Government of Nepal

Ministry of Population and Environment

ALTERNATIVE ENERGY PROMOTION CENTRE

Standard Operating Procedures (SOP)

2017

Version Control Table

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ACRONYMS AND ABBREVIATION

AEPC	Alternative Energy Promotion Centre
BAT	Best Available Technology
CCU	Climate and Carbon Unit
DDC	District Development Committee
DEECCS	District Environment, Energy and Climate Change Section
DEEU	District Energy and Environment Unit
DP	Development Partner
DS	Direct Selection
DTS	Document Tracking System
ED	Executive Director
EDP	External Development Partner
EIA	Environmental Impact Assessment
EPA	Environment Protection Act
EPR	Environment Protection Rules
ESMF	Environment and Social Management Framework
ESMP	Environment and Social Management Plan
FACO	Finance and Account Comptroller Office
FCGO	Financial Comptroller General Office
ICB	International Competitive Bidding
ICS	Improved Cooking Stoves
IEE	Initial Environmental Examination
kW	Kilo Watt
kWp	Kilo Watt Peak
LMBIS	Line Ministry Budget Information System
MICS	Metallic Improved Cooking Stoves
MIS	Management Information System
MoF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Development
MoPE	Ministry of Population and Environment
NCB	National Competitive Bidding
OAG	Office of Auditor General
PIU	Project Implementation Unit
PPA	Public Procurement Act
PPR	Public Procurement Rules
PRF	Project Readiness Filters
RE	Renewable Energy
RET	Renewable Energy Technology
RETS	Renewable Energy Test Station
SOP	Standard Operating Procedure
VDC	Village Development Committee

I. INTRODUCTION

1. The following Standard Operating Procedure (SOP) guides the operations and daily functions of the Alternative Energy Promotion Centre's (AEPC) programs and projects in a coherent and consistent manner for quality delivery to its service recipients and stakeholders.. The SOP has taken established procedures across different units and programs at AEPC and organized them under one manual. The current version of the SOP codifies AEPC's policies for operations and standardizes activities across the organization. The SOP serves to harmonize various guidelines and protocols, procedures and processes developed and implemented by AEPC at various times and across different programs.

2. The SOP shall serve as a guiding document for all AEPC staff and management as well as for the implementation of all current and future AEPC projects and programs.

3. The SOP came into effect with the approval of the Alternative Energy Promotion Development Board (hereinafter referred as Board) on 30/01/2017 (17/10/2073 BS) and shall be updated with any revision to the working procedures annexed to it. The SOP shall be reviewed by AEPC senior management and division heads at least once a year and updated as appropriate. In addition periodic updates may be made as required. While preparing procedures and processes, consultations will be carried out with relevant functions and levels within the organization including members of the Board. Table 1, below presents the staff responsible for the different actions associated with implementing, updating, and monitoring SOP protocols, procedures, and policies.

Table-1: SOP Responsibility Matrix

Action	Responsibility
Establish SOP protocols and policies	AEPC Senior Management[1]
Prepare procedures and processes	AEPC Middle Management[2]
Review and recommendation for approval of SOP protocols, policies, procedures and processes	AEPC Senior Management
Approval of SOP protocols, policies, procedures and processes	Board
Implementation of SOP	AEPC Senior Management, Middle Management, Function Heads[3] and all project, program staff
Monitoring of the implementation of procedures and processes	AEPC Function Heads and assigned staff
Review meeting- half yearly	AEPC Senior Management and Middle management with function heads
Update once a year (exception for emergency cases)	AEPC Senior Management
Approval for revised version of SOP - once a year	Board

[1]Senior Management comprises of the Executive Director, Director(s) and Assistant Directors
[2] Middle Management comprises of Senior Officers and Officers
[3] Function Heads usually are the officers in Middle Management with responsibility to manage a separate department

II. PURPOSE, FUNCTIONS, STRATEGYAND PLANS

2.1 Formation and Scope

4. AEPC was established on 03/11/1996 (18/07/2053 BS) through the Alternative Energy Promotion Development Board Formation Order[4]by the Government of Nepal (GoN) through a Ministerial cabinet decision with the objective of promoting, developing and expanding renewable and alternative energy technologies in Nepal. AEPC is designated as a national focal agency for alternative and renewable energy in Nepal and reports to the line ministry, now the Ministry of Population and Environment (MoPE)[5].

2.2 Vision, Mission and Objectives

5. **Vision**: An institution recognized as a regional/international example of promoting large-scale use of renewable energy sustainable and a national focal point for resource mobilization. The focus is to make AEPC recognized as an active institution promoting Renewable Energy Technology in the region.

6. **Mission**: AEPC's mission is to enable the transition to renewable energy by supporting the delivery of cost-effective, sustainable, renewable energy to all people of Nepal. AEPC aims to make renewable energy mainstream resource through increased access, knowledge and adaptability contributing for the improved living conditions of people in Nepal.

7. **Objectives**:
    i. Popularize and promote the use of alternative and renewable energy technologies.
    ii. Raise the living standard of the rural people
    iii. Protect the environment.
    iv. Develop commercially viable renewable alternative energy industries in the country both in rural & urban area.

2.3 Strategies and Plan

8. *AEPC's Strategy 2022*: AEPC's Strategic and Organizational Development Plan, 2013-2022, approved by the Board dated 12/11/2014 (26/07/2071 BS), reaffirms the AEPC mission of making renewable energy as mainstream energy supply in Nepal and to develop the organization in appropriation with its strategic objectives. AEPC's ongoing operations are targeted towards achieving its Strategy 2022.

9. The Constitution of Nepal-2016 (2072 BS) has provisioned the policies relating to protection, promotion and use of natural resources in part 4 article 15 (g). Under article 15 (g)(3), it is provisioned to ensure reliable supply of energy in an affordable and easy manner, and make proper use of energy, for the fulfillment of the basic needs of citizens, by generating and developing renewable energy. While performing the activities to achieve its mission, vision and objectives, AEPC shall plan its activities ensuring full coherence with the constitution of Nepal, relevant goals of the periodic plans of the GoN.

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[4]Alternative Energy Promotion Development Board Formation Order was issued by the Government of Nepal in Nepal Gazette. The document can be accessed at http://www.aepc.gov.np/?option=aboutus&page=aboutsub&mid=1&sub_id=9&id=8

[5] On the date of formation, the line ministry was Ministry of Science & Technology

10. Shorter term strategies on renewable energy promotion are reflected in the GoN's periodic plans usually developed every 3 years or 5 years. The National Planning Commission (NPC) is the responsible entity to compile and prepare the periodic plan. AEPC aligns its activities and work plan to achieve shorter term strategies as outlined by the GoN's periodic plans. While working towards achieving its strategic objectives, AEPC has prepared indicators to monitor and verify the achievements of its strategic objectives (Table 2).

Table-2: AEPC Strategic Objectives and Monitoring Plan

S.N.	Strategic Objective	Means of Verification	Implementation Strategy
1.	Popularize and promote the use of alternative and renewable energy technologies	a. Number of beneficiary households, businesses and institutions b. Quantity of energy generated from the installed systems c. Number of policies drafted, submitted, endorsed by GoN	Harmonize AEPC's operations with National Periodic Plan Prepare a detailed plan in the Annual Work Plan (AWP)
2.	Raise the well being of rural people	a. Published reports on impact of RE installations including socio-economic and health. b. Number of employment generation by Private Sector and Programs	Plan for study after specific time period as an integral part of AWP and Periodic Plan
3.	Protect the environment	a. Emission reductions achieved through the set of interventions implemented. b. Potentially displaced traditional energy and shift from fossil fuels to renewable.	▪ Tie up with Climate Change mitigation and adaptation efforts and generate income as well ▪ Every year publish the annual report mentioning environment part as well ▪ Participate in world recognized competition/ recognition and get endorsements
4.	Develop commercially viable alternative energy industries in the country	a. Number of Private Sector firms/companies working in the sector. b. Figures of investment done by Private Firm/Companies in the sector c. Major market facilities created d. Number of capacity development and exposures provided	▪ Incorporate in annual plan ▪ Publish reports annually ▪ Recognize the contributions in Annual Functions of AEPC

11. The GoN reviews the sectoral strategies mentioned in the periodic plans. The Ministry of Finance (MoF) conducts annual economic survey that covers the achievements of different sectors mentioned in the periodic plan. Similarly, NPC also reviews the achievement of the periodic plans before setting the next periodic plan. AEPC specifically conducts mid-term reviews of the Programs implemented under the bilateral/multilateral agreements with different Development

Partners (DPs). AEPC collaborates with the line ministry, national, bilateral, multilateral, regional, and global partners to achieve its strategic objectives.

12. In an effort to appropriately engage the bilateral, multilateral donors including regional, global financial institutions and facilities for different projects and programs financed with support from these entities, AEPC, with approval from the Board, forms appropriate project and program steering committees with representation of the members from the involved donors, institutions to receive strategic inputs and to assure that the funds channeled by the respective donor, institution are utilized transparently and accountably.

13. In addition to channeling the national and international finances for the promotion of renewable energy technologies, AEPC is mandated to develop and promote renewable energy technologies with climate change adaptation and mitigation co-benefits. For this, AEPC develops renewable energy/alternative energy based climate change adaptation and carbon financing projects. The Climate and Carbon Unit (CCU) was established at the center through a ministerial decision dated 20/06/2010 (04/04/2067 BS). The unit, among others, facilitates the development and promotion of climate change mitigation and adaptation projects in the renewable energy sector.

14. AEPC engages with a wide range of stakeholders from the government to development partners and from the private sector to civil society and beneficiaries. While promoting the renewable energy technologies AEPC administers the subsidy allocated by the government for various technologies. Subsidies roughly cover 40% of the total project cost. While around 30% of the cost is covered by credit mobilization and the remaining 30% is invested by the respective technology owners. AEPC's operations are guided by the Rural Energy Policy 2006 (2063 BS)[6]. Subsidy allocation and administration is governed by the Renewable Energy Subsidy Policy 2016 (2073 BS)[7]and Renewable Energy Subsidy Delivery Mechanism2016 (2073 BS)[8]. Table-3 below provides an overview of the different actors AEPC engages with by activity.

Table-3: Coordination Matrix

Activities	**Actors**				
	Line Ministry	**National Institutions**	**Bi-Lateral and Multilateral Development Partners**	**Regional Financial Facilities**	**Global financial facilities**
Renewable Energy (RE)and energy efficiency financing and subsidies (contributing to climate change adaptation, mitigation	XX	X	XX	XX	XX

[6] Rural energy subsidy policy was approved by ministerial cabinet in November 2006. The policy can be find in following link:
http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=1&cat=RE%20Policy

[7]Renewable Energy Subsidy Policy is approved by ministerial cabinet.
http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=2&cat=RE%20Subsidy%20Policy

[8]Renewable Energy Subsidy Delivery Mechanism is approved by line ministry.
http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=3&cat=RE%20Subsidy%20Delivery%20Mechanism

through food security, improved agriculture, urban resilience etc)					
Credit mobilization	X	XX	XX	XX	XX
Policies and plan	XX	X	XX	XX	XX
Capacity development	X	X	XX	X	X
Option for Climate change mitigation resources	XX	XX	XX	XX	XX

Indicators: x- moderate, xx- high

15. AEPC negotiates projects with DPs in coordination with the line ministry and involvement from the MoF. Once the negotiations conclude, a joint financing agreement is signed between the GoN and the respective DPs. Based on the bilateral/multilateral agreements; a committee (program steering committee and project executive board) is generally formed with representation from the members of respective development partners to serve for oversight function to the program and project negotiated.

16. During the implementation of the projects/programs, AEPC reports to its development partners through the respective project/program steering committee. AEPC is responsible for the preparation of the documents which are approved by the line ministry. While AEPC remains in forefront when it comes to day to day coordination with the development partners, coordination at the sectoral-level is facilitated by the line ministry.

17. Apart from the project/program steering committee, the DPs are engaged with the projects and programs in different respective Coordination Committees, as Technical Assistance Supporters, as lead donor for basket funding modality[9], in project management unit through seconded or hired staffs and consultants from development partners. Seconded staff and consultants also serve as oversight of project management function.

2.4 Planning Process

18. AEPC prepares annual plans for the implementation of different renewable energy technologies. AEPC's works on a demand based approach. While preparing annual plans, AEPC considers the demands received through District Development Committees (DDCs), service providers, communities and private sectors. The annual plan formulation process of AEPC is aligned with the GoN's planning framework.

19. The planning process followed by AEPC is aligned with the GoN's planning process. The planning begins with a review of progress made during the ongoing fiscal year and the demands from stakeholders are collected through different service providers and after necessary adjustment of the targets for the ongoing fiscal year. As a part of preparatory works, the institutional goals, objectives, outputs and progresses made against them while accommodating the common understanding of the GoN's sectoral priorities, commitments, short term and long term goals are assessed. Once the interventions are outlined it is shared and discussed within the office staff to assess the appropriateness of the intended plan and financial resources required for implementation. The implementation plan is then sent for approval to the Board. Upon receiving

[9] Under this modality, the financial support from different development partners and GoN supports are pulled in single basket.

approval from the Board the plan is sent to the line ministry. The line ministry then sends the plan for NPC and MoF's approval. AEPC's planning calendar is presented in Table - 4 below:

Table-4: AEPC's Planning Calendar

SN	Stage	Activity	Time
1	In-house Strategic Consultations	Reviewing status, sector priorities, strategic need for planning and mitigating for any fiscal challenges and obstacles. Reach to a consensus on necessary strategic modalities and approaches to be included in planning process and annual work plan.	By November every year
2	Planning directives and budget received from the line Ministry	Preliminary discussion on planning philosophies, Government priorities and recommendations, resources status and availability.	By third week of January
3	Instruction/request for planning with Budget Ceiling to concerned departments.	Preliminary budget ceiling to different departments.	By Fourth week of January
4	Detail work plan and budget preparation by respective departments.	Detailed activities, targets and costing estimated	By Fourth week of January
5	Compilation and finalization of work plan and budget	Compilation of work plan and analysis for any significant deviation or changes in the work plan and follow up with respective departments.	By Second week of February
6	Submit Annual Work Plan with Procurement Plan to the line ministry	Annual work plan along with action for plans, estimated cost and processes of procurement submitted to the line ministry.	By third week of March
7	Budget discussion at the line ministry	Key activities, any major new initiatives/activities proposed in AWP, budget ceiling discussed with the line ministry.	By fourth week of March
8	Budget negotiation in National Planning Commission as per the AWP endorsed by the Ministry.	Sectoral planning review by National Planning Commission	By April
9	Budget negotiation in MoF	Discussion on budget, resources commitment from Donors, GoN allocation	By April
10	Budget Announcement by GoN/MoF	GoN through MoF announces the budget	By the end of May

III. ORGANISATION, MANAGEMENT AND PROGRAM EXECUTION

3.1 Organizational and Outreach Structure

20. AEPC is the national focal agency for the promotion of alternative/renewable energy in Nepal (Refer to the charter on the formation of Board and its mandates).The Board is the supreme body for decision making. The Board currently; as mentioned in Article 3 of the Board's Formation Order has 11 members with representation from the government sector, private sector and non-governmental organizations. The composition of the Board and selection of the Board members is followed as per Article 3 of the formation order. Council of Ministers appoints the best candidate as Executive Director (ED) recommended by selection committee. ED acts as the administrative chief and is responsible for the execution of projects and programs. AEPC reports to the line Ministry.

21. *District Environment, Energy and Climate Change Sections (DEECCS):* There are 75 districts in Nepal and the developmental activities are governed by respective DDCs. AEPC initiated establishing the Rural Energy Development Sections/District Energy and Environment Sections in selected DDCs for the implementation of Rural Energy Development Program. Based on this experience, the Ministry of Federal Affairs and Local Development (MoFALD) approved the establishment of District Energy and Environment Units (DEEU) in all DDCs on 10/05/2007 (27/01/2064 BS) through a ministerial decision. Now DEEUs are known as District Environment, Energy and Climate Change Sections (DEECCS) after the approval of DEECCS operation guidelines[10].The main role of AEPC towards DEECCS is to provide technical and financial support to DDCs, capacity building regarding energy, environment and climate change, coordination at central level among/between central level stakeholders such as DPs, different ministries and departments, integrating local level planning in AEPC's central level planning. The major role of the DDC's through the DEECCS structure is to serve as local level planning and coordination for the implementation of renewable energy, climate change activities, monitoring, resources mobilization from local stakeholders, and capacity building.

22. *Central Renewable Energy Fund:* The GoN and the development partners agreed to establish the Central Renewable Energy Fund (CREF) as the main financing instrument for the promotion of renewable energy in Nepal. All the financial flows related to subsidies and credits for renewable energy technologies support are now handled by the CREF through a handling bank. CREF functions as per the CREF Operational Guideline (Kendriya Nabikaraniya Urja Kosh Sanchalan Nirdeshika, 2071) approved by the line ministry on 01/01/2015 (17/09/2071 BS).

23. Besides, AEPC works with national, regional and local service providers, civil societies, private sector and cooperatives for effective and efficient service delivery to all level through an agreement based on the nature and the service delivery required for particular projects and programs. Based on the approved human resources, AEPC has different divisions and sections to deliver the services. The current organizational structure (with associated roles and responsibilities) is given in **Annex-1.**

[10] DEECCS operation guideline was approved by Ministry of Federal Affairs and Local Development on 21 January 2014 (07 Magh 2070). The guideline can be accessed in http://www.aepc.gov.np/docs/resource/resgfm/20141116051557_DEECCS_Guideline.pdf

3.2 Governing Body

24. *Board:* The major function of the Board is to develop and expand alternative energy technology, and develop appropriate policy and programs to promote alternative energy technology. The Board acts as a national entity (national Focal Agency) for the promotion of alternative and renewable energy. Other functions of the Board are as mentioned in Article 4 of the formation order.

25. In addition to the above arrangement, for projects or programs implemented under bilateral or multilateral agreement, a separate decision making body such as a Program Steering Committee or Project Executive Board shall be constituted that comprises line ministry, external development partners, government agencies, private sector, if required, to steer the functions for specific program and projects.

26. *Executive Director:* The Executive Director (ED) is appointed as the administrative chief of AEPC and member secretary of the Board. The Government of Nepal appoints the ED as per Article 7 of formation order with recommendation from a selection committee led by a member of NPC. Secretary of the line ministry and an independent expert appointed by board are other two members in the selection committee. Short listing of the candidates is done through open competition. Council of ministers appoints the best candidate recommended by the selection committee.

27. The ED acts as the administrative chief of AEPC and related Program/Project under AEPC. As provisioned in the article 9 of the formation order, the Board identifies and appoints the required employees for the operation of the Board's function. As per the article 13 of the formation order, Board has prepared and enforced the "AEPC Staff Regulations 2009 (2066 BS)"[11]. The regulation stipulates provisions and types of staff, their qualification and other regulations to be followed by the staffs.

28. In addition to this, requirement of additional staff, their qualification, roles and responsibilities are identified for Program and Projects supported by specific DPs as deemed necessary in the bilateral and multilateral agreements. For this, AEPC prepares specific guideline for specific program/project.

3.3 Working Modality

29. At national level, AEPC functions to develop appropriate program and policies in alternative and renewable energy sector. For the implementation of the program, AEPC also works through service providers. At the regional level, AEPC functions through the service centers which are generally, regional NGOs or the private sector. At the district level, AEPC works jointly with the DDC. This working arrangement has been mandated through a ministerial decision referred to in paragraph 21 above.

30. AEPC follows a Public Private Partnership (PPP) Model and Demand Based Approach. The public sector works on the capacity building, technical and financial assistance, coordination, quality assurance and the private sector works on manufacturing, supply and installation, and after-sales services. DEECCS present in all 75 districts serve the monitoring and supervision functions for the renewable energy technologies installed under different programs. Similarly, AEPC

[11] The AEPC's staffs regulation (Karmachari Sewa Sarta Niyamwali 2066) can be accessed in http://www.aepc.gov.np/?option=resource&page=subresource&mid=3&sub_id=19&id=4

executed programs thrive on the partnership with the national/regional/local level service providers (NGO, Cooperatives, Private Companies) for the effective and efficient service delivery.

31. Apart from that, AEPC works through recognized competent companies for the manufacturing, supply, installation and after sales services of different technological units. For this AEPC has formulated the quality standards for different renewable energy technologies.

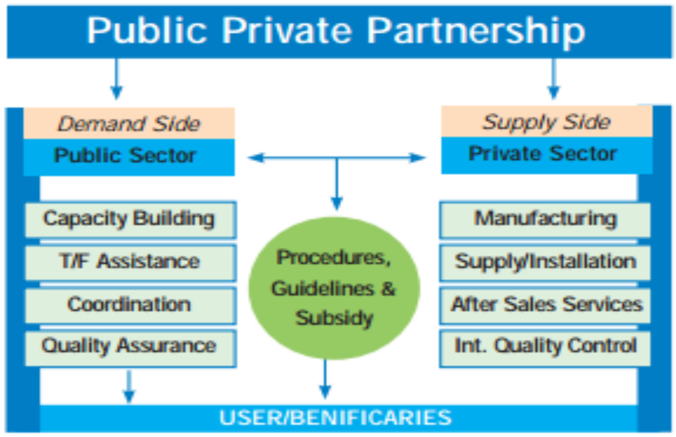

Figure 1: Working Modality of AEPC

32. At the national level, AEPC works closely with related ministries, their departments, non-governmental organizations, private sector, civil society, national banking institutions, academic institutions and community/users groups for the development and promotion of Renewable Energy Technologies (RETs) in the country. During two decades of its successful operation, AEPC has maintained working relations with a range of DPs, Intergovernmental organizations, multilateral banks etc.

33. AEPC mobilizes credit/loan and subsidies through the CREF to implement the alternative/renewable energy projects/programs. CREF administers the credit/loan through private sector handling bank and partner banks. Other appropriate mechanisms may also be established for any specific projects/programs as specified in the joint agreement of GoN with DPs and/or specified in the Program documents.

IV. ORGANISATIONAL POLICY AND PROCEDURES

4.1 General Organization and Management

34. AEPC's Board is the supreme body for the overall management of activities planned and implemented by AEPC. The ED is vested with the authority to manage day-to-day activities on behalf of the Board and needful management within the organization is supported by other staffs at the centre as delegated and authorized by the ED.

35. In the case of the programs executed by AEPC under the different bilateral/multilateral agreements, a Program Steering Committee or Program Executive Board as deemed necessary by the agreement can be formed. This is the supreme body for decision making for the respective programs. Those committees shall constitute members from the GoN and the respective DPs, as required.

36. All the procedures of staffing, training, human resource management, promotion, grievance handling and motivation shall be governed by AEPC's Staff Regulation. However, if staff/consultants are to be hired for short term assignments or services, the provisions outlined in the Public Procurement Act 2007 (2063 BS)/Public Procurement Rules 2007 (2064 BS) prevail.

37. The ED exercises all his/her authority as specified in the formation order. In a situation where mandate given to the ED by the formation order doesn't prevail, the same is taken to the Board for approval.

38. For initiation of any activity within the organization, the initiator drafts a Memo for approval. The initiator addresses the immediate supervisor while initiating the Memo and detail out the rationale, objective, envisaged approach, cost estimate (if applicable) and expected outcome of the said activity. Upon the receipt of the memo, the Executive Director seeks suggestion from relevant departments likely to be involved with the activity and final decision is taken based on the inputs given by the respective departments.

39. For the management of specific Programs/Projects under the bilateral/multilateral agreement, AEPC can prepare and enforce a separate organizational management procedure as agreed upon with the respective DPs.

4.2 Transparency and Accountability

40. The Right to Information Act 2007 (2064 BS) provides for transparency of activities performed by public body. AEPC being a public body, conduct its function openly and transparently. It is also responsibility of any public body to classify and update information and make them public, publish or broadcast. Such information should include structure and nature of entity, functions, duties and power of the entity, number of employees, service rendered, fees and time limit of the entity and decision making process and authority to hear appeal of the entity. AEPC has placed citizen charter at entrance of its premises for public view. AEPC also publishes reports (annual progress reports, data, final reports of the activities) and information periodically to ensure the transparency. For detail information on the communication of reports and information, refer to paragraph 60 of this document. The provisions of the general code of conduct outlined in the AEPC regulation apply to all staff of AEPC. The AEPC Staff Regulation provides the organization's general code of conduct and outlines the incentive structure as well

as disciplinary action to be taken for any violation of the code of conducts. In addition to this, AEPC has prepared and enforced a Code of Conduct included in **Annex-2**.

41. In cases where conflict of interest is predicted during involvement of any staff in any decisive function, the same is required to be disclosed. AEPC's Conflict of Interest Disclosure Form is presented in **Annex-3**. If it is proven that a staff member has failed to disclose a conflict, it shall be taken as the violation of the code of conduct and subject to disciplinary action.

4.3 Anti-corruption Policies and Whistle Blower Protection

42. All the provisions related to accountability are stipulated by the GoN's *Financial Procedures Act* 1999 (2055 BS) and AEPC Staff Regulation 2009 (2066 BS). Any person holding office of public accountability shall bear responsibility for any transaction done at the order or direction issued by that person or for any transaction done by that person. If in the course of examining or during an audit it appears that any transaction has been carried on without fulfilling the procedures specified by the prevailing law or any other irregularity is found, the responsible person shall be held accountable for the same. Any person holding office during transfer or on termination of service should handover cash, kind and other documents within 7 days of leaving office.

43. All the provisions stipulated by the *Corruption Prevention Act* 2002 (2059 BS) shall be applied for all the staff associated with AEPC. AEPC has adopted a zero-tolerance policy against corruption, thus all necessary preventive and punitive measures shall be adopted to curb corruption. Thus, with aim to realize in practice zero-tolerance policy, AEPC has adopted an Anti-Corruption Policy, Strategy and Operation Guidelines **(Annex-4)**.

44. AEPC shall take all necessary measures to safeguard the "Whistle Blower" for any sort of mal-practice within the organization. In order to create a safe environment for the "Whistle Blower", AEPC has made the appropriate provision of it mentioned in paragraph 45 and paragraph 46 of this document.

45. No AEPC staff shall be subjected to intimidation, harassment, threat, discrimination, or other detriment, disadvantage or punishment during their employment at AEPC because of making a disclosure of fraud, mismanagement or any other allegation. AEPC shall take all reasonable steps to ensure that sufficient and appropriate protection is provided for those who make a good faith disclosure. It shall take steps to ensure the complainant is not disadvantaged, intimidated or threatened. This will be the case regardless of the outcome of the investigation, whether the disclosure is proven or not or whether it is reported to an external authority. If the whistleblower feels that he or she has been the subject of discrimination, harassment, intimidation, or other unwarranted treatment because of this investigation, the staff member is encouraged to appeal to the Independent Compliance Unit or relevant government body.

46. External complainants shall have the same protection as AEPC staff in relation to any dealing with AEPC including the ability to appeal should he or she feel discriminated, harassed, intimidated or subject to other unwarranted treatment from AEPC because of the investigation.

4.4 Grievance and Complaint Handling Mechanism

47. AEPC shall ensure that the grievances from the stakeholders are appropriately received and addressed. AEPC shall use all sort of means to receive the grievances from all level of stakeholders. AEPC has provisioned a complaint box in its premises to receive stakeholders'

grievances while a dedicated space has also been allocated on its website to post grievances. The complaint and grievance handling for procurement is well addressed in the *Public Procurement Act 2007 (2063 BS)/Public Procurement Rules 2007 (2064 BS)*. For addressing the complaint and grievances related to the subsidy delivery and quality of the renewable energy technologies delivered, a committee is provisioned in the *Renewable Energy Subsidy Delivery Mechanism 2016 (2073 BS)* headed by ED of AEPC. The committee includes representatives from the line ministry, private sector and the respective unit/components of AEPC.

48. All other grievances received shall be compiled and the same shall be prioritized to be dealt with. For the purpose of handling the grievance, the Nodal Officer shall investigate the complaint based on problem category and responsible area. The operation guideline for the complaint handling is presented in **Annex-5.** The service providers and local level partners have their own process for handling the grievances.

4.5 Procurement

49. All the procurement functions related to AEPC shall follow the procedures as directed by the *Public Procurement Act 2007 (2063 BS)*[12] and *Public Procurement Rules 2007 (2064 BS)*[13]. In case of projects/programs implemented under bilateral/multilateral Agreement, a separate set of procurement rules may prevail depending upon the terms of procurement negotiated with the respective DPs.

50. Wherever possible, Renewable Energy Subsidy Policy emphasizes the use of the Best Available Technologies (BATs). The technical and supply qualities of the technologies are well assessed before procuring the technologies. In order to ensure universal energy access to less RETs coverage areas and to ensure access to basic energy services to targeted beneficiaries, disaster victims or regions with low RET penetration and in piloting energy services based subsidy models, procurement can be done from private companies/vendors to fulfill GoN target in specific district/region at a competitive lowest price under a reverse auction model. Detail process of the reverse auction procurement is given in subsidy delivery mechanism.

4.6 Financial Management, Accounting and Reporting

51. All the financial activities performed by the AEPC are guided by the *Financial Procedure Act* 1999 (2055 BS)[14] and *Financial Procedure Rules* 2007 (2064 BS)[15] of Nepal. AEPC should prepare budget and programs required by office for forthcoming year and submit it to the MoF. The MoF provides the annual budget for various projects and all the activities are conducted within constraints of the budget. Any grants or loans received from donor agencies are also included in the budget. Fund management of all activities of GoN is done through a consolidated fund managed by Financial Comptroller General Office (FCGO). Periodic sanction is required from FCGO to utilize funds. Even after the transactions have been carried out and accounted for, it

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[12] Public Procurement Act can be accessed from Public Procurement Monitoring Office's website: http://ppmo.gov.np/acts_and_regulations

[13] Public Procurement Rules can be accessed from Public Procurement Monitoring Office's website: http://ppmo.gov.np/acts_and_regulations

[14] Financial Procedure Act of Nepal can be accessed at: http://www.lawcommission.gov.np/en/documents/2015/08/financial-procedures-act-2055-1999.pdf

[15] Financial Procedure Rules of Nepal can be accessed at: http://www.lawcommission.gov.np/en/documents/2015/08/financial-procedures-rules-2064-2007.pdf

shall carry out, or cause to be carried out, internal examination of the transactions carried out and become confident of accuracy.

52. Chart of Accounts shall be based on *Operation Directives* 2014 (2070 BS)[16]. The directives provisions separate heads provided for revenue and expenditure with the annual budget provided under such headings. All revenue and expenditure shall be booked under such respective headings. AEPC shall maintain accounts of all expenses on a Cash Basis through an accounting software used and prescribed by the GoN to record all the financial transactions and vouchers such that they are classified into separate files according to their budget heads. At the end of each month, AEPC sends the monthly expenditure statement to Finance and Account Controller Office (FACO) at end of each month and the trimester progress reports to the FACO and the line ministry after the end of each trimester.

53. The *Asset (Money) Laundering Act* 2008 (2064 BS)[17] is the guideline to safeguard against money laundering and countering Financing of Terrorism. Assets are supposed to be laundered in case earned directly or indirectly from tax evasion or terrorist activities or invests in such activities or holds, utilizes or possess assets by committing offences stipulated in the Act. Under this act, Bank and Financial Institution and non-financial institution of Nepal are required to maintain clear identity of a person while establishing any kind of business relationship with persons or organizations (Know Your Customer) or transacting the amount more than the limit at once or several transactions as prescribed by Central Bank of Nepal (Nepal Rastra Bank) from time to time. A directive on this has also been issued by Nepal Rastra Bank. Also records should be maintained of amount transacted beyond the limit prescribed by Rastra Bank at a single or in a series of transactions by a person. Institutes are also required to investigate and inquire any transactions which seem to be doubtful or transacted with the motive of assets laundering or so laundered or there are reasonable grounds for getting into suspicion and inform Financial Information Unit of Nepal Rastra Bank. Besides this, there are provisions of providing all the information prescribed in PPA/PPR as minimum eligibility criteria that have to be followed while procuring goods, works and consulting services. AEPC strictly evaluates and check those criteria that support AEPC in indentifying the right and appropriate customers.

4.7 Procedure of Disbursement

54. All the invoices for expenditures made are received by the respective departments initiating the activity. The respective department head shall be required to recommend the ED that the outcome of the activity is justifiable and the invoice submitted is eligible for the payment. Based on recommendation from the respective department head the ED or designated staffs approve the payment request and forward it to the Finance Department. The system for Payment and disbursement is presented in **Annex-6.**

55. The finance department shall review the submission for adequacy and authenticity and request Funds and Accounts Comptroller Office (FACO) to prepare cheque for the respective activity. After receiving cheque from FACO, such cheques shall be provided to the respective submitter and acknowledgement of receipt shall be obtained. Upon proper disbursement, all the invoices

[16]Operation Directives 2014 can be accessed at: http://www.mof.gov.np/uploads/document/file/कार्य%20संचालन%20निर्देशिका%20प्रेस_20140409104657_20140724072440.pdf

[1717]Asset (Money) Laundering Act 2008 can be accessed at: https://www.nrb.org.np/lgd/acts_ordinances/Asset%20_Money_%20Laundering%20Act,%202008%20_Eng%5B1%5D._.pdf shall be defaced with “PAID” stamp. In case of the projects under the bilateral/multilateral Agreement, the procedure mentioned above shall prevail with an exception that the cheques for payment are issued directly by AEPC.

56. For the operation of any accounts maintained at the Central Bank of Nepal, the line Ministry and the MoF shall be sought for the approval. All the revenue collected (e.g. auction and tender document sales) shall be deposited in government revenue account.

4.8 Auditing Procedure

57. As required by the *Financial Procedure Act* 1999 (2055 BS) and *Financial Procedure Rules* 2007 (2064 BS) of Nepal, the internal audit shall be performed by the FCGO while the final external audit is performed by the Office of Auditors General (OAG) in line with the *Nepal Public Sector Accounting Standards* 2013 (2070 BS)[18] developed by the Auditing Standard Board of Nepal and Government Auditing Standards 1996 (2053 BS)[19] respectively. The terms of audit for the internal audit function performed by the FACO is guided by the *Internal Audit Procedure Directive*, 2016 (2073 BS)[20]while the terms of external audit function performed by the OAG is guided by the *Audit Act*, 1991 (2048 BS)[21]. In the case of programs implemented under the Joint Financing Agreement, a separate audit procedure could be prepared. However, for the final audit, OAG will be the ultimate auditing entity. For community projects, such as mini/micro hydro projects, if required by the Renewable Energy Subsidy Policy and respective delivery mechanism, a public audit of the project has to be done by the respective community.

4.9 Financial Risk and Mitigation Measure

58. The finance department at AEPC shall ensure that all sort of risks are minimized while the payments are disbursed for any activity. The following risk mitigation procedure shall be complied with before making the final disbursement. The Table 5 outlines the general procedure from budget preparation to final disbursement along with the risk associated and prescribed action to mitigate the risk.

Table-5: Financial Risk and Mitigation Matrix

Risk Type	Stage	Action to mitigate risk
Strategic Risk	**Budget preparation:** High or Low Fit with organizational vision, mission etc Approved by GON	Relevant to organizational vision, mission etc. Budget preparation is based on the involvement of implementing unit.
Control risk	**Cost Estimation:** Prepared or not Approved or not Reasonable or not	Prepared for all activity (Compulsory for the provision of Act) Reasonable Approved
Control risk	**Expression of Interest:**	Complete follow up of PPA/PPR etc.

[18] *Nepal Public Sector Accounting Standards* 2013 can be accessed at: http://www.fcgo.gov.np/wp-content/uploads/Nepal-Public-Sector-Accounting-Standards-2070.pdf

[19] *Government Auditing standards 1996 can be accessed at: (http://oagnep.gov.np/downloadfile/OAG%20Publication%20Series%20A1_1301384655.pdf)*

[20] Internal Audit Procedure Directive, 2016 can be accessed at: http://www.fcgo.gov.np/wp-content/uploads/Aalepa-nirdesika-2073.pdf

[21] Audit Act, 1991 can be accessed at: http://www.lawcommission.gov.np/en/documents/2015/08/audit-act-2048-1991.pdf

	Published or not Procedures of PPA/PPR followed or not	
Control risk	**Request for proposal:** Published or not Procedures of PPA/PPR followed or not`	Complete follow up of PPA/PPR etc.
Control Risk	**Selection:** Technical Evaluation Financial Evaluation As per PPA/PPR or not.	Complete follow up of PPA/PPR etc. and proper documentation of approved documents.
Control risk	**Contract:** Notice of selection and contract	Proper follow up of PPA/PPR and adequate documentation.
Financial risk Operational risk Control risk	**Payment:** **Advance payment:** Job order issued or not Payment as per contract or not **Final & other payment:** Request for Payment Bill approved or not, proper or not Other supporting Advance adjustment Other deduction	Payment based on the provision of contract after approval from higher authority with proper supporting.
Default Risk	For loan Disbursement	In case of funding in the form of loans with repayment conditionality it is governed by the CREF operating manual and decisions of investment committee. CREF provides loan in bulk to partner banks and condition of repayment and default is specified in those policy. Generally default risk is born by Partner banks and AEPC as per mutual consent. Such loans are insured to minimize the risk.
Forex Risk	Exchange gain/ loss	All the risk related to foreign exchange is borne by GoN and/or DPs as guided by bilateral or multilateral agreement.

4.10 Internal Control and Compliance

59. An Independent Compliance Unit was established for the National Rural and Renewable Energy Program (NRREP) to provide independent information and evidence to management and steering committee through lead donor on the adherence of the program with GoN and Program's rules, oversight activities and improvement recommendation on project/program implementation. Compliance Manual is prepared to operate the compliance unit. AEPC has institutionalized this Compliance Unit from the decision of the Board dated 04/01/2016 (20/09/2072 BS) to serve the oversight function to ensure the adequacy of internal controls at the institutional level. The oversight of the Unit shall be done by a sub-committee headed by one Board member to oversee the internal control, ethics and internal audit of AEPC. Other members of the sub-committee shall be finance and law experts hired by the Board. AEPC supports Board in hiring the experts. The unit through this committee directly reports to the Board on a periodic basis highlighting the improvement needs to ensure functioning of the

internal controls. The NRREP compliance manual[22] is currently being streamlined across AEPC's operation. The roles of the compliance unit are given in **Annex-1.**

4.11 Communications

60. Information and communication activities related to the AEPC shall be guided by the Communications Strategy (**Annex-7**) prepared by AEPC/NRREP. All the items prepared by AEPC or through any other party engaged with AEPC shall be available to the public unless stated otherwise. Nevertheless, the meeting minutes and any document marked as "confidential" shall not be available to the public. AEPC publishes all the materials that could be shared publicly through its website, including implementation progress reports, monitoring reports, and evaluations. Further information can also be provided to the stakeholders' upon rational request.

4.12 Reporting

61. AEPC shall report its progress with the GoN as per the specific reporting requirement prescribed by NPC. Monthly, trimester and annual reporting has to be furnished by AEPC. All these reporting requirements are in Nepalese language. Reports of annual and trimester planning of activities shall be submitted to the MoF through Line Ministry Budget Information System (LMBIS) established by the MoF for annual and trimester planning of activities in accordance with the approved annual work plan. The key content of the report will be the physical progress, financial progress, key activity wise reporting, output and impact level reporting, key challenges and way to mitigate. The reporting matrix is presented in **Annex-8**.

62. For any specific programs under the bilateral/multilateral agreement, the reporting to the respective development partners shall be done based on the content and frequency of reporting as stipulated in the respective program document. The reports for the programs and projects are in English Language if otherwise stated in the document.

4.13 Gender and Social Inclusion

63. The Gender Equity and Social Inclusion (GESI) shall be integrated in the AEPC's operation to reach the targeted group of beneficiary recognizing the context that the social identity, economic status and physical location of an individual play a vital role in accessing the public facilities and resources. AEPC has institutionalized a dedicated GESI unit to provide technical guidance, develop GESI sensitive tools, working procedures and formats, and develop and implement GESI monitoring and evaluation indicators. In an effort to ensure GESI appropriately, AEPC shall ensure inclusiveness based on the social identity, (caste, ethnicity and gender), income strata and geographic isolation.

64. For this, appropriate tool box, and guidelines shall be prepared to ensure GESI mainstreaming at all levels of the intervention. Similarly, appropriate measures shall be taken to record all applicable GESI related data and information from the project areas to analyze and mainstream GESI in its all activities. More specifically, AEPC shall follow Gender Equality and Social Inclusion

[22] The NRREP compliance manual is prepared for the internal control activity of NRREP implemented under AEPC. This compliance function is internalized by AEPC. The compliance manual for NRREP can be accessed at:http://www.aepc.gov.np/docs/resource/resgfm/20140409050320_Compliance%20Unit%20Operational%20Manual.pdf

Toolbox for Promotion of Renewable Energy Technologies 2014 (2070 BS)[23], Social Mobilization Guideline2014 (2070 BS)[24] and GESI Audit Guideline 2014 (2070 BS)[25]for all the GESI related procedures.

4.14 Commitment to Sustainability

65. AEPC is committed to promoting sustainability. Concern for the environment and promoting a broader sustainability agenda are integral to AEPC's professional activities and the management of the organization. AEPC aims to follow and promote good sustainability practice, to reduce the environmental impacts from all its activities and help its staff, clients and partners do the same. AEPC's sustainability policy is presented in **Annex-9**.

[23]Gender Equality and Social Inclusion Toolbox for Promotion of Renewable Energy Technologies can be accessed at:http://www.aepc.gov.np/docs/resource/subreport/20140324002055_Gender%20Equality%20and%20Social%20Inclusion%20Toolbox.pdf

[24] Social Mobilization Guidelines can be accessed at: http://www.aepc.gov.np/docs/techsupport/subsubtechsupport/20130827022817_SM%20Guideline%202013.pdf

[25] GESI audit guideline can be accessed at: http://www.aepc.gov.np/docs/resource/subreport/20140702014854_GESI%20audit%20report-AEPC-NRREP.pdf

V. PROJECT OPERATIONS: PROJECT & PROGRAM DESIGN AND MANGEMENT

5.1 Operational Policies

66. The GoN's *Rural Energy Policy* 2006 (2063 BS)[26] serves as the main guiding policy for AEPC's work. The *Renewable Energy Subsidy Policy*, 2016 (2073 BS)[27] and respective *Renewable Energy Subsidy Delivery Mechanism 2016 (2073 BS)*[28] are the main operational documents for renewable energy service delivery to households, institutions, communities and enterprises by AEPC. Both of these documents are updated periodically, usually in 2 to 3 year intervals, to keep the type and extent of support and the procedure to deliver such support on renewable energy by AEPC.

67. AEPC supports implementation of different technologies at household, community and institutional level. For all the technology it implements, the table below provides the technological classification.

Table-6: Technology Classification

Technology	Household Systems	Community Systems	Institutional Systems
Hydropower	Improved Water Mills (Agro-processing)	Pico-Hydro, Micro-Hydro and Mini-Hydro (New & Rehab)	
		Improved Water Mills (Electrification)	
Solar PV	Solar Home Systems, Small Solar Home Systems	Solar PV Mini-grids (Off-grid and on-grid), Solar Street Lighting Systems	Institutional Solar Photo-Voltaic System (Off-grid)
	Religious Places		Institutional Solar Photo-Voltaic System (On-grid)
Solar Pumping	Household Photo-Voltaic Pumping System	Photo-Voltaic Pumping System for Drinking	
		Photo-Voltaic Pumping System for Irrigation	
Solar Thermal	Dryer & Cooker	Community Cooker	Medium and Large sized Dryers

[26]Rural Energy Policy 2006 can be accessed at: http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=1&cat=RE%20Policy

[27] Subsidy policies are generally revised in a regular basis. The current subsidy policy approved by the ministerial cabinet is given in link below: http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=2&cat=RE%20Subsidy%20Policy

[28]Subsidy delivery mechanism is also revised in a regular basis with the revision in subsidy policies. The current subsidy delivery mechanism approved by the line ministry is given in link below http://www.aepc.gov.np/?option=resource&page=rescenter&mid=3&sub_id=18&ssid=3&cat=RE%20Subsidy%20Delivery%20Mechanism

<table>
<tr><th>Technology</th><th>Household Systems</th><th>Community Systems</th><th>Institutional Systems</th></tr>
<tr><td></td><td></td><td></td><td>Institutional Solar Cooker</td></tr>
<tr><td rowspan="3">Biogas</td><td rowspan="3">Domestic Biogas</td><td rowspan="3">Community Biogas</td><td>Institutional Biogas</td></tr>
<tr><td>Biogas from Municipal Solid Waste</td></tr>
<tr><td>Commercial Biogas</td></tr>
<tr><td rowspan="3">Biomass</td><td>M. Portable Rocket Stove</td><td rowspan="3">Biomass Electrification</td><td rowspan="2">Institutional MICS</td></tr>
<tr><td>M. Heating & Cooking Stove</td></tr>
<tr><td>Gasifier Cook Stove</td><td>Metallic Gasifier (Thermal)</td></tr>
<tr><td>Wind</td><td></td><td>Wind Energy Systems</td><td></td></tr>
<tr><td>Hybrid</td><td></td><td>Solar-Wind Hybrid</td><td></td></tr>
</table>

5.2 Project Formulation

68. AEPC and its outreach partners and the service providers support households, communities and institutions through all the stages required to develop and implement RE technologies. The ultimate beneficiary is responsible for the management and operation of respective system constructed/installed. The table below provides the outline of steps involved in executing any renewable energy system deployed by AEPC.

Table-7: General Project Cycle

STEP 1	Project identification/Appraisal ▪ Demand collection ▪ Pre-feasibility study
STEP 2	Project preparation/Design ▪ Detailed Feasibility Study ▪ Approval of detailed feasibility study report
STEP 3	Project Implementation ▪ Project Procurement ▪ Subsidy Approval ▪ Project construction/Installation
STEP 4	Monitoring and Evaluation ▪ Under construction monitoring ▪ Testing and commissioning ▪ Third party verification (Power Output and Household verification for Hydropower) ▪ One year guarantee check ▪ Compliance audit (random monitoring) ▪ Impact study/users survey (periodic-every two years)

69. AEPC shall put efforts towards developing and implementing renewable energy projects to appropriately address the climate change mitigation and adaptation needs of the country. For this, AEPC shall, to the extent possible, develop renewable energy based climate change mitigation projects for the carbon and climate financing. In the meantime, AEPC shall, as a

national focal institution for renewable energy and climate change affairs, support local government prepare and implement climate change friendly and gender sensitive decentralized climate and energy plans.

70. AEPC partners with stakeholders identified by the respective DEECCS at the local level while it identifies national level partners at the centre. AEPC, on a regular basis, requests applications from eligible and qualified companies or civil society organizations to partner with them. At the international level, AEPC partners with regional and international organizations to achieve National and International goals associated with the energy access, renewable energy promotion and climate change. Similarly, energy service providers like Energy Service Company and Companies promoted under Special Purpose Vehicle also act as project partners of AEPC.

71. While preparing renewable energy based climate projects, AEPC shall ensure full compliance with the international treaties and conventions to which Nepal is a party to and the respective meeting decisions, protocols and procedures developed under the respective treaty and convention. More specifically, AEPC shall develop climate and carbon projects in compliance with the procedures of respective climate and carbon standards. While preparing the climate change friendly and gender sensitive decentralized climate and energy plans, AEPC and DDCs shall follow the District Climate and Energy Plan Preparation Guideline 2012 (2068 BS) (**Annex-10**).

72. AEPC shall administer grants for research and development, and advocacy in the field of the renewable energy and climate change. AEPC shall administer all the grants related to the research, workshops/seminar etc. in line with the Grant Guideline 2015 (2072 BS) (**Annex-11**).

5.3 Project Identification/ Appraisal

73. Projects shall be identified on actual demand basis. However, based on the planning of the national government and local governments, targets for renewable energy promotion are set every fiscal year. In order to fulfill the approved targets, different projects based on different technologies are identified. The project identification stage is aligned with the GoN's planning framework discussed in paragraph 19.

5.3.1 Household Based Technologies

74. The demand for renewable energy is identified through the baseline information. For this, the information is collected through the outreach partners on local energy needs, renewable energy promotion Programs conducted through the support of local government and database of AEPC. Moreover, for a broader need assessment economic survey reports of the GoN are referred.

75. AEPC's outreach partners at the regional and district level prepare a household demand and AEPC sets targets to reach out the households deprived of renewable energy services. Outreach structures help creating demand for different renewable energy technologies and conduct the feasibility assessment to assess the viability and suitability of the desired renewable energy services at the specific beneficiary household.

76. AEPC accredits a private sector company to work in the relevant areas of household technology promotion. The accredited companies assess and create demand for respective renewable energy technologies they are accredited for. Based on the preference of the households and selection of one of the competent companies from among the listed ones, the project sites are identified.

77. On the other hand, AEPC and/or its outreach partners at the district and regional level collect demands for household technologies. Based on targets and annual plans, AEPC prioritizes areas and selects one of the accredited companies to install the required household technologies. While doing so, AEPC adopts the principles of BAT and the concept of Reverse Auctioning on a concessional basis.

5.3.2 Community and Institution Based Technologies

78. For the community and institution based renewable energy systems, AEPC and/or its outreach partners request demand through national and/or regional daily newspaper or any means of electronic communication. The interested applicants are required to fill and submit the pre-feasibility form prescribed by AEPC and available at the AEPC website. Based on the approved criteria developed by AEPC, respective technical components assess the received demand application and prepare the list of applications meeting the approved criteria. AEPC conducts the project identification and pre-feasibility assessment by itself or through its outreach partners or independent consultant(s).

79. In addition to means of demand collection mentioned in para 80, AEPC and its outreach partners collect demand directly from the communities and institutions. Upon receiving the demand, AEPC or any entity assigned by it provide the technical support for assessing the pre-feasibility of community and institutional systems.

80. AEPC has developed forms and formats for demand collection and preliminary assessment of projects. The demands of household technologies and the community and institutional systems, after filling up all details, submit at the Outreach Centers or AEPC directly.

81. AEPC through its outreach centers and/or independent consultants conducts the pre-feasibility assessment of the project on demand. Based on the evaluation of results of the pre-feasibility study AEPC procures services from consulting firms to conduct detail feasibility study of community and institutional systems. The detail procedure for each technology may vary and elaborated in the Renewable Energy Subsidy Delivery Mechanism 2016 (2073).

5.4 Project Preparation/ Design

5.4.1 Project Cost

82. For household based renewable energy technologies, AEPC shall prepare the maximum retail price of the installation of specific technology for each fiscal year. The maximum retail price of each technology may differ provided that the technologies will be promoted in different geographical areas with variable transportation costs and specifically for the technologies that involve construction activities, the availability of raw materials also tend to affect the price.

83. For institutional and community based technologies, the project cost shall be identified during the preparation of detailed feasibility report prepared by external consultants. The project cost shall be calculated based on the approved local district rates. Before presenting the best approximated figure of the project cost to the Technical Review Committee (TRC), the estimated cost shall be verified by AEPC and its outreach partners. The project cost arrived at in TRC is subsequently used for competitive bidding approvals. After TRC approval, competitive bidding procedure is conducted. This competitive bidding figure along with other required documents

like business plan, financial closure documents goes through a Final Approval that ascertains the final true project cost of the technology.

5.4.2 Financing Plan

84. For household based technology the installer/vendor, whatsoever the associated costs for the project is, shall receive subsidy as per the subsidy policy while the unmatched fund is borne by the consumer.

85. For institutional/commercial technologies the financing plan is detailed out in Detailed Feasibility Report. The financial mix usually consists of:

    a. Subsidy as directed by subsidy policy
    b. Written Commitment from local governments (the DDC and VDC) and NGOs for project financing
    c. Credit through Banking and Financing Institutions (BFIs) and CREF
    d. Cash Equity and local sweat equity contribution from the beneficiary households.

5.5 Economic and Financial Analysis

86. For institutional/commercial technologies financial analysis is detailed out in Detailed Feasibility Report. Business plans are prepared as per the prevailing financial indicators. This financial analysis is assessed by respective TRC. TRC is usually represented by one expert from BFIs.

5.6 Operation and Maintenance Plan

87. For household based renewable energy technologies, the operation and maintenance shall be the sole responsibility of the technology owner. The installation company shall provide a guarantee period for each technology as defined in the Renewable Energy Subsidy Delivery Mechanism. During the guarantee period, the installation company shall bear full responsibility of the damage incurred by the plant.

88. For institutional/commercial technologies, operation and maintenance plan is outlined in Detailed Feasibility Report. The developer shall be responsible for operation and maintenance of the project. However, AEPC shall provide operation trainings as per the guidelines developed by AEPC for individual technologies.

89. Maintenance plan and maintenance is carried out by the developer through the income from the project. Equipment supplier shall provide one year guarantee for hardware equipment and it will be the responsibility of the developer to maintain close contact with the installer all through the life of the project for after sales service.

90. Provided that AEPC receives complaint from any project owner for the household based technology and any developer for the community/institution based technology regarding irresponsiveness of the installer during the after sales service period, the same shall be investigated and the installer will be taken action within the penal limits stipulated by the Renewable Energy Subsidy Delivery Mechanism.

5.7 Environmental and Social Safeguards

91. AEPC shall ensure its fullest compliance with the statutory legal requirement for environmental conservation and need of environmental assessment to mitigate environmental impact. It is governed by *Environment Protection Act* (EPA) 1997 (2053 BS) and *Environment Protection Rules* (EPR) 1997 (2054 BS) of Nepal. An Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) shall be carried out pursuant to Schedule 1 and Schedule 2 of the EPR for any project that falls under the threshold defined thereof.

92. For projects financed under the bilateral/multilateral agreement and if the program document for such projects requires doing so, the environmental and social safeguard requirement of the respective entity shall be complied with.

93. Renewable energy projects promoted by AEPC so far do not come under the thresholds stipulated in the environment protection rules. Therefore most of the technologies promoted through AEPC are not envisaged to pose any significant adverse environmental impacts.

94. The environmental and social screening has to be carried out for renewable energy technologies which are considered to have environmental and social impacts. The format for environmental and social management framework is presented in **Annex-12**.

5.8 Risk Identification and Risk Management

5.8.1 Disaster Risk and Climate Change Risks

95. Provided the nature and scale of interventions AEPC is mandated to promote, AEPC shall take the necessary steps to avoid the risks posed by natural disasters and climate change impacts. However, AEPC shall work towards identifying the risks associated with natural disasters and climate change impacts in the project area during project appraisal stage. The risk assessment procedure shall be outlined in the project appraisal guidelines of respective technology. If any disaster risk evolves during project appraisal, it shall be rationally mitigated and the costs towards mitigation of anticipated disaster risk shall be included in the Bill of Quantity (BOQ) of the respective project. However, the household based and small scale RET interventions shall be exempted from the risk assessment procedure.

5.8.2 Financial, Social and Technological Risks

96. During pre-feasibility and feasibility assessments, the financial capability of potential project owners to successfully conclude financial closure, social acceptance of the planned intervention, and technology available to ascertain that the financial, social and technological risks are avoided. The feasibility study guideline of the respective technology has made provisions regarding this.

5.8.3 Project-at-risk Management

97. AEPC also deals with the projects activities that are incomplete due to financial and technical reasons, projects that need rehabilitation, and the project at risk (termed “sick” projects) that remain incomplete even after mobilizing provision of regular subsidy/additional subsidy. There is the provision for regular project rehabilitation in renewable energy subsidy policy and delivery mechanism. To complete the incomplete projects due to technical and financial reasons in

remote areas, the provision of additional subsidy is applicable as provided in the Renewable Energy Subsidy Policy. The management of projects that are at risk is done as per the settlement plan stipulated in renewable energy subsidy policy and its delivery mechanism. In addition to this, subsidy policy and delivery mechanism has provision to deal with the projects activities affected by natural disasters.

5.9 Gender and Social Issues Mainstreaming

98. AEPC's through its outreach partners promotes linkages at a local level as a resource of AEPC to extend higher and more effective outreach. In this respect, AEPC's outreach structure shall prepare work plan to implement GESI mainstreaming activities at grassroots level, implement the activities, conduct regular monitoring and supervision and produce report.

99. To provide effective services at the grass root level, private sectors are mobilized to address demand led RET services as well as to reach targeted people. Additionally, right holders organizations are mustered to enhance the ownership and extend outreach up to the unreached targeted population.

100. At the implementation level, AEPC's outreach partners, private sector and right holders organizations are essential to be GESI sensitivity and GESI responsiveness. For this AEPC trains personnel of the outreach partners, private sectors and right holder's organizational AEPC's GESI approach and intervention modalities.

101. The GESI tool box, social mobilization guideline and checklists are used at the fullest for beneficiary disaggregation data and beneficiary mobilization, implementation of activities, and monitoring and evaluation. Both quantitative and qualitative indicators shall be reported.

102. GESI mandates are applied in organizational structures and organizational culture of the AEPC's outreach partners to ensure, gender balance in staffing, GESI enabling environment and/or affirmative action, GESI friendly work place and/or work culture, GESI friendly infrastructures, and GESI friendly attitude and behavior. To facilitate this process GESI unit at AEPC provides tailor made operating procedures and code of conduct (COC) to AEPC's outreach partners, private sectors and right holders organization heeding to Nepalese socio-cultural and geo-ecological diversity.

5.10 Project Readiness

103. The delay in the startup of implementation of the activities is foreseen as one of the key impediments to improved portfolio performance. The readiness of the project to move quickly into the implementation phase will largely depend on certain "Project Readiness Filters (PRF)" being completed well ahead of the project approval stage. AEPC shall ensure that the PRFs are accomplished during the project formulation stage in order to minimize delays in project implementation. The identification of the relevant PRFs is determined jointly with the EDPs in case of EDP supported projects and is generally included in Agreements. AEPC shall use the following PRFs for the timely implementation of the projects:

a. Identification of project management/implementation unit and/or team.
b. Financial management capacity assessment of implementing agency
c. Procurement capacity assessment of implementing agency
d. Annual implementation plan and budget
e. Risk management plan/good governance framework

f. Program/project manual/guideline preparation
g. Internal and external auditing arrangement
h. Environmental and social safeguard assessment (where applicable)
i. Funding from Government of Nepal and/or EDPs

104. The PRFs will be reviewed annually and revised taking into account the prevailing situation. Any revision required to be agreed between DPs and the GoN and/or decision making body formed for the project/programs will be carried out upon consent of respective entity involved. PRFs used by AEPC to guide and in preparing the front end activities to ensure the project implementation on time are presented in **Annex-13**.

5.11 Procurement

105. AEPC being a public entity, its procurement functions are governed by the *Public Procurement Act 2007 (2063 BS)* and *Public Procurement Rules 2007 (2064 BS)* enacted by the GoN. AEPC shall use one of the procurement methods outlined in the *Public Procurement Rules* as follows and the thresholds mentioned thereof shall be applicable for any procurement activity initiated by AEPC.

a. Inviting open bids at international level (ICB)
b. Inviting open bids at national level (NCB)
c. Inviting sealed quotations (SQ)
d. Direct Procurement (DS)
e. Users' committee or beneficiary group
f. Force account (Amanat)
g. Lump-Sum Discount Rate Method
h. Catalogue Shopping Method
i. Limited Tendering Method
j. Buy Back Method

106. As the nature of the procurement requirement demands, AEPC shall procure Goods, Works, Services or the Consultancy Services. While doing any sort of procurement, AEPC shall follow the process outlined in *Public Procurement Act* and *Public Procurement Rules*. The summery of the process is outlined in **Annex-14**.

107. The conduct of the personnel involved in procurement proceeding on behalf of AEPC, as per the *Public Procurement Act*, shall be governed by the Section 61 of the act.

5.12 Project Implementation and Performance Monitoring

108. AEPC implements various renewable energy projects according to the agreed schedule and procedures specified in the bilateral/multilateral between GoN and the respective DPs. For all the projects implemented under such Agreement, AEPC is responsible for management, administration, implementation and monitoring of the projects.

109. For all the projects implemented under the bilateral/multilateral Agreement, AEPC shall set up a Project/Program Implementation Unit (PIU) at the central level that includes AEPC staff and the respective project/program staff to carry out day-to-day project implementation activities.

110. If required, AEPC shall collaborate with its outreach partners at the district or regional level to achieve the objectives and targets of the projects/programs being implemented. The

outreach partners will be responsible to create demand, provide necessary technical support to the targeted community and households, and carry out preliminary assessment of feasibility study report of various projects, carry out monitoring and supervision of the project units constructed and installed and any other necessary support deemed necessary.

111. Prior to deploying a technology to any area, a feasibility study of BAT shall be conducted which shall include an economic assessment of the BAT and shall also elaborate on risks and assumptions. The feasibility study report shall ensure the chosen technology is the BAT for that particular community or geographical area as described by the *Renewable Energy Subsidy Delivery Mechanism* 2016 (2073 BS).

112. Project performance monitoring shall be carried out to ensure that the project implementation plans remain coherent with the objective and are measurable and verifiable. The respective officer-in-charge for the project shall be responsible to ensure timely monitoring monitors and report physical progress against established targets and schedules.

113. The report apart from highlighting the needs of physical progress against the targets, shall report on program or project performance identifying areas of concern and recommending remedial measures to take timely management actions for the mitigation of the problems and ensure that the project stays on track within estimated time and budget.

5.13 Quality Control, Monitoring and Quality Assurance

114. AEPC develops quality standards for the different technologies it promotes. The Quality Control measures are achieved through the compliance checks of the equipments supplied against the set quality standards. Further, AEPC assures quality of the renewable energy technological units supplied through the quality certificate from the Renewable Energy Test Station (RETS)[29] or other recognized certification body. AEPC is committed towards protecting the “Consumers’ Right” to get quality products and a provision regarding this has been stipulated in the Renewable Energy Subsidy Delivery Mechanism.

115. AEPC shall monitor technological units implemented under different projects under bilateral/multilateral agreement or under the GoN’s Plan are subject to monitoring/verification at the installation sites focusing on the system operation and performance, quality of the installed equipments/components, quality of installation work, status of after sales services, fulfillment of warranty or guarantee obligations, and the consumer satisfaction.

116. In case of community and institutional systems, 100% of the installations shall be monitored while for household based technologies, an integrated monitoring shall be carried out for the technologies installed in particular cluster encompassing all the household based technological units installed in that particular cluster. However, standard sampling procedures shall be followed for individual technology.

117. While sampling, each installer company is represented in the sample fulfilling the requirement of minimum sample size. Moreover, sampling is done in such a way that all the geographical areas (districts where the systems are installed) are also represented in the sample. Monitoring requirement, frequency of monitoring and sample size are as per the Subsidy

[29] RETS is a component under the National Academy of Science and Technology, Nepal that tests and certifies the quality of different renewable energy technologies supplied against the approved quality standards. The activity of RETs can be accessed at: http://www.retsnepal.org/

Delivery Mechanism and relevant guidelines. Standard Forms (checklist/questionnaire) developed by AEPC (including the projects/Programs operating under it) are used for collection of monitoring information/data.

118. The field monitoring shall be carried out through independent third-party Consultant commissioned in accordance with the Public Procurement Act and Public Procurement Rules. Before mobilizing to the field, the relevant workforces of the selected consulting firms shall be trained.

119. In the cases of deviation reported by the third-party Consultant, the deviated cases are subject to re-verification in the presence of representative of the concerned supplier/installer company. The results of the re-verification are final and binding.

5.14 Project Completion and Verification

120. Project completion and verification of household and institutional based RETs are made through subsidy application form. Upon receipt of the subsidy application forms, they undergo completeness checks and if the submission is consistent with the requirements stipulated in the Renewable Energy Subsidy Delivery Mechanisms, 90% of the subsidy is released to the company while 10% is retained which is subject for release upon verification of the claimed systems being implemented.

121. For the satisfactory cases confirmed after verification, the retained subsidy amount is released. Whereas for the deviated cases, the relevant suppliers/installers are penalized as stipulated in the Renewable Energy Subsidy Delivery Mechanism.

122. Specifically for the community based electrification projects, Power Output and Household Verification (POHV) shall be carried out. For each fiscal year AEPC maintains a rooster of POHV consultants who are trained on the relevant tasks before deployment. The POHV is carried out as per the Power Output and Household Verification Guidelines (**Annex-15**). The POHV reports from the POHV consultants are assessed by AEPC staff. In case of any deviation is noted, the concerned supplier/installer company is notified about the POHV results. In case the company intends to carry out POHV again, it is done at the expenses of the company. In such case, the results of the repeated POHV are considered. If the case of deviation is confirmed, the subsidy applicable to the verified results shall be released.

5.15 Evaluation

123. AEPC highly recognizes the importance of the evaluation of the programs it implements. For this AEPC has adopted a Result Based Monitoring and Evaluation Framework as stipulated in *Results Based Monitoring and Evaluation Guidelines* 2067 (2010)[30] prepared by NPC. The framework has been adopted to implement Result Based Monitoring and Evaluation method, process and tools to assess the program performance regularly, effectively so that it can help achieve the desired results, and ensure the maximum use of inputs to produce desired outputs, outcomes and impact as per expected quality, cost, time and quality.

[30] Results Based Monitoring and Evaluation Guidelines 2067 (2010) can be accessed at: http://www.npc.gov.np/images/category/rbme.pdf

124. Evaluation shall be performed on a project to project basis. AEPC conducts an Annual Evaluation in terms of annual progress reports, Mid-term Evaluation of programs, Final Evaluation of programs and an Impact Evaluation based on the bilateral/multilateral agreement for the projects/programs. The evaluation strategies adopted by AEPC are aligned to Government of Nepal's evaluation systems. AEPC is committed to establish principles of Result Based Monitoring and Evaluation Framework in its program evaluation.

125. As agreed in the bilateral/multilateral agreement with DPs, AEPC develops project/program specific monitoring and evaluation systems and tools for setting the project objectives, helps in project designing, monitoring and evaluating the project as whole. Result-based monitoring systems and project performance monitoring system (PPMS) are being used for different program/projects as agreed with DPs.

126. In order to avoid the conflict of interest while performing the monitoring and evaluation functions of the projects, an independent Third Party Monitoring and Evaluation shall be done through third party consultant.

127. Results of all monitoring shall disclosed in form of monitoring reports submitted by the entity/person carrying out the monitoring activity and through monthly, trimester, annual and program/project completion reports. The evaluation reports are specific to the nature of evaluation performed whether it is a mid-term evaluation, final evaluation or the impact evaluation.

5.16 Management Information System

128. AEPC aims at developing and managing a Management Information System (MIS) such that the MIS would serve as an integrated web based MIS. Eleven separate MISs have been developed by the in-house Communication and Information Technology (CIT) Unit. Through the development of the MIS, AEPC has developed a data vault, data warehouse, reporting engine and monitoring engine. For the purpose of creating a data warehouse to accommodate all available data, SQL Server 2014 Enterprise Edition was acquired which is designed for mission critical data centre operations and large data warehouse. Further the MIS is designed in such a way that the Monitoring Engine is able to select arbitrary data from the data warehouse using standard statistical sampling method and assign to independent monitors/third party consultant with proper authentication and authorization. The current MIS available at AEPC are following systems:

a. Integrated Subsidy Processing System
b. Monitoring System
c. Office Management System
d. Reporting Engine

129. AEPC recently, prepared the Document Tracking System (DTS) to establish better/effective documents tracking and timely decision making especially for incoming and outgoing documents i.e. letters, reports. The system will also track the location of the documents within AEPC and the action taken or remarks if needed. The brief guideline is prepared to operate the system smoothly and effectively. No documents shall be forwarded without system registration and documents handling/carrying by the document owner (Sender) shall be discouraged. A detailed outline of this tracking system operation guideline is presented in **Annex 16.**

130. Integrated Subsidy Processing System at the moment covers Household Based Technologies which includes 3 separate dashboards for Companies, Partners (Handling Bank) and respective section/component/sub-component/units of AEPC. Future plan is to accommodate the Community Based Technologies for which up to the Detailed Feasibility Report (DFS) for Rural Solar Drinking Water Project (RSDWP) has been completed.

131. The Monitoring MIS includes Third Party Monitoring of Power Output Household Verification (PO & HV) which allows data entry and generates various reports accordingly.

132. Under the Office Management System, various sub-systems have been developed recently which includes, Document Tracking System, Request and Issue Tracking System specifically targeted for the IT related issues on various software applications being used at AEPC and other general IT related issues faced by the internal staffs of AEPC, Human Resource Recruitment Portal allowing posting of new positions required at AEPC, dashboard for personnel to apply for positions with features of uploading bio data and other required documents, Grievance Management System to handle grievances of visitors and other stakeholders of AEPC, Contract Management System for maintaining contracts of various staffs at AEPC and allowing administration to attach the hard copy contract into the system and also sends automated emails to respective addresses in case of expiry of contracts, the system is desktop based at the moment and the future plan is to develop a web based contract management system, Annual Planning Tool which is digitized planning software for the preparation of Annual Work Plan which enables each components/sub-components/units to fill in their planned activities and respective budgetary requirements allowing multiple analysis based on areas and nature of planned activities and generates summary analytics of respective planned activities Vs resource allocation. AEPC shall follow the systems developed for its day to day management and service delivery.

133. Reporting Engine comprises of Central Reporting System which collects data from different data sources and records baseline data, program/annual targets and generates different progress reports (monthly, trimester and annual) in tabular forms as well as graphical representation of the data (bar diagrams, pie charts, maps, etc). Furthermore another reporting system named RE Hub is under development which allows public to access various reports including photo galleries, video galleries and Document gallery.

134. In the future, AEPC has a plan on developing, Human Resource Information System with payroll integrated with the central accounting system, Procurement Information System to record planned procurements, ongoing procurements and completed procurements and Project Management System for tracking the status and variances of projects of all the related technologies.

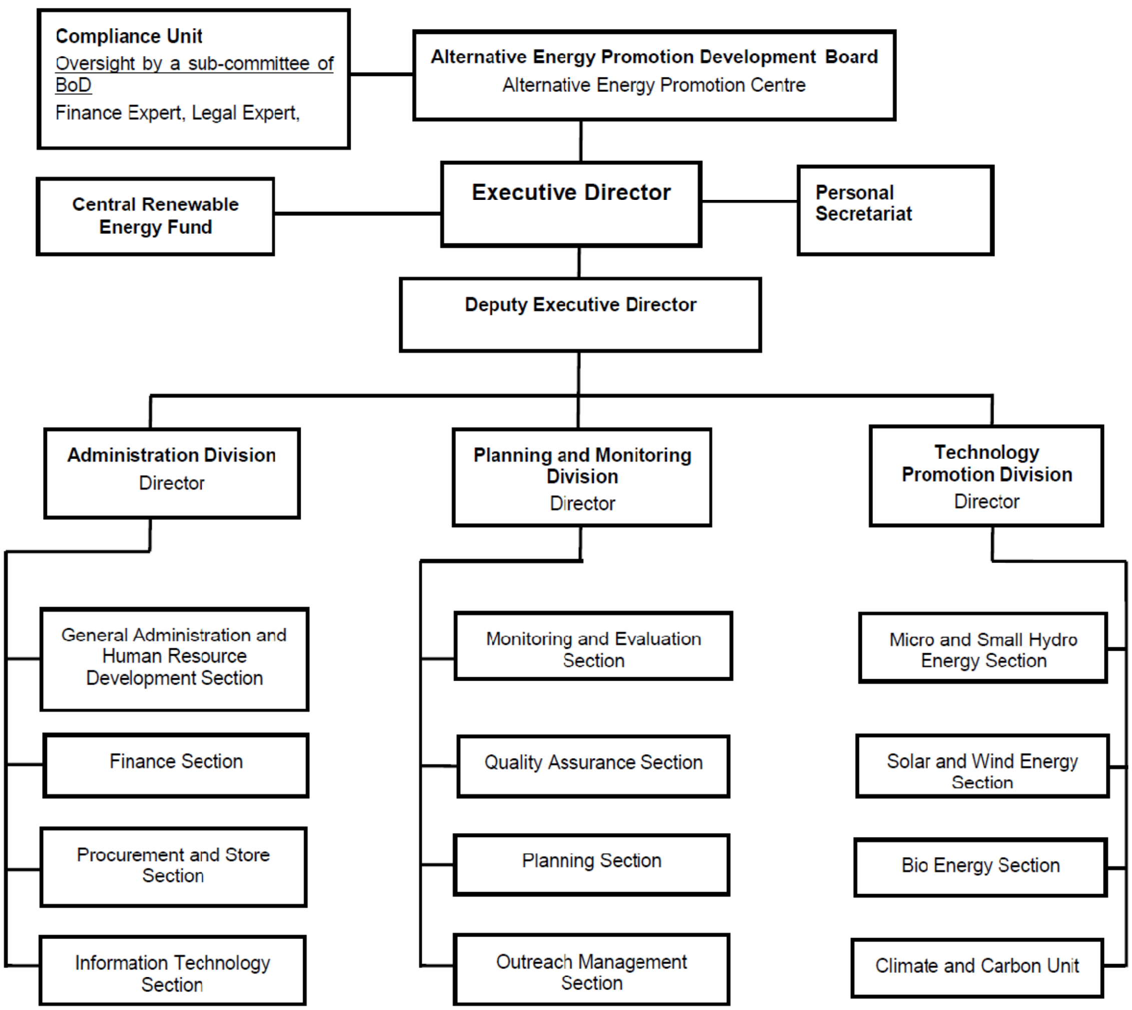
ANNEXES

ANNEX-1: AEPC's Organizational Structure

Alternative Energy Promotion Development Board

Alternative Energy Promotion Development Board (AEPDB) is the supreme body that supervises AEPC's core managerial and functional areas. The board is chaired by the Minister of Population and Environment with representation from the State Minister of Population and Environment as Co-chairperson and a Member of National Planning Commission (Energy Sector) as Vice-Chairperson. While the Executive Director of the center acts as Member Secretary to the board, other members include representation from different ministries and representatives from private sector, NGOs and financial institutions. Ministry of Population and Environment is the focal ministry of AEPC. AEPC executes different programs with support from the DPs. The organizational structure of AEPC is given below:

Figure 2: Organization Chart



There is also a provision for a Deputy Executive Director in AEPC. For those program/projects, an interim organogram exists that accommodates the program structure within AEPC's organizational structure.

Under AEPC, there are now provisions for three broad divisions. CREF is also linked with AEPC as the main financing mechanism for AEPC. The Independent Compliance Unit (AEPC's independent oversight body) is also provisioned by the board to oversee the compliance, ethics and internal audit. AEPC's divisions and other bodies associated with the activity of AEPC closely are mentioned below:

Administration Division: This division is headed by one of the Directors of AEPC. This division comprises of General Administration and Human Resource Development Section, Finance Section, Procurement and Store Section and Information Technology Section. All the sections and units heads under this division directly reports to the division head. The division head reports to ED through the Deputy Executive Director.

Planning and Monitoring Division: This division is headed by one of the Directors of AEPC. This division comprises of monitoring and evaluation section, quality assurance section, planning section and outreach management section. All the sections and units heads under this division directly reports to the division head. The division head reports to Executive Director through the Deputy Executive Director.

Technology Promotion Division: This division is headed by one of the Directors of AEPC. This division comprises of mini/micro/small hydro section, solar and wind energy section, bio-energy section and climate and carbon unit. All the sections and units heads under this division directly reports to the division head. The division head reports to Executive Director through the Deputy Executive Director.

Central Renewable Energy Fund: The GoN and the DPs agreed on establishing the Central Renewable Energy Fund (CREF) as the core financing mechanism for the promotion of renewable energy in Nepal. All the financial flows related to subsidies and credits on the renewable energy technologies support under AEPC is now handled by the CREF through a handling bank and partner banks. CREF functions it's activities as per the CREF Operation Guideline.

Compliance Unit: The Compliance Unit is responsible for quality assurance of all financial management, planning and control systems of AEPC and associated projects including those related to CREF and to ensure compliance with the approved systems. It is the responsibility of the Compliance Unit, based upon their findings, to advise the relevant CREF unit as well as AEPC on how systems and procedures can be improved. The Compliance Unit also provide a report stating overall findings of their assessments and quality assurance to the AEPC board through a sub-committee led by one of the AEPC board members formed for this particular purpose. The sub-committee has the oversight function of the compliance unit that oversees the ethics issues, internal audit and the compliance of the systems for CREF and AEPC. The unit is an independent unit from AEPC division/section/unit and the AEPC management. Compliance Unit's roles and responsibility shall also reduce fiduciary risks and enhance efficiency and effectiveness of the projects and programs implemented by AEPC. The Compliance Unit reports directly to the Board.

ANNEX-2: AEPC's Code of Conduct

Code of Conduct

AEPC is a reputed institution recognized for Renewable Energy Promotion to enhance livelihood of women and men of rural population in Nepal. The program under AEPC is supported by multi development partners and involved many stakeholders in its execution. The AEPC has its own policy, guidelines and operational procedures and it has taken GESI approach to extend its services to the rural women, poor and disadvantaged groups. The organisation will not acknowledge the activities of employees who achieve results through violation of the law or unethical dealings.

1. The AEPC is dedicated for inclusive and gender sensitive RET service delivery, hence all staff must be accountable for inclusive and gender sensitive behavior. It promotes zero tolerance for gender base violence and sexual harassment.
2. The organisation expects its employees to conduct themselves in a professional and honest manner befitting a mature, respectable and honorable AEPC staff member.
3. The organisation respects its employees as accountable to their services without bias of any caste, creed, religion, sex, age, disability, conscience, belief, culture, language and place/regions, etc.
4. The organisation promotes working environment conducive to women staff and other social groups.
5. The organisation and its employee must, at all times comply with all applicable laws and regulations, employee must ensure that their action always follow the laws and regulations governing the organisations operations.
6. The organisation is strictly prohibits kickbacks and commissions or any other form of corruption.
7. Decisions should be taken in order to avoid unduly gain of financial or other benefits for families or friends or other associates. It should serve in the interests of community and its beneficiaries as a whole and for the organisation. If an employee suspects that he/she or his/her associates will benefit from a decision he/she is to make, the employee is obliged to proactively declare himself /herself disqualified due to potential conflict of interest.
8. The organisation promotes a participatory, transparent and democratic style of leadership/management, directed towards the attainment of the vision, mission and goals, and away from self-promotion and personal prestige.
9. The organisation must ensure that information is publicly accessible to all stakeholders and social groups that their work and activities are easily understood and that information on program and activities is widely disseminated.
10. The style and mode of operation of AEPC should be financially modest and focus on optimization of resources.
11. The employee should be sensitive to the local culture, tradition and religion. This implies treating everyone with respect, courtesy and consideration.
12. The employees must not presume to speak for the organisation on any topic, unless they are certain that the views they express are those of the organisation, and it is the organisation's desire that such views be publicly disseminated.
13. The employee should be as open as possible with regard to all decisions and actions taken in the performance of its functions.
14. The right of confidentiality and secrecy among the staff must be respected.
15. Personal issues are discouraged to indulge into the official matter.
16. Employees should avoid misuse of organisation identification, facilities and equipment for personnel matter.

ANNEX-3: Conflict of Interest Disclosure Form

Disclosure of Conflict of Interest

An official is required to disclose his/her conflict of interest in case his/her assessment/examination/decision taken for AEPC has chance to result in favour of himself/herself or family members or close relatives. Family members denote persons referred to Clause 2, (Tha) of AEPC Employee Regulation *2066* and close relatives refers to siblings, cousins, paternal and maternal uncle and aunt. It can be applied in staff selection and performance appraisal, bid/proposal evaluation, performance evaluation, grant/subsidy application evaluation and so on. AEPC shall decide time to time those activities which are required to be the subject for disclosure of conflict of interest.

Disclosure Template
I, (name), (position), would like to disclose that as I/my relative, (name) would be potential beneficiary on competitive basis of the (short title) assessment/examination/decision. Thus, my involvement may affect impartiality, thus, I would like to remain aside from this action.

Signature

Position/title

Date:

ANNEX-4: Anti Corruption Policy, Strategies and Operational Guideline

Anti Corruption Policy

1. Introduction:

AEPC executes its legal obligation to promote transparency and accountability and control of corruption within the organization, its activities and also among its network members. To ensure the statutory obligation, AEPC also adheres to national legislation and international best practices. This will help to maintain high level of ethical standards and accountability to develop mutual trust among the stakeholders at large in Nepal. This policy guides AEPC's staffs and stakeholders to make best governance practices and corruption free work.

2. Purpose of the Anti-Corruption Policy in AEPC

AEPC is committed to conducting the tasks in accordance with all applicable laws, rules and regulations and the highest ethical standards, and this commitment is embodied in the Code of Conduct and Ethics. The purpose of this Anti-Corruption Policy is to reiterate AEPC's commitment to full compliance with zero-tolerance against corruption by the organization, its subsidiaries and affiliates, and its staffs and agents and any national anti-corruption laws that are also applicable. This policy supplements the Code of Conduct and Ethics and all applicable laws and provides guidelines for AEPC staff, subsidiaries, affiliates and any contractors. AEPC has provisions of a code of ethics, code of conduct in its Employees' Regulation 2009, systems for compliance and grievance handling, citizen charter, Terms of Reference (ToR) to each employee, monitoring and quality assurance system, guidelines related with administration, finance, procurement, technical and subsidy processing. For prevention of corruption, there can be distinctly two coverage areas - first one is social and second is situational. Social coverage expands to affect and make social behavior conducive from anti-corruption perspective. Situational coverage limits itself to an organizational level.

3. Scope

This policy is applicable to AEPC Board of Directors, employees, service providers (including consultants and contractors) and service users. This policy pulls all relevant existing provisions together and in case any existing provision contradicts with this policy and subsequent documents in line with this, respective government law/rules shall decide which one prevails.

4. Objectives of the anti-corruption policy

i) Strengthen internal control mechanism to prevent and discourage corrupt practices if any in AEPC

ii) Create environment for reporting any kind of corrupt and unwarranted activity to responsible authority to take necessary action that may be punitive and preventive by registering as a new risk.

5. Major corruption risk areas

- ***Grant/subsidy***– AEPC's major supporting area for promoting renewal energy is to provide grant/subsidy to groups and households who construct or install any kind of renewal energy alternates. Risk lies from giving grant or subsidy for fake project to under undue pressure based on cooked documents.
- ***Procurement*** – This is another risk prone area. Any step of procurement cycle, from need identification to auditing bears risk of corruption.

- ***Operation –*** Operational aspect of AEPC that covers people management, material and equipment management. Unofficial use of office resources or undue favour to someone is such kind of corruption.

6. Possible types of corruption

Taking account of Corruption Prevention Act 2002 (2059 BS) and nature of AEPC's functions, following types of corruption seem likely to incur if preventive measures are not effective.

Bribery: Receiving money or goods by an official to do undue favour or provide service on official capacity.
Goods or service at low price or free: Receiving goods or service at low price or free as gift from third party, i.e. who is expecting or demanding service from AEPC by a staff member.
Commission: Receiving commission by an official for personal gain while buying or selling goods or service for the organization.
Causing damage or loss to organization and advantage to oneself: By putting or using fake or cooked information with intention of personal gain.
Changing information for personal gain: By changing information – distorting or hiding or damaging or faking – for personal gain.
Indulging in conflict of interest: By indulging in business that conflict with official duty and responsibility.
Influencing others by pretending of authority or position: By exerting pressure on others on pretending having authority.
Causing damage of official property: By causing damage to official property having in mind to make personal gain.

7. Anti-Corruption values of AEPC

AEPC has been established to promote renewable/alternative energy technologies in Nepal. AEPC is expected to affirm to work together productively as per the organization's rules, regulations and direction from different layers of the organization. The staffs and other stakeholders and network members' responsibilities also lie to promote ethical internal good governance and anti-corruption.

7.1 Conflict of interest

Avoiding conflict of interest (CoI) is the key to fighting corruption in public organization like AEPC. The board, staffs and implementing partners of AEPC are made in the interests of the members for which advocates and protects the interest of the organization whenever entering into any kind of contractual agreements, financial transactions and arrangements that may benefit the executive/management team members and staffs. However, CoI happens repeatedly and may not be essentially a corruption issue but how AEPC identifies and manages is of much importance. If CoI incidents are not properly traced out and managed, it can threaten the organizational and its partners' integrity which ultimately ends up with corruption. AEPC's personnel including board members are strictly prohibited to use organizational confidential information to get financial and non-financial benefits. The CoI prohibits the staff and board members, implementing partners and their families' involvement in such practices. So, in relating to the CoI, it is important to use personal judgment and common sense to make the right decisions. Thus, AEPC is committed to maximize transparency in its decision making process & documentations.

7.2 Abuse of power and extortion

AEPC's Board members, staffs and implementing partners will not seek to influence any person or institution for private purpose by using AEPC's official position or offering them personal advantages. Similarly any board members, staffs and implementing Partners will not use its property, facilities, services and financial resources for private purposes except when permission is given, will not use any forms of extortion as a method to gain advantages.

7.3 Fraud and embezzlement:

APEC understands that fraud has been defined as an economic crime involving dishonesty, scam or false pretences, by which one gain advantages or funds unlawfully. Embezzlement is defined as the misappropriation of property or funds legally entrusted to someone in their formal position as an agent or guardian. Governments' rules for accounting/financial guidelines shall, therefore, be applied to at all times. Therefore, all AEPC's board members, staffs and implementing partners are expected to demonstrate their honesty and not to abuse their positions for their personal benefits.

7.4 Nepotism and favouritism:

To avoid favouritism and nepotism in procurement, AEPC follows public procurement act/rules. In recruitment of employees and implementing partners, a transparent procedure is followed in order to identify the best candidate. It is important to underline that if conflict of interests are handled, it can in some cases be acceptable to hire/collaborate with family or friends.

7.5 Bribery:

AEPC strictly bans such bribes in any form. Similarly, AEPC under no circumstances accepts bribery in order to promote the implementation of activities.

7.6 Gifts:

All AEPC's board members, employees and implementing partners are expected to show good judgment and when in doubt, contact their superior. A rule of thumb is that a gift should never influence your independent judgment and that one should share the gifts with colleagues, if possible.

8. Policy

For corruption control through preventive measures, following policy measures shall be undertaken. Basic principles of preventing and controlling corruption are to reduce discretionary power and enhance transparency. Taking these two principles into account, following are the anti-corruption policies. To implement the policies, AEPC shall follow strategies and further adopt operational guidelines in line with these policies.

8.1 Clarity and standardization of work procedure

Setting a standard or framework for carrying out mandatory responsibilities in the form of directives, guidelines, procedures and occasional administrative order set a stage for prevention or control of corruption; AEPC is no exception. AEPC has already prepared, approved and been enforcing a number of guidelines and manuals and it will continue in future as an ever continuing process.

8.2 Establishing regular monitoring mechanism

Once the legal and operational framework has been established, efforts are required to put it in work resources and further it entails to make monitoring mechanism functional.. This mechanism works in two ways – make feeling of necessity to implement and assess the implementation with aim to take corrective measures. To make monitoring mechanism effective, indicators to monitor, system to mull over the findings and practice to take necessary actions are “must”.

8.3 Enhancing transparency and accountability mechanism

Public organizations’ decisions and activities should be predictable – in what kind of circumstances what do happen; for this the basis and procedure of decisions and actions are required to be transparent and further good doers and bad doers need to receive reciprocate return.

8.4 Abiding by internationally recognized ethics and integrity standards

As AEPC is a public entity, it needs to adopt international code of conduct and other ethical behavior prescribed or suggested through internal mechanism as basis of best practice.

8.5 Whistle Blower Protection

No AEPC staff shall be subjected to intimidation, harassment, threat, discrimination, or other detriment, disadvantage or punishment during their employment at AEPC because of making a disclosure of fraud, mismanagement or any other allegation. AEPC shall take all reasonable steps to ensure that sufficient and appropriate protection is provided for those who make a good faith disclosure. It shall take steps to ensure the complainant is not disadvantaged, intimidated or threatened. This will be the case regardless of the outcome of the investigation, whether the disclosure is proven or not or whether it is reported to an external authority. If the whistleblower feels that he or she has been the subject of discrimination, harassment, intimidation, or other unwarranted treatment because of this investigation, the staff member is encouraged to appeal to the Independent Compliance Unit or relevant government body.

External complainants shall have the same protection as AEPC staff in relation to any dealing with AEPC including the ability to appeal should he or she feel discriminated, harassed, intimidated or subject to other unwarranted treatment from AEPC because of the investigation.

9. Policy structure

9.1 AEPC Board

To stay away from the conflict of interest, the board members perform as volunteers who will not be paid other than expenses and reasonable remuneration for their respective field of expertise, contribution as determined by the AEPC. AEPC board is to provide support, supervise, guide, encourage to management team to achieve the organisational goal, mission and objectives. Outline necessary regulation of the AEPC to discharge its functions effectively and propose amendment to the statute as per need. Board ensures accountability to the target group and community's works with as well as to donors and other stakeholders and decide the relationship with other network members & organizations.

9.2 Distinct role of Alternative Energy Promotion Development Board

The duties and responsibilities of the Board would be fully separated. No member of board would participate as regular paid staff. However, ED will work as a member secretary of the Board. The Board is part of governing bodies that determines the fundamentals of organization, such as vision, mission, goal, values and strategy of the organization, whereas the management team would be responsible for translating governance policy into programs and practices. The roles of governing bodies are to provide direction, guidance and support to the staffs and implementing partners and monitor and asses the works of staffs and implementing partners. Therefore, staff members are responsible to manage day-to-day functions of the organization while the board sets policy, exercises oversight, and strategically guides the organization.

Anti-Corruption Strategy

1. Introduction

AEPC adopts this Anti-Corruption Strategy pursuant to Anti-Corruption Policy. This Strategy (set of strategies) is applied to the same groups of people mentioned under scope of policy. To guide decisions and activities in more detail, pursuant to this Strategy, the Operational Guidelines are prepared.

2. Strategy

AEPC adopts following strategies for the prevention of corruption.

2.1 Control environment

It includes the set of standards, processes and structures that provide the basis for carrying out internal control across the scope of the functions within AEPC mandate. The control environment also relates to the organizational arrangement that means assigning authority and responsibility, measuring performance and links it with accountability. For creating control environment, legal and institutional framework and code of conduct are made and enforced.

2.2 Risk assessment

It is the continuous process of identifying and assessing risks vis-à-vis organizational objectives. There is always possibility of emergence of new risk, thus, a mechanism needs to be established to detect emerging risk and register it and employ appropriate tool or technique to redress. Management acts for identifying internal and external risks that may cause corruption and resultantly leads deployment of resources and efforts. Risks will be identified using a number of techniques including management reviews, checklists, audits, interviews, local knowledge, documentation, site visits and lessons learned and so on.

Continual Improvement Plan (CIP) is a process for identifying, evaluating, reporting and alleviating risks in order to continually improve program results, value-for-money and transparency and serves as a critical process to prevent and detect corruption.

2.3 Control activities

Such activities are performed at all levels of AEPC – they include preventive or detective actions such as authorizations and approvals, verifications, reconciliations and performance reviews.

As grant/subsidy, procurement and operation have been identified as major risk areas from corruption perspective, control activities will have focus on these areas. In agenda of top management meeting, issues either to be addressed through planning, implementation, monitoring and corrective measures will be included.

2.4 Information and communication

This would be the continual and iterative process of providing, sharing and obtaining internal and external information to support the functioning of internal controls. Internal and external communication mechanism will be established. Relevant laws, guidelines and operational procedures shall be made available online and also in print version to related staffs and stakeholders as far as practicable. Similarly, monitoring and reporting system is established with defined reporting lines.

2.5 Compliance and accountability mechanism

Different kinds of monitoring and audits – like internal, social audit and public hearing mechanism will be applied. This will be followed by reward and punishment as accountability realization measures.

3. Strategy implementation measures

Each strategy shall be implemented by applying following measures.

Strategy	**Measure**
Control environment	i. Providing legal and operational framework – laws, manuals and guidelines ii. Adopt code of conduct and adherence

	iii. Establish different oversight and accountability tools iv. Review and design organizational structure – authorities and responsibilities that is fit from internal control mechanism.
Risk assessment	Establish a system of identifying and detecting ever emerging corruption risk, its impact and devise mechanism to control.
Control activities	Provide Top Management support to internal control through responding to report, findings through decisions – resource allocation, sanction or reward, and amendment or modification as elements of Continual Improvement System.
Information and communication	i. Establish the internal control – vertical and horizontal information system. ii. External communication - Establish the system of transparency – giving information to relevant stakeholders about process, criteria (of assessment of giving donation, subsidy), assessment result, progress of project, cost etc.
Compliance and accountability mechanism	Establish and operate monitoring system with objective indicators that is required for internal control and maintaining accountability.

Anti-Corruption Operation Guidelines

1. Introduction

This Operation Guidelines is prepared with purpose to implement the Anti-Corruption Policy and Strategy of AEPC. The Guidelines aim to lay down provisions of structure, behaviour and procedure. The provisions included in these Guidelines shall be implemented and enforced.

2. Guidelines Scope

AEPC has adopted zero-tolerance policy against corruption, thus, to prevent corruption it has adopted Anti-Corruption Policy and Strategy. This Operational Guidelines sets operational mechanism and procedure. As this guideline is implementation tool of Anti-Corruption Policy and Strategy, its scope is the same as of both.

3. Anti-corruption Strategy and Operational Provisions

Strategy 1: Control environment

It includes the set of structure, standards and processes that provide the basis for carrying out internal control across the scope of the functions within AEPC mandate. The control environment also relates to the organizational arrangement that means assigning authority and responsibility, measuring performance and links it with accountability.

Operational provisions

i) *Structure:* Monitoring of activities from anti-corruption lens, registering emerging corruption risks, investigating and analyzing risk and cases and recommending to the Board shall be done through sub-committee of board that oversight the compliance unit. *Standards:* Keeping existing system as it is, certain documents are prescribed to be produced and signed, activities to be performed and behavior to be shown. The enforced Code of Conduct, disclosure of conflict of interest and disclosure of property shall be followed.

ii) *Process: The* operational procedures shall be followed as given by different operational guidelines and manuals.

Strategy 2: Risk assessment

It is a continuous process of identifying and assessing risks vis-à-vis organizational objectives. Thus, a mechanism is established to identify and register new risk and report to Board. With the instruction from Board, ED shall take necessary action to prevent it. In case a culprit is identified, ED shall take appropriate punitive action.

Operational provisions:

To identify new risk, following measures shall be undertaken:

i) *Identifying new type of corruption risk*

AEPC shall employ a systematic risk assessment process for identifying and evaluating events that could affect negatively in achieving its objectives. The risks could be internal as well as external. Internal means that emerge out from own system and external means emerging from outside of the system. Further, both needs to be assessed based on likelihood to incur and severity in impact in order to develop a risk profile, which is critical to developing response strategies and appropriately allocating resources.

Risks will be identified using a number of techniques including management reviews, checklists, audits, interviews, local knowledge, documentation, site visits and lessons learned and so on. Key areas for of risk are major areas of AEPC functions – grant and subsidy, procurement and operation.

Different Sections, Units shall report to Compliance Unit about corruption-prone risks that come within own scope of responsibility. It will be ongoing process and in every six month, risk related reporting needs to be submitted to Compliance Unit. Compliance Unit itself shall also identify and register new cases and trend through internal audit and analysing audit (financial, performance, internal, social and others). The risk reporting format is used to report to compliance unit.

ii) *Continuous improvement process*

As new risk area is identified as above and reported to Board, ED with instruction from Board shall undertake necessary measures to prevent newly emerging corruption risks that necessary measure as continuous improvement process.

Strategy 3: Control activities

Such activities are performed at all levels of AEPC – they include preventive or detective actions such as authorizations and approvals, verifications, reconciliations and performance reviews.

Operational provisions:

i) *Mandatory agenda in meeting of Board and Division Chiefs Level:* One mandatory agenda shall be included in above meeting on anti-corruption, integrity and ethics compliance (status or progress).

ii) *Mandatory public accountability tools to be employed:* Public audit, social audit, public hearing, grievance handling mechanism and individual feedback on service quality level shall be employed. Among public and social audit tools shall be applied as already established mechanism. Grievance handling focal person, a senior official, shall be assigned and stakeholders shall be informed about provision for registering grievance. Grievance handling official shall ask each individual service recipient about his/her comment service quality, process and any unwanted demand was to be fulfilled for receiving service. Depending on the sensitivity, name of informant may be kept anonymous.

Strategy 4: Information and communication

This is the continual and iterative process of providing, sharing and obtaining internal and external information to support the functioning of internal controls.

Operational provisions:

i) *Establish the internal communication mechanism:* For internal communication, intranet shall be one major platform. Organizational policy, guidelines, manuals, decisions related with procurement decisions, grant, subsidy and others shall be posted on intranet.

ii) *External communication* - Establish the system of transparency – giving information to relevant stakeholders about process, criteria (of assessment of giving donation, subsidy), assessment result, progress of project, cost etc.

Strategy 5: Compliance and accountability mechanism

On-going evaluations, built into processes at different levels of the organisation, to ascertain whether each of the five components of internal control are present and functioning.

Operational provision

i) *Different auditing* – financial, performance, internal, technical, social and public – shall be applied to establish managerial control and accountability.

ii) *Ensuring compliance:* Compliance Unit shall report to Board about the cases of non-compliance with code of conduct, especially disclosing conflict of interest, property as stipulated. ED shall take actions as per legal provision.

Strategy 6: Complaint Handling

i) AEPC will take a stand on those cases of conflict of interest which may be difficult for an individual to decide. If board members and network members, organization's head and staff discover a case of corruption, this must be reported through the reporting system as described below. It is also possible to make contact if there is any suspicion, rumour or doubt in regard to a case of corruption

ii) An internal committee for handling complaints and grievances led by one of the Director will be formed with the members from respective components/units. The issues will be investigated and punitive measures shall be taken by ED. If there is complaints and grievances is received for the coordinator, immediate senior official will lead the team and investigate it. Central level agencies like National Vigilance Centre (NVC) and the Commission for Investigation of Abuse of Authority (CIAA) can also investigate if they received the complaints.

iii) The reported complaints are treated confidentially and with respect for the person making the report and the person(s) or organizations, about which there is suspicion. Generally, in-house whistle blowers are encouraged to file complaints if s/he found any unlawful action/behaviour within the organization. All cases of corruption and irregularity must be reported to the committee, including cases which have been investigated locally in the network member or cases which have a risk of personal safety. Cases of corruption can end in dismissal and notification to the police, or other types of sanctions, if it becomes clear that the law has been violated. The Government of Nepal and Donor will be advised, in case an investigation is commenced.

4. Declaration of Property

Officials of AEPC Board and Staffs (except Office Assistants) need to submit this form within one month after the start of new fiscal year. Declaration of the property includes the information as given below:

1) Name:
2) Position:
3) List of Property :

Land and building (list)

Where? (Gaaunpalika, municipality)	Area	Estimated amount
Cumulative		
Added within one year		

Jewelry and Security (bond)

Particular	Quantity	Estimated amount
Cumulative		
Gold		
Silver		
Copper		
Security (bond, share)	Company name: i) ii) iii) …	
Added within last year		
Gold		
Silver		
Copper		
Security (bond, share)	Company name: i) ii) iii) ……	

Cash

Particular	Amount	Bank
Cumulative		

i) Cash NRs Other currency (name)		
ii) Bank deposit Bank – Bank – Bank – ……		
Added within last year		
i) Cash NRs Other currency (name)		
ii) Bank deposit Bank – Bank – Bank – …		

Others	
Particular	Estimated valuation (NRs)
Cumulative	
Vehicle	
Others (give detail) …	
Added in last year	
Vehicle	
Others (give detail) …	

5. Corruption Risk Register

(Note: This shall be filled in by respective Divisions and Sections and submitted to Compliance Unit)

Risk area	Risk description	Key control in place (Action already taken)	Function to be taken
A. Grant/subsidy			
B. Procurement			
C. Operation			

ANNEX-5: Operational Guidelines for complaint handling

1. Introduction

The Operation Guideline for Complaint Handling of AEPC states the measures to manage and monitor complaints made against the AEPC. The primary objectives of this Operation Guideline are:

- Maintain the integrity of the Organization
- Ensure efficient and effective service is provided to the end users
- Increase the trust and confident, the public has in the Organization

2. Purpose

This Operation Guideline for Complaint Handling is a guide to ensure that all complaints made by the public are handled in an effective and consistent manner.

3. Scope of guidelines

AEPC is a Government institution working with the objective of developing and promoting renewal/alternative energy technologies in Nepal. Providing subsidy and financial assistance to the end users/communities; providing service and support on installed RETs; quality assurance and standardization; are among the few responsibilities of AEPC. In this context, establishing of a proper guideline and procedure is the best approach to receive and act upon the user's complaints. It helps to facilitate AEPC to ensure effective and efficient service to the end users/communities. Knowing what the expectations of the users are and the extent to which those expectations are being met is essential to improving service.

The complaints shall be properly handled and distributed the service requests to the respective components of AEPC. The system is necessary to easy the service delivery process of all involved stakeholders. It is expected that; both, end-users and involved stakeholders/implementing partners will receive the benefits from the Complaint Handling Procedure.
An effective Complaints System will benefit the sector in four important ways by:

- Creating a next chance to provide service and satisfaction to dissatisfied users
- Identifying areas that need improvement
- Providing opportunities to strengthen public support for the stakeholders
- Assisting in planning and allocation of resources.

4. Complaint Handling System

4.1 Complaint Receiving

- AEPC has established various effective ways to receive complaints which include:
  - By mail/email/fax
  - By web
  - By phone
  - By direct visit/application

- Acceptance of complaints received via mail /email/fax :
  The complaint can be communicated to the organization by mail, email or fax. The mail can sent to following address: Alternative Energy Promotion Centre
  Khumaltar Heights, Lalitpur, Nepal.
  Post Box No. : 14364
  E-mail address: grievance@aepc.gov.np

Fax No.: +977-5542397, 5539392

- Acceptance of complaints received via phone:
  The complaint can registered on the No.: +977-5539390, 5539391
- Acceptance of complaints received via web:
  The complaint can be registered by filling "Grievance Registration Form" on AEPC web, which is accessible via:
  "Grievances" tab on AEPC home page (upper right corner)
  By visiting the link -http://www.aepc.gov.np/gform/gform.php
- Acceptance of complaints via direct visit/application:
  The complaint can be registered by in person, visiting AEPC or submitting application to AEPC.

4.2 Complaint Registration

A Complaint Register shall be maintained in the place of Complaint Handler. Each record of the received complaints shall be maintained in complaint register and shall be entered to complaint handling database system. Complaint Handler will be responsible for maintaining record and updating the complaint handling database system.

4.3 Acknowledgment, Classification and Segregation of Complaint

The complainant shall be informed upon the acknowledgement of the received complaint. If the information received from the complainant is inadequate to provide needful information, the Nodal Officer shall request for the information by using suitable means of communication. If no response is received within 15 working days, the complaint shall be classified under "No Further Action (NFA)" status. No further action will be taken to the complaint that has been tagged with NFA status.

The Nodal Officer will be responsible to classify and segregate the received complaints based on:

- Problem Category: Whether the problem mentioned in the complaint is Major, Medium or Minor
- Responsible Area: Whether the problem stated in the complaints are related with management, financial issues and technical issues, or issues with implementing partners.

4.4 Review and Investigation of Complaint

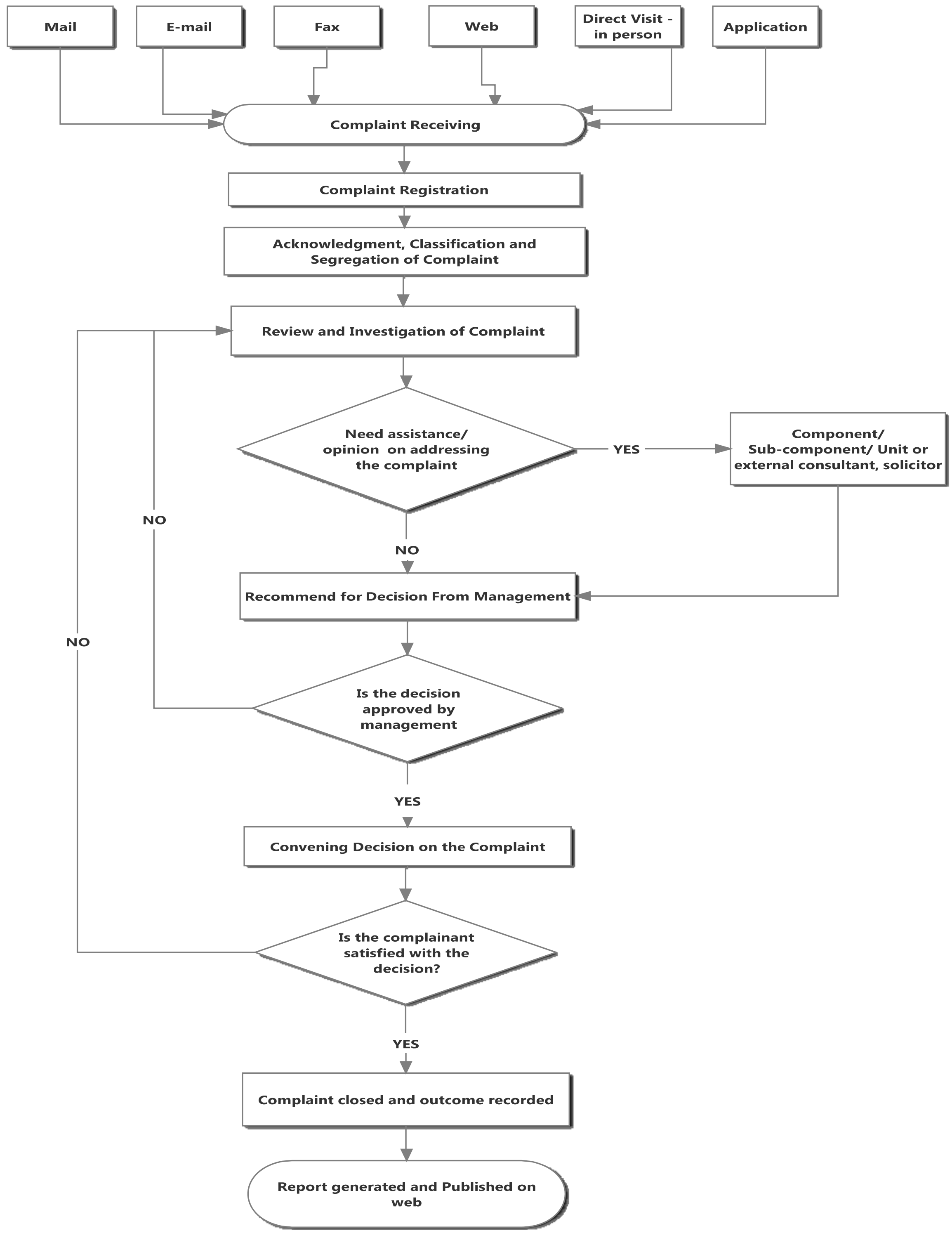
The Nodal Officer shall investigate the complaint based on problem category and responsible area, and discuss finding with management before a final decision is made and reply back to the complainant. After decision is made, the complaint shall be tagged as "closed" and shall be update in the complaint register and complaint handling database system.

In respect of complicated issues, where opinions from consultant or solicitor is required and a decision cannot be made within a defined period, the Nodal Officer shall inform the complainant on complexity of the matter as well the extended time frame required.

5. Basis of Decision on the Complaint

Decision on the complaint shall be based on the AEPC's guideline/policy and as per norms of GON. Decision on the complaint shall be conveyed to the complainant by available means. The response shall contain a clear and concise explanation on the basis of final decision. The detailed report on complaints shall be generated from database system and published on AEPC web on trimester basis.

The process flowchart of the complaint handling mentioned above is given below:

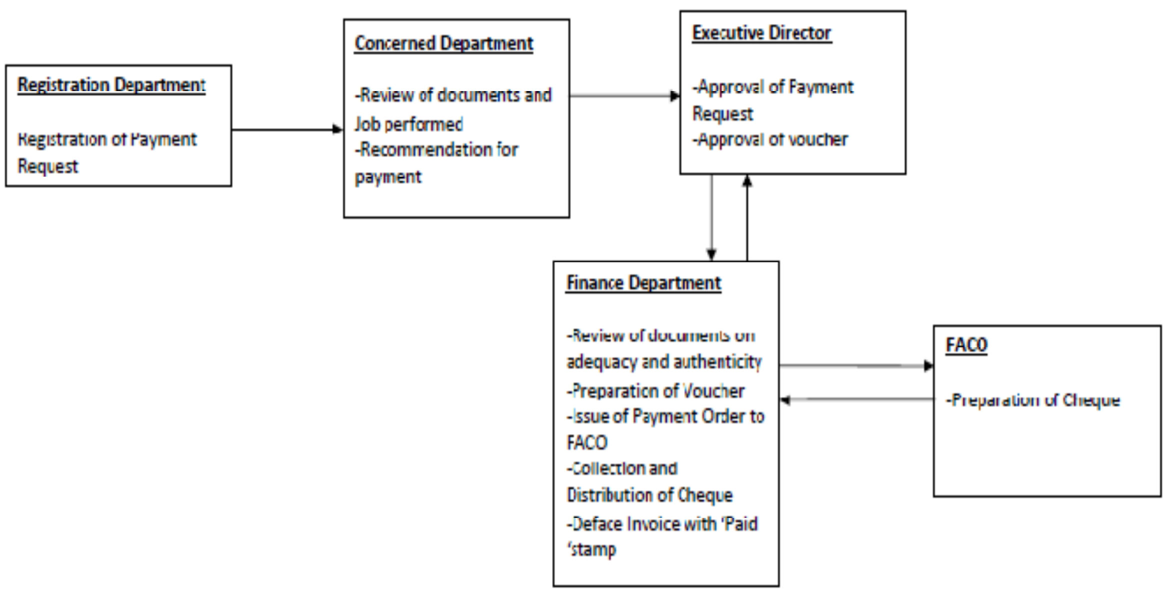


ANNEX-6: AEPC Payment & Disbursement System

The financial operations of AEPC is guided by the Financial Procedure Act which provides the financial framework for all government entities. Based on the Act following process has been developed within AEPC for payment and disbursement.

- All the payment request received at AEPC shall be recorded at the Registration Section.
- The registration section shall forward the payment request to respective department for review of the job performed.
- The department head shall recommend payment after such review is performed and the request shall be sent to Executive Director for approval along with other supporting documents.
- Such document shall be forwarded to the Finance Department after obtaining ED approval.
- Staff from the Finance Department shall review the documents for adequacy and authenticity.
- Finance Department shall prepare voucher based on available invoice and send it to the ED for approval
- The ED shall approve the voucher and Finance department shall issue payment order to Fund and Account Controller's Office (FACO) for preparation of cheque.
- The cheque prepared by FACO shall be collected and distributed to concerned supplier/vendor and acknowledgement of receipt shall be obtained.
- All invoices shall be defaced by "PAID" stamp while making payment.

The flow chart of the disbursement is given below:



ANNEX-7: Communication Strategy

The Strategy provides a roadmap for improving coordination among AEPC Units, engaging and influencing key stakeholders and includes key elements of the comprehensive communications. This strategy (a separate document) approved by AEPC is a part of this section.

ANNEX-8: Reporting and Responsibility matrices

Descriptions	Purpose	Methodology
AEPC/Programs monthly report to ministry	To provide update on monthly progress and expenditure to the line ministry	Finance unit and respective units jointly prepare monthly reports using government's standard monthly reporting format AEPC management submits the report to the ministry.
AEPC/Programs Trimester progress report	a) To provide periodic physical and financial progress updates to steering committee of the Programs. b) To provide periodic physical and financial progress updates to the ministry as per standard format.	a) MQA/Planning unit compiles the reports with support from all components, sub components and units using set reporting formats. b) Respective units prepare trimester report using GoN reporting format to be submitted to the line ministry.
AEPC/Programs Annual progress report	a) To provide detailed physical and financial progress updates, show achievements against the targets and results, highlight issues and challenges etc to the steering committee of Programs b) To provide annual physical and financial progress updates to the ministry as per standard format.	a) MQA/Planning compiles annual progress with the support from all components, sub components and units using set reporting formats. After internal review provides to the ED for submission. b) Finance unit prepare annual reports using government's annual financial reporting format
Outreach Partners (Service centers/Service provider) monthly progress report	To obtain updates on monthly progress and flow of expenditure from outreach partners.	Report is prepared in standard monthly reporting format following the guidelines. AEPC Outreach unit verifies facts and figures and approves. It will be further circulated to concerned unit, sub/component.
Outreach Partners (Service centers/Service provider, DEECCS) Trimester progress report	To obtain periodic physical and financial progress updates, issues and challenges by AEPC from outreach partners.	MQA/Planning compiles progress made by all outreach partners. Outreach partners responsible person reviews and sends progress report to Outreach unit. Outreach unit will circulate draft report to units, sub/components for feedbacks. After incorporation of the feedback the Outreach unit will provide final report to all sub/component, units for use and record.
Outreach Partners (Service centers/Service provider, DEECCS) Annual progress report	To obtain detailed physical and financial progress updates, achievements against the targets and results, issues & challenges etc to the AEPC.	MQA/Planning unit compiles progress made by all outreach partners. Outreach partners responsible person reviews and sends progress report to Outreach unit. Outreach unit will circulate draft report to units, sub/components for feedbacks. After incorporation of the feedback the Outreach unit will provide final report to all sub/component, units for use and record.

ANNEX-9: AEPC's Sustainability Policy

Principles

1. To comply with, and exceed where practicable, all applicable legislation, regulations and codes of practice enacted by the Government of Nepal and specifically approved for AEPC.
2. To integrate sustainability considerations into all organizational decisions.
3. To ensure that all staff are fully aware of the Sustainability Policy and are committed to implementing and improving it.
4. To minimize the impact on sustainability of all office and transportation activities.
5. To make clients and suppliers aware of our Sustainability Policy, and encourage them to adopt sound sustainable management practices.
6. To review, annually report, and to continually strive to improve our sustainability performance.

Practical steps

Transport

1. Use public transport to attend meetings, site visits etc, apart from in exceptional circumstances where the alternatives are impractical and/or cost prohibitive.
2. Avoid travelling physically; for example, to attend meetings etc., where alternatives means to do so such as teleconferencing, video conferencing or web cams are available.
3. Reduce the need for our staff to travel by supporting alternative working arrangements, including home working etc, and promote the use of public transport.

Purchase of equipment and consumption of resources

1. Minimize the use of paper and other office consumables, for example by double-siding all paper used, and identifying opportunities to reduce waste.
2. As far as possible arrange for the reuse or recycling of office waste, including paper, computer supplies and redundant equipment.
3. Reduce the energy consumption of office equipment by purchasing energy efficient equipment and good housekeeping.
4. Avoid the use of diesel powered generators to meet the energy supply gap during the hours of power cuts. For this maximum utilization of a rooftop solar will be done.
5. Promote the use of biogas from the wastes generated within the office premises to reduce the quantity of the fossil fuels used.
6. Avoid, to the extent possible, the use of timber furniture and any other timber products.
7. Minimize the unnecessary use of water in the office premises for e.g. by discouraging to wash cars inside the office premises and promote recycling of waste water.

Working practices and advice to clients

1. Ensure that any associates that we employ take account of sustainability issues in their advice to the partners.
2. Include a copy of our Sustainability Policy in all our agreement of association with the partner organizations.

ANNEX-10: District Climate and Energy Plan Preparation Guidelines

The Guideline provides a guidance to formulate the climate adaptive decentralized renewable energy plan that also contributes for GESI mainstreaming and climate change mitigation at district level. This guideline (a separate document) is a part of this section.

ANNEX-11: Grant Guidelines

The Grant/Research Delivery Program Implementation Guidelines provides a guidance to select, assess and award the grant proposals. This guideline (a separate document) approved by AEPC is a part of this section.

ANNEX-12: Environment and Social Management Framework

Screening and Project Categorization

Screening

The environmental and social screening has to be carried out for renewable energy technologies which are considered to have environmental and social impacts, but the extent may be minor impacts. Specially, household technologies have negligible negative environmental and social impacts. The purpose of the screening process is to:

- determine whether the proposed RETs are likely to have potential negative environmental and social impacts;
- to establish the level of environmental/social assessment required,
- to help the proponent, users committee to understand environmental issues related to the RETs before they are considered for implementation, and
- to assist in the decision making process

Categorization

Category A Projects: A proposed project is classified as Category A if it is likely to have potentially significantly adverse environmental impacts. These impacts may affect an area broader than the sites or facilities subject to physical works. An EIA level study shall be required for Category A project. Furthermore, Environment Protection Rules 1997, schedule 2 lists the projects that require undertaking of EIA study. The RETs promoted by AEPC would have very low chance to fall under this category.

From social perspective, sub-projects that will affect more than 50 people due to involuntary land taking and/or physical relocation or losing 10% or more of their productive (income-generating) assets, such projects fall under Category A projects and a full Resettlement Action Plan (RAP) must be prepared.

Category B Projects: Usually the impacts are assessed to be less significant as these are site-specific; and irreversible; and in most cases mitigation measures can be designed and implemented more readily than for Category A projects and subjected to limited EIA. Environment Protection Rules 1997, Schedule 1 lists the possible projects that require undertaking IEE level study.

From social perspective, sub-projects that will affect less than 50 people as a result of physical displacement due to involuntarily land taking or lose less than 10% of their productive (income-generating) assets, such projects fall under Category B and an abbreviated RAP shall be prepared.

Category C Projects: The proposed RET is classified as Category C if it is likely to have minimal or no adverse environmental impacts. Beyond screening, no further environmental action is required for a Category C projects.

For the projects which fall under Category C, but not fall under threshold criteria of EPR 1997 shall not require undergoing any environmental/social assessments or preparation of respective safeguard documents as per provision of GoN. However, minimal environmental impacts can still be expected from category C projects, it is recommended that a brief environmental and social management plan (ESMP) shall be prepared for RET projects.

Safeguard Document to be prepared

The different safeguard documents shall be prepared for individual RET projects in accordance with respective screening category. The safeguard document shall be prepared during detailed design or detailed feasibility study phase. The safeguard documents especially for category B and Category A shall be disclosed to public through AEPC website or respective project website, if available.

Environmental and Social Management Plan (ESMP) for Category C projects: This document shall be prepared for the RET projects falling under category C. The ESMP shall essentially contain description of project and location and baseline environmental and social condition. The ESMP shall also include, inter alia, the following: (i) Alternatives - alternative measures for avoiding, minimizing, controlling adverse impacts (or for enhancing beneficial impacts); (ii) Mitigation -site-specific, cost effective and detailed measures for each impact that will reduce the identified adverse impact to acceptable levels; (iii) Capacity Development and Training/ awareness - specific and targeted training / awareness/ capacity building, if necessary (targeted to, for example, subproject staff, contractors, and community groups); (iv) Implementation Schedule and Cost Estimates - For all mitigation and capacity development. The ESMP must be integrated into the project's plan and design, budget, specifications, cost estimated, bid documents, contract/agreement clauses. The ESMP shall also include the site specific monitoring plan illustrating indicators of monitoring, frequency, time of action and monitoring responsibility.

Initial Environmental Examination (IEE) study Report for Category B projects: RETs under category B projects during environmental screening shall be required to prepare IEE report during detailed design/detailed feasibility study phase. The procedural steps including preparation of Terms of Reference, public notice and public consultation, shall be conducted as per Environment Protection Rules, 1997 while conducting the IEE study and shall be approved by concerned ministry. The report shall be prepared as per Schedule 5 related to Rule 7. In case of donor funded projects having specific environmental requirement, the same shall also be followed.

Environmental Impact Assessment (EIA) study Report for Category A projects: Those RETs which fall under category A during environmental screening shall be required to prepare EIA study report during detailed design/detailed feasibility study phase. The procedural steps including preparation of Scoping Document and Terms of Reference, public notice and public consultation, public hearing, shall be conducted as per Environment Protection Rules, 1997 while conducting the EIA study and shall be approved by Ministry of Population and Environment (MoPE) through concerned ministry. The report shall be prepared as per Schedule 6 related to Rule 7. In case of donor funded projects having specific environmental requirements, the same shall also be followed.

Resettlement Action Plan (RAP) and Abbreviated Resettlement Action Plan (ARAP): During social screening, if the proposed project refers involuntary resettlement and dislocation, RAP (Category A) and ARAP (Category B) document shall be prepared. RAP and ARAP shall essentially consist of information of project affected families/households and project affected people, social impact caused by the project (involuntary land taking and resettlement), its mitigation measures, entitlement framework, capacity development and skill enhancement measures etc.

Vulnerable Community Development Plan (VCDP) or Indigenous People Plan (IPP): If the involuntary land acquisition and involuntary resettlement imparts to vulnerable community and/indigenous community, VCDP and/IPP shall be prepared along with RAP or ARAP. Ensure that project engages in free, prior, and informed consultation with the vulnerable community wherever they are affected. The main purpose of preparing specific VCDP in addition to RAP/ARAP is to ensure project benefits are accessible to the vulnerable community living in the project area and to avoid any kind of adverse impact on the vulnerable community to the extent possible and if unavoidable ensure that adverse impacts are minimized and mitigated.

Implementation of Safeguard Measures

After preparation and approval of respective safeguard measures against the project category, the commitments and mitigation measures shall actually be implemented during construction and operation phase. The mitigation measures and enhancement measures, if any, shall strictly be implemented by respective responsible authority.

Monitoring

The proponent(s) and user committees will be responsible for regular monitoring and reporting of implementation of mitigation measures. The AEPC, from time to time, may conduct monitoring on sample basis. AEPC can appoint third party consultant/individual consultant for periodic monitoring of safeguard implementation.

Environmental and Social Screening Checklist

Environmental Screening Checklist

1. Project Description

SN	Description	Details
1	Name of the project	
2	Address	
3	Technology	
4	Installed capacity	
5	Total land use for project installation	
6	Total project cost	

2. Project Location

2.1 Does the project facilities adjacent to or within the following area?

SN	Location	Yes	No	Remarks
1	Protected Area			
2	Buffer zone of protected area			
3	Community forest			
4	Special area for protecting biodiversity			
5	Private forest			
6	Government forest			
7	Religious forest			
8	Leasehold forest			
9	Cultural heritage site			
10	Unique or aesthetically valuable land or water form			
11	Range of endangered or threatened animals and birds			
12	Wetland			
13	Area used by indigenous peoples			

3. Potential Environmental Impacts

Does the project cause following environmental impacts?

SN	Location	Yes	No	Remarks
1	Short-term construction impacts such as soil erosion, deterioration of water and air quality, noise and vibration from construction equipment?			
2	Disturbance of large areas due to material quarrying?			
3	Disposal of large quantities of construction spoils?			
4	Impounding of a long river stretch?			
5	Dryness (less than 50% of dry season mean flow) over a long downstream river stretch?			
6	construction of permanent access road near or through forests			
7	Clearing of large forested area for ancillary facilities and access road?			
8	creation of barriers for migratory land animals			
9	Construction of permanent access road near or through forests?			
10	Loss of precious ecological values due to flooding of agricultural/forest areas, and wild lands and wildlife habitat; destruction of fish spawning/breeding and nursery grounds?			
11	Deterioration of downstream water quality due to anoxic water from the reservoir and sediments due to soil erosion?			
12	Loss or destruction of unique or aesthetically valuable land or water forms?			
13	Loss of migratory fish species due to barrier imposed by the dam?			
14	Risks and vulnerabilities related to occupational health and safety during project construction and operation?			
15	Social conflicts if workers from other regions or countries are hired?			
16	Uncontrolled human migration into the area, made possible by access roads and transmission lines?			
17	Disproportionate impacts on the poor, women, children or other vulnerable groups?			
18	Community health and safety risks due to the transport, storage, and use and/or disposal of materials likely to create physical, chemical and biological hazards?			
19	Risks to community safety due to both accidental and natural hazards during project construction, operation and decommissioning			
20	Loss of productive land			

Social Screening Checklist

1. Project Description

SN	Description	Details
1	Name of the project	
2	Address	

3	Technology	
4	Installed capacity	
5	Total land use for project installation	
6	Total project cost	

2. Types of land use for the project installation

SN	Types of land	Yes	No	Remarks
1	Private land			
2	Public land			
3	Government land			
4	Leasehold land			
5	Others (if any)			

2.1 What is the type of land procurement? (Yes/ no)

SN	Procurement types	Yes	No	Remarks
1	Voluntary donation			
2	Direct Purchase			
3	Land acquisition			
4	Others (if any)			

3. Does the project affect the following area?

SN	Affected area	Yes	No	Remarks
1	Vulnerable group			
2	Natural resources			
3	Indigenous people or group			
4	Cultural and religious sites			
5	Impacts on livelihood			
6	Others (if any)			

4. Benefit expectation of community towards project intervention

- ……………………………………
- …………………………………..

Generic Table of Content of Environment and Social Management Plan (ESMP)

1. Executive Summary both in English and Nepali
2. Introduction
3. RET description and Relevancy of preparing ESMP
4. Environmental and Social Baseline
5. Environmental and Social Impacts
    a. Beneficial Impacts
        i. Construction Phase
        ii. Operation Phase
    b. Adverse Impacts
        i. Construction Phase

ii. Operation Phase

6. Mitigation Measures including Alternatives (summarize in matrix Form): shall include respective mitigation measures of impacts, time of action, mitigation cost and responsibility. These, inter alia, include (i) Alternatives - alternative measures for avoiding, minimizing, controlling adverse impacts (or for enhancing beneficial impacts); (ii) Mitigation -site-specific, cost effective and detailed measures for each impact that will reduce the identified adverse impact to acceptable levels; (iii) Capacity Development and Training/ awareness - specific and targeted training / awareness/ capacity building, if necessary (targeted to, for example, project staff, contractors, and community groups); (iv) Implementation Schedule and Cost Estimates - For all mitigation and capacity development, the ESMP provides (a) an implementation schedule for measures that must be carried as a part of the subproject, and (b) cost estimates for implementing the ESMP.
7. Monitoring Plan (In matrix Form): shall prescribe monitoring plan with indicators, methods (laboratory test, visual observation, interview etc.), frequency and time of action, location, responsibility and monitoring cost.
8. Conclusions and Recommendations

Salient Features of RETs promoted by AEPC

Technology	Capacity Range	Tentative Total Cost (NRs)	Construction Period	Environment safeguard	Social safeguard
Community Electrification (CE)					
Pico Hydro and Improved Water Mills	less than 1 kW for pico and upto 5 kW for IWM			Not Required	Not Required
Micro hydro	(1kW to 100 kW)	500000 per kW	8 -12 months	Screening, At least ESMP	Screening
Mini-hydro	(100 kW to 1 MW)	500000 per kW	14 – 18 months	IEE according to ADB Safeguard Policy Statement	Not required
Biomass Subcomponent					
Household Improved Cook stoves (ICS) including metallic ICS, Rocket Stoves and Gasifier Stoves	Domestic range	1,000 to 25,000		Not required	Not required
Institutional ICS				Not required	Not required
Biomass Electrification		500000/kW	5 – 6 months	Screening, At least ESMP	Screening
Solar Subcomponent					
Domestic Solar PV	(upto 100 kWp)	10,000 to 25,000		Not required	Not required
Urban Solar PV	(greater than 200 kWp)	50,000 to 200,000		Not required	Not required
Household Solar Dryer and Cooker				Not required	Not required
Institutional solar (ISPS)		greater than 3 million		Screening, At least ESMP	Screening
Solar Water Supply Scheme and Solar				Screening, At least ESMP	Screening

Technology	Capacity Range	Tentative Total Cost (NRs)	Construction Period	Environment safeguard	Social safeguard
Irrigation System					
Municipal Solar Street Lighting				Screening, At least ESMP	Screening
Institutional Solar Dryer and Solar cooker	greater than 3 sq. ft (dryer)			Not required	Not required
Institutional Solar Water Heating System				Screening, At least ESMP	Screening
Solar Mini-grid	Up to 100 kWp	600000/ Wp	2 -3 months	IEE according to ADB Safeguard Policy Statement	Not required
Wind Energy					
Wind Energy	upto 100 kW			Screening, At least ESMP	Screening
Solar Wind Hybrid	5 to 100 kW	600000/ Wp	2- 3 months	IEE according to ADB Safeguard Policy Statement	Not required
Biogas Technology					
Domestic Biogas and Urban Biogas	upto $12m^3$	less than 100,000	1 month	Not required	Not required
Institutional and Community Biogas	greater than $12.5m^3$ size	greater than 200,000	greater than 2 months	Screening, At least ESMP	Screening
Commercial Biogas	greater than $12.5m^3$	greater than 200,000	greater than 2 months	Screening, At least ESMP	Screening
Municipal Solid Waste (MSW) Biogas Plants	greater than $12.5m^3$	greater than 10 million	greater than 6 months	IEE (Category B projects) as per SREP EMF	Screening, may require Abbreviated RAP and/or VCDP as per SMF

ANNEX-13: Project Readiness Filters

1. Project Management
    - In case of DP supported projects, Joint Financing Agreement and Project Documents are approved from the concerned authority.
    - Project management unit is established/authorized from concerned authority.
    - Project team oriented/informed on the project implementation activities.
2. Procurement
    - Procurement unit/committees are in place/approved from authorized entity.
    - Work plan prepared from authorized entity as applicable (MoF, line ministries, and DPs)
    - Procurement plan prepared according to workplan and approved from authorized entity
    - Terms of Reference/Bid Document/Notices ready to publish for procurement services.
3. Financial Management
    - Fund allocation from all counterpart confirmed and approved
    - Financial Management systems are in place
    - Financial management team (staff) identified and orientation/training as per the requirements for GoN and/or respective DPs financial management policies and procedures provided to them.
    - Auditing arrangements and the ToR for external/internal audit prepared and agreed.
    - Approval obtained for the opening of the required bank accounts/chart of accounts.
4. Social and Environmental Safeguard and Gender
    - All assessments in accordance with EPA/EPR and DPs Guidelines and procedures (if required) are completed.
    - All required Environment, Social and Gender Plans in accordance with Government Rules/regulation and DPs Guidelines are prepared and approved by the authorized entity and/or DP.
    - All land acquisition and resettlement plans, if required are ready in advance of project implementation. These must be accomplished following the Government rules/regulation and respective DPs Guidelines applicable for the project.
5. Monitoring and Evaluation
    - A Monitoring and evaluation system based on the project result framework is agreed/approved from concerned authority.
    - Baseline data for the project is collected and approved.
6. Good governance
    - Risk identified and risk management plan are prepared and approved.
    - Good governance framework where required is agreed.

Annex-14: AEPC's Procurement Process

AEPC follows Public Procurement Act and Public Procurement Rules for procurement of goods, services, works and consultancy services. The process entailed for procurement activity is outlined below:

a. Preparation of Annual Procurement Plan (Beginning of the Fiscal year, Accumulation of Procurement related activities from Annual Work Plan (AWP) mentioning estimated amount, time line and method of procurement
b. Preparation of Technical Specification/Terms of Reference (ToR)
c. Preparation of cost estimate of procurement
d. Preparation of Bidding Documents (Sealed quotation forms, Prequalification forms or Tenders or preparation of documents relating to consultancy service Expression of Interest (EoI) and Request for Proposal (RfP).
e. Publication of notice inviting sealed quotations, prequalification proposals, Tenders or consultancy service EoI and proposals
f. Opening of sealed quotations, prequalification proposals, Tenders or consultancy service proposals and EoIs.
g. Evaluation of submitted sealed quotations, prequalification proposals, Tenders or consultancy service proposals.
h. Opening and Evaluation of Financial Proposals of Consultancy services and Two Envelope system procurement only.
i. Acceptance of sealed quotations, prequalification proposals, Tenders or consultancy service proposals- 7 days Letter of Intent (LoI) notice to selected bidders/Consultant and copying to bidders/Proponents that are not selected
j. Issuance of Letter of Approval (LoA) after LoI for tasks valued above 2 million and direct 7 days LoA for below 2 million task.
k. Notice for Contract (with Performance Security, 30 days exceed the Task completion period)– 15 days notice to Selected Bidder/Proponent. Performance security not required for consultancy service but Professional liability Insurance (Equivalent to contract value) need to be submitted by selected consultant within 30 days from the date of agreement.
l. Entering into contract-Template of Contract is a part of bidding document which is prescribed by Public Procurement Management Office (PPMO).
m. Commencement of work- within time limit of Contract (Time may be extend as per mentioned in the contract document).
n. Variation order issued and acceptance by the bidder/proponent (within contract period)
o. Completion of Procurement-Goods Received/Work Completed/Consultancy task completed, Invoice received with Payment Request Latter
p. Inspection and Acceptance of goods-Technical verification of Quality and quantity of the goods are received as per Specification or not, Reports from consultant acceptance and approval
q. Store Entry-Confirmation of Goods received/Installed properly as per agreement.
r. Final payment by the Finance Department [After deduction Advance, TDS (Normally 1.5%), retention 5% for works) etc.
s. Request for Grants from development partners/donor agency with Approved task Completion Report proof of payment to the bidder and Proponent.
t. Kept document safety for at least seven years from completion of the procurement
u. Monitoring of Procurement process and Audit (Internal and external as per approved guideline)

ANNEX-15: Power Output and Household Verification Guidelines

This guideline provides a procedure and approach to verify the power output from Mini/micro-hydro projects against the designed out and the number of household connected to comply with requirements mentioned in Subsidy Policy and Subsidy Delivery Mechanism. This guidelines (a separate document) approved by AEPC is a part of this section.

ANNEX-16: AEPC Document Tracking System Operation Guidelines

System Operation responsibility:

The system operation responsibility shall be with the focal persons assigned by the C/SC/U of AEPC. C/SC/U can change the focal person as per the requirement. Additionally, performance of the focal person will be linked to the effective operation of the system as it is considered as the additional responsibility on existing job description. AEPC administration shall arrange necessary logistics such as scanner to the registration desk.

System login facility:

CIT Unit shall train all the focal persons. Besides, Communication and Information Technology Unit (CITU) shall immediately resolve critical issues appeared during the system operation. All the Focal persons or C/SC/U are assigned separate user ID as well as password to enter to the system. Password shall be changed nonetheless user name is fixed. All users shall logout just after operation of the system as respective focal person is responsible for any manipulation in the data by unauthorized entity. All the documents MUST be registered and forwarded along with hard copies at the same day.

Tracking Procedure:

- Focal person at the Registration Desk shall register all the received documents to the DTS with necessary information as specified. Additionally, this desk is responsible for scanning the cover page of the document, attaching and forwarding the documents through the DTS to the specific C/SC/U as done for hard copies.
- Respective focal person at C/SC/U shall receive hard copies of the documents as well as receive the documents as assigned in the DTS. Furthermore, received documents shall be kept safely and/or forwarded to other C/SC/U (if needed) hard copies and keep assign in the system too. Focal person shall write the progress in short i.e. action taken, pending with remarks as required.
- AEPC management shall check the progress/status of the documents received and action taken and may ask the respective C/SC/U for any long pending.

Overall Ownership of the system:

The overall ownership and responsibility of operation of the system is with AEPC Administration; however IT team will look after any technical issues as per request by the admin via email.