

## ATTACHED TECHNICAL ASSISTANCE

### A. Introduction

1. The attached technical assistance (TA) on Strengthening the Capacity of Nepal's Energy Sector to Deliver Gender Equality and Social Inclusion Results, amounting to \$2 million, aims to assist both the Government of Nepal and the country's civil society in closing capacity gaps when integrating gender equality and social inclusion (GESI) approaches in the design, implementation, and monitoring and evaluation (M&E) of energy-sector projects and programs. The TA will complement the scope of the proposed Asian Development Bank (ADB)-financed loan for the Power Transmission and Distribution Efficiency Enhancement Project, which is in line with the Government of Nepal's goal of "energy for all" and will support infrastructure investment in rural electrification in poor and disadvantaged areas. The Nepal Electricity Authority (NEA) and the Environment and Social Studies Department (ESSD) have limited capacity and lack GESI and social safeguard frameworks, which has caused difficulties in the implementation of energy projects and, more specifically, in managing community expectations, issues, and concerns raised during project implementation (e.g., opposition of affected communities to power transmission lines).

2. The TA will help develop GESI and social safeguard guidelines, and strengthen the technical capacity of NEA and ESSD staff to deal with these issues, which are an essential aspect of ADB-financed operations. Further, the TA-financed strategy and guidelines will help manage GESI and social safeguard issues in all loan- and grant-financed projects under NEA's operation and contribute to institutionalizing GESI-based business processes and practices in the energy sector. It will also provide an opportunity for NEA staff to be trained in new energy technology systems and applications that will be introduced under the proposed loan. The TA aims to ensure that the energy resources and services to be provided under the proposed loan will effectively reach out to and benefit poor and vulnerable households, including poor women of different social groups and profiles.

### B. Outputs and Key Activities

3. The expected impact of the proposed project will be the achievement of reliable and efficient electricity supply for all, in line with the government's action plan to end the energy crisis in the country. The expected outcome will be improved access to efficient, adequate, and high-quality power supply in the Kathmandu Valley. The TA will provide much-needed capacity development support to ensure that under NEA's operations, the energy needs of poor and disadvantaged communities are met; social safeguard risks are minimized; and GESI results and impacts are maximized, documented, and reported. The TA will have three outputs with various activities:

**(i) Strengthened capacity of NEA, ESSD, and the National Association of Community Electricity Users Nepal (NACEUN) in mainstreaming GESI in energy programs and projects.** The output has six key activities:

- (a) training of 20 NEA–ESSD officials as resource persons and 100 other staff on tested approaches and global practices in mainstreaming GESI and social safeguards in energy programs and projects;
- (b) preparation and publication of NEA's GESI strategy, GESI operational guidelines, and related manual, for GESI mainstreaming and safeguards in energy projects;
- (c) training of 150 NEA–ESSD officials and staff, including NEA's subsidiary

- agencies,<sup>1</sup> on the use of the NEA-approved GESI strategy, guidelines, and manual;
- (d) training of 25 trainers of NACEUN on GESI mainstreaming and participatory M&E of energy projects;
  - (e) orientation of 300 members of at least 15 electricity user cooperatives (EUCs) (minimum 40% women participants and 40% from marginalized groups) in seven districts on GESI-responsive approaches and energy efficiency;
  - (f) assessment of the ESSD's organizational role and structure, with recommendations provided on how to strengthen its structure and capacity to deliver on its GESI and safeguard mandate within NEA; development of a GESI-related project performance monitoring system in NEA; and revision of the Community Rural Electrification Operational Guideline,<sup>2</sup> which applies to EUCs, from a GESI perspective.
- (ii) **Productive use of clean energy technologies and services by poor and vulnerable households.** This output will have four activities:
- (a) assessment of the training needed to impart livelihood skills to poor women in at least 15 EUCs;
  - (b) up to 3-day business orientation training targeting 500 women;
  - (c) training of 500 EUC women members from poor and marginalized groups in energy-based livelihoods and related technical skills; and
  - (d) post-training support in gaining access to financing and markets for such enterprises.
- (iii) **Capacity development of NEA staff for new energy technology.** At least 100 staff of NEA from 20 distribution centers in and outside Kathmandu and 20 senior NEA staff will be trained in new and emerging energy technologies to be introduced by the proposed loan. This will include the use of smart grid elements such as smart metering, an advanced communication system with a consumer interface, demand-side management, effective monitoring of system performance, and troubleshooting. This is a new area for NEA and requires capacity strengthening in planning, design, implementation, and operation of such systems. It will help NEA monitor fault detection, fault location, supply restoration, smart meter operation, and consumer database management. About 100 local stakeholders, including private sector, will also be trained and oriented on various smart grid technologies and their roles to assist NEA in implementing such technologies.

## C. Cost and Financing

4. The TA is estimated to cost \$2 million, which will be financed on a grant basis by the Japan Fund for Poverty Reduction (JFPR). The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

<sup>1</sup> NEA's subsidiary agencies—formed through special-purpose vehicles—are those involved in the implementation of large (mostly hydro) projects such as the Tanahu Hydropower and Upper Tamakoshi Hydropower projects.

<sup>2</sup> The Community Rural Electrification Operational Guideline was developed under the NEA Act and applies to NACEUN-affiliated EUCs.

**Table 1: Cost Estimates and Financing Plan  
(\$'000)**

Item	Amount
<b>Japan Fund for Poverty Reduction<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	712
ii. National consultants	495
b. International and local travel	170
c. Reports and communications	33
2. Equipment <sup>b</sup>	5
3. Workshops, local training, seminars, and conferences <sup>c</sup>	505
4. Surveys	5
5. Miscellaneous administration and support costs	3
6. Contingencies	72
<b>Total</b>	<b>2,000</b>

Note: The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, domestic transportation, and other in-kind contributions.

<sup>a</sup> Administered by the Asian Development Bank.

<sup>b</sup> Equipment costs are budgeted for a laptop and a printer to be provided to the Environment and Social Studies Department and the technical assistance unit. The unit will also be given a projector and some basic furniture so it can function properly. These assets will be turned over to the executing agency upon completion of the technical assistance.

<sup>c</sup> Includes one overseas training for 10 participants to Japan, and eight training units and workshops in Nepal with about 100 participants each.

Source: Asian Development Bank estimates.

#### **D. Implementation Arrangement**

5. The TA implementation arrangements will be aligned with the proposed Power Transmission and Distribution Efficiency Enhancement Project. NEA will be the executing and implementing agency and will oversee and coordinate the timely and effective implementation of the TA activities through the GESI unit under the ESSD. The TA will be administered by ADB and implemented over 2 years.

6. ADB will engage four national consultants to be based at the TA implementation unit for 76 person-months through individual consultant selection: TA coordinator, 24 person-months; M&E expert, 24 person-months; finance and procurement expert, 24 person-months; and social safeguard expert, 4 person-months. ADB will engage an international firm or nongovernment organization (NGO) with GESI experience through quality- and cost-based selection with a simplified technical proposal because of the highly specialized expertise needed: (i) one team leader for 10 person-months; one GESI expert for 10 person-months; one social safeguard expert for 4 person-months; one capacity development expert for 6 person-months; four new energy technology experts for 4 person-months each, for a total of 46 person-months; (ii) one national social safeguard expert for 6 person-months; and (iii) one national NGO for 220 person-months to support the EUCs. An output-based (lump-sum) contract will be considered for the recruitment of these consulting services. All consultants will be recruited in line with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). All the disbursements under the TA will be made in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). Procurement will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

7. The required consulting services are summarized in Table 2.

**Table 2: Summary of Consulting Services**

Area of Expertise	Duration (person-months)
A. Individual consultants (national experts)	
1. TA coordinator	24
2. M&E expert	24
3. Finance and procurement expert	24
4. Social safeguard expert	4
B. International organization (firm or NGO)	
1. International experts	
i. Team leader	10
ii. GESI expert	10
iii. Social safeguard expert	4
iv. Capacity development expert	6
v. New energy technology experts (4; 4 PM each)	16
2. National expert	
i. Social safeguard expert	6
3. National NGO	220

GESI = gender equality and social inclusion, M&E = monitoring and evaluation, NGO = nongovernment organization, PM = person-months, TA = technical assistance.

Source: Asian Development Bank.

#### E. Outline of Terms of Reference for Consultants

8. The tasks and duties for each of the consulting services are summarized in Table 3

**Table 3: Key Tasks for Each Consulting Services**

Position	Person-months	Key Tasks
<b>Individual national experts</b>		
TA coordinator	24	Lead the TA implementation unit in annual planning and budgeting, and regular and periodic monitoring and reporting; provide technical advice to NEA and the international firm or NGO as needed; and liaise with development partners on behalf of the project.
Monitoring and evaluation expert	24	Develop project monitoring system and tools, train all parties involved in the project in use of tools, and produce aggregated project monitoring reports showing data disaggregated by sex and other dimensions (e.g., caste, ethnicity, and poverty).
Finance and procurement expert	24	Provide project implementation support in finance accounting, reporting, and submission of withdrawal applications for the TA; and facilitate fund requests and releases.
Social safeguard expert	4	Assess problems in determining the land rate in implementation of energy projects in Nepal; prepare and propose a land valuation guideline for transmission line projects, with review of national and international good practices; and help organize the necessary stakeholder consultations.
<b>International consulting firm</b>		
Team leader, international	10	Lead the implementing team and provide required technical and administrative support to the recruited international consultants and NGO; be responsible for planning, budgeting, and implementation of the activities as per contract, and ensure delivery of the results under each project component; maintain communication with PMD NEA; contribute to drafting the GESI strategy and GESI operational guidelines of NEA, and related modules.
GESI expert, international	10	Draft the GESI strategy and operational guidelines; support design and implementation of training of trainers and staff of ESSD/NEA on

Position	Person-months	Key Tasks
		tested approaches and global practices in mainstreaming GESI in energy programs and projects; and assist GESI training of NACEUN members, NEA officials, and EUC members.
Social safeguard expert, international	4	Draft the procedures and manual for social safeguards (resettlement, environment, and indigenous people) for NEA and help monitor the implementation of resettlement and rehabilitation efforts under the project, with support from other local experts; act as the lead resource person for the training to ESSD and NEA staff on new safeguard procedures and manuals; and provide technical inputs to the development of land valuation guidelines for NEA.
Capacity development expert, international	6	Support the GESI and social safeguard experts in designing and running training programs (to be held in Nepal) in the energy sector.
New energy technology experts, international (4)	16	Serve as resource persons during the training on tested approaches and global practices in mainstreaming GESI and social safeguards in energy programs and projects, and review, from an electrical engineering perspective, the GESI strategy and GESI operational guidelines for NEA to be drafted by the GESI and social safeguard experts.
Social safeguard expert, national	6	Support the international safeguard expert in developing safeguard guides and manuals and provide training to ESSD and NEA staff on new safeguard guidelines, and monitor implementation of resettlement and rehabilitation efforts for people affected by the project.
<b>National nongovernment organization</b>		
GESI expert	12	Gather information for the drafting of NEA's GESI strategy and operational guidelines; assist the international GESI expert in running the consultation workshops and training; and coordinate and lead the training to NACEUN staff and EUC members.
Energy technology expert	4	Assist international experts in new and emerging energy technologies, and suitable energy-based livelihood opportunities to be introduced to poor and marginalized communities (especially women).
Energy-based livelihood expert	12	Develop a modality and provide women's energy-based livelihood training.
Social mobilizers (24)	192	Disseminate relevant information; assess training needs; lead social mobilization and organization of EUCs for capacity development; assist EUC officials in formulating a project exit plan for the sustainability of the project.

ESSD = Environment and Social Studies Department, EUC = electricity user cooperative, GESI = gender equality and social inclusion, NACEUN = National Association of Community Electricity Users Nepal, NEA = Nepal Electricity Authority, NGO = nongovernment organization, PMD = Project Management Directorate, TA = technical assistance.