

**Meeting of SREP Pilot Countries  
October 30, 2012 - Istanbul, Turkey**

**Progress Updates from SREP Pilots**

**Country:** NEPAL

**Investment Plan:**

- X Endorsed
- Endorsement date: November 2011

*Briefly outline three major advances, challenges and lessons learned arising from your investment planning and/or implementation process since the last meeting of SREP pilots.*

**Advances:**

1. Project preparation of mini/micro hydropower and solar is in advanced stage. Detail due diligence from ADB is in final stage.
  - Ministry of Energy, ADB and IFC are in the process of finalizing the plan
  - Two Small/Mini Hydro Power Project Sites Identified/Detail Feasibility Study (DFS) Completed in Rukum District (500kW and 200 kW ) under AEPC
  - ADB Consultant team conducted socio-economic & energy consumption market surveys separately
  - Detail Feasibility Study (DFS) Report will be revised and Detail Project Report (DPR) will be prepared before the project implementation
2. Project preparation of expanded biogas program is ongoing. Pre feasibility study of potential waste to energy and large scale biogas projects has been carried out
  - Municipalities have been shortlisted for pilot demonstration of waste to energy projects
  - Commercial institutions (Dairy farms/ Poultry) have been shortlisted for piloting based on detailed feasibility study
  - Government institutes (Hospitals/ army barracks/academic institutes) have also been shortlisted for piloting of institutional biogas plants.
  - Eleven communities have been shortlisted to implement community biogas systems.
  - Procedural Guideline as per the initial concept and Project Preparatory Grant conditions drafted.
3. Project preparation of small hydropower component is in initial stage

**Challenges:**

1. Aligning of MDBs' requirement with government system and national program modality
2. Leveraging vs. reaching to poorer and vulnerable people
3. National capacity building and involvement of national human resource

4. Extended Biogas Program:

- Topic of large scale waste to energy from municipal waste is comparatively new to Nepal.
- Experience in the sector of large biogas systems is less with the private sector – Capacity Building.
- Entrepreneurs (farms/dairy, poultry industries) seek immediate return.
- Ownership and sustainability issues in the case of community biogas systems.

**Lessons learned:**

1. Development of investment plan and project preparation is too much time consuming.
2. The government should be in front and the role of MDBs should be minimal or facilitating, “Ownership” should be with govt.
3. Extended Biogas Program:
  - As the productive application of biogas is new in Nepal, technical support needs to be coupled with the financial assistance for demo implementation.

**Factors contributing to progress:**

- Well experienced and pro-active executing/ implementing agency
- Stakeholder’s and users demand, willingness of private sector to invest and good leveraging
- Possible diversified impacts and more in line with SREP objective

*What is the most important value added and/or benefit from the SREP process in your country?*

- Moving towards additional leveraging and scaling up of renewable energy sector
- Possibility of more private sector involvement and investment
- Potentiality of increasing access to clean energy, climate change mitigation & adaptation, gender & social inclusion
- Working opportunity with different actors (MDBs, CIF, government, private sector)

*If you have an endorsed investment plan, which of your projects have progressed the most in terms of preparation/implementation and what are the 3 main factors that have contributed to this progress?*

**Project: Extended Biogas Program**

1. Experienced implementing agency and dedicated team
2. Financial and Technical support from AEPC can create high willingness and participation.

*What are the 3 major tasks ahead for your investment plan during the next 6-12 months?*

**SREP Investment Plan:**

1. Finalization of project preparation and endorsement from MDBs and government.

2. Finalization of implementation mechanism & initiation of project implementation.
3. Project preparation and finalization of implementation mechanism for small hydropower component.
4. Finalization of M & E system.

**Extended Biogas Program:**

1. Finalize the Procedural Guideline/Modality
2. Complete Detailed Feasibility Studies of the Pilots.
3. Identification of Private Sector to undertake the implementation for Municipal Pilots.
4. Technology and suppliers to be finalized.
5. Monitoring and progress assessment of the pilot plants.