality; the other five are rural municipalities.

Name of partner municipality
Bitthadchir Rural Municipality
Kedarsyu Rural Municipality
Dogada Kedar Rural Municipality
Badi Kedar Rural Municipality
Chure Rural Municipality
Suklaphanta Municipality



KEY PROGRAM COMPONENTS:

- Promoting the decentralised delivery of energy services by the GoN and its various bodies
- Strengthening the AEPC's collaboration with national and sub-national government bodies
- Promoting the delivery of local energy services through effective institutional engagement with local governments, civil society, and the private and banking sectors
- Engaging disadvantaged groups (DAGs) and women as decision-makers, implementers and beneficiaries in the delivery of energy services

KEY HIGHLIGHTS:

- Over 20,000 lives improved through over 1,500 RE installations
- 19,955 persons directly benefitted
- 917 trained to sustain these achievements
- The AEPC enabled to decentralise energy services at the provincial level
- The AEPC's ability to develop small-scale RE at the local level enhanced and its collaboration with key stakeholders enhanced
- Field-level successes indicate program scalability

Program Interventions in Sudur Paschim Province

SNV designed and implemented a capacity development strategy to strengthen the capacity of Partner Municipalities (PMs) to deliver small-scale RE services efficiently and effectively by improving their ability to plan, providing them with outreach services, and enhancing their coordination with the federal capacity development and other key stakeholders.

Development of a capacity development strategy

Individual level:

- Identification of promoters, champions, change agents, visionaries, leaders, and innovators capable of inspiring transformational change
- Development of curricula on the roles and responsibilities of the three tiers of government, RE technology, subsidies and other financial instruments, and monitoring and evaluation

Organisational level:

- Identification of key stakeholders: government institutions (the AEPC, provincial ministries for physical infrastructure and development, and partner municipalities); civil society organisations; private-sector enterprises; training institutions; financial institutions capable of financing RE installations at the local level; and end-users, beneficiaries and local communities
- Organisational development and capacity-needs assessments (using a variety of methods including the McKinsey 7S Model, Integrated Organisation Model, Civil Society: Mutual Accountability Project 2016-21) to identify gaps in capacity and where improvements were needed
- Assessments varied for different stakeholders but included some or all of these elements: (1) governance; (2) organisational management; (3) program management; (4) human resource management and development; (5) financial management; (6) administration; (7) products and services delivery, and (8) external relations

Societal level:

- Interactive public education to both improve awareness and solicit learning and feedback

Implementation of an intensive capacity-strengthening program

- A total of 917 women and men were trained or oriented to RE technologies and services: 286 trainees in raising awareness and creating demand; 303 in mobilising technical and financial resources; and 328 in developing and monitoring municipal energy plans
- PM executives and sub-committee members were introduced to the AEPC as the key national agency leading the development of RE technologies (RETs) in Nepal, the procedures to access grants and subsidies from the AEPC, and guidelines to implement these procedures
- Local financial institutions and private-sector service providers were trained in RET installation and in the development of loan-financing products specifically for RETs

Gender and Social Inclusion

- PM-wise gender equality and social inclusion (GESI) studies to identify the status of disadvantaged groups and challenges in ensuring total inclusiveness and recommend typology-guidelines based on the training outcomes, study results and consultations with relevant stakeholders for application across all municipalities in the country

Business opportunity assessments (BOAs)

- BOAs to identify RET related economic opportunities and potential enterprises in each PM which can serve as the basis for identifying and promoting local small and medium enterprises (SMEs) for the productive utilisation of RETs

Development of Municipal Energy Plans (MEPs)

- Each PM is now capable of planning, implementing and monitoring RET and has in place a five-year MEP which was developed using a nine-step participatory planning process

Selection of primary stakeholders in the project area



Participatory planning process in developing MEPs



Lessons Learnt and Recommendations:

LEARNING	RECOMMENDATIONS
Provincial governments and partner municipalities	
1) Provincial ministries are still in their incipient stages, and lack sufficient technical and managerial expertise to carry out their designated functions. Thus, their present capacity to coordinate, plan, and monitor RET activities is severely limited.	Support is required to ensure that provinces assume an effective role in funding, quality control and monitoring. The AEPC's PIU should either be integrated into respective provincial ministries for physical infrastructure and development (MoPIDs) or collaborate closely with them.
2) Coordination and collaboration between provincial agencies such as MoPIDs and PMs needs to be improved to increase the efficiency and effectiveness of planning, implementation, monitoring and evaluation, and quality control in all sectors, including RE.	Establish a platform to facilitate coordination and collaboration among PMs and between MoPIDs and PMs in order to promote the more effective and efficient use of resources; have the platform, which should be chaired by MoPIDs and with municipal chairs and vice-chairs as members, convene regularly,
3) PMs have increased their awareness, experience, and capacities and are closer to providing RET services. However, 18 months of support is simply not enough. Energy development sub-committees (EDSs) have not been able to raise awareness or identify or address the RET needs of their constituencies.	Strengthen the capacity of wards to identify, implement and monitor RETs by, for example, establishing ward-level energy development sub-committees (EDSs) under the chairmanship of the ward chair.
4) The concepts of quality and quality control are still new to PMs. They are still at the stage where making goods and services available and accessible is sufficient achievement. They cannot yet assess the quality of RETs and thus find it difficult to monitor their performance.	To ensure that the RETs installed are both effective and efficient, PMs need to be made more aware of the nature of a good-quality RET and control and monitoring mechanisms should be put in place
RET services	
5) PMs prioritise grid connection and micro-hydro installations over other RETs. They are attracted to highly visible interventions like street and temple lighting and solar water pumping. While awareness about RETs has increased, they are not considered as important as other sectors, like roads.	It is understandable that remote PMs prioritise the improvement of roads. There needs to be more awareness-raising and collaboration to preserve the momentum RERA-SP has achieved in promoting RETs.
6) PMs focus their RET efforts on domestic rather than productive applications. Once basic needs like lighting, charging and communication have been ensured, the productive application of RET will need attention.	The productive application of RE, such as for irrigation and agro-processing, needs support. Tailored attention to enterprise and economic development may also be necessary.

7) The very few private-sector enterprises in SP have limited capacity in terms of entrepreneurship and accessing finance and are mostly located in urban areas in the plains. Since they lack service delivery points in PMs, they have limited ability to provide reliable after-sales services, a fact which discourages users from adopting RETs.	The private sector should get support to establish a network of service providers (last-mile entrepreneurs). They should get help in establishing efficient installations and providing after-sales services in and around PMs.
Relevance of GESI	
8) PMs and EDSs are now well aware of the importance of mainstreaming GESI but their capacity to implement their intentions is still weak. They are not yet fully equipped financially or technically to mainstream GESI in the RET or any other sector.	The executive and infrastructure development committees and EDSs of PMs require continuous coaching and backstopping to implement GESI and thereby translate their newfound sensitivity and willingness to act into concrete initiatives. They should get more training and assistance in implementing the GESI mainstreaming guidelines which SNV prepared.

Solar lamps light up markets, homes and lives in Chure, Deura and Dogadakedar

Through RERA, Dogadakedar Rural Municipality of Baitadi District is working relentlessly to bring light to Dogadakedar. It recently installed 17 street solar lamps in Khochlek and Silledanda areas with an investment of NPR 1.948 million. Highlighting the advantages of the lights, Municipal Chairperson Mr. Chakra Karki said that street lights had lifted local market places from the darkness and helped reduce criminal activities. Dogadakedar also distributed about 1,000 solar panels free of cost to poor and needy Dalit households.

Acting Chief Administrator Mr. Sher Singh Bista said that, as part of the 'Dazzling Dogadakedar' project, street lamps had been installed and solar panels distributed. The action helped public places vibrant with people feeling safer while walking around the municipality. Poor and needy Dalits who had not been able to afford solar lamps at home were provided with solar panels. They now have clean lights instead of kerosene-burning and polluting tuki and spend the nights in a productive manner. Mr. Bista explained that the free solar panel program would continue next year as well to achieve its mission to create 'Dazzling Dogadakedar.'



Over 19,955 persons benefitted directly through:

1033	Improved cook stoves
64	Bio-digesters (biogas)
339	Solar home systems
44	Solar PVs in public places including religious places, schools, offices and health centres
67	Solar street lights
22	Water-related installations
1	Micro-hydro power project



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SNV Netherlands Development Organisation is a not-for-profit international development organisation. Founded in the Netherlands in 1965, we have a long-term, local presence in over 28 countries in Asia, Africa and Latin America. We provide practical know-how to make a lasting difference in the lives of people living in poverty by helping them to increase their incomes and to access basic services. We use our extensive on-the-ground track record to apply and adapt our expertise to local contexts.

SNV in Nepal

Since SNV opened its first Asia office in Nepal in 1980, we have been able to reach out to more than 4 million people in some of the poorest pockets of Nepal. Our team operates in 34 districts through a country office in Kathmandu and various project offices across the districts. Starting from 2011, SNV has designed scalable and impact-oriented programmes within four sectors that are aligned with the Government of Nepal's development priorities. Aligned to SNV Global, the three key sectors SNV works in are **Agriculture, Renewable Energy** and **Water, Sanitation and Hygiene**.