

Alternative Energy Promotion Centre

1st trimester Status Review Report 2018/19: Strategic Organizational Development Plan

A progress tracker for the SOD has been prepared to update the management and relevant stakeholders on progress and lacking areas on achieving the institution's organizational development plan. This report covers the status of SOD till 16th November, 2018.

Planning and Monitoring Division

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Contents

1.0	BACKGROUND	1
2.0	EVOLUTION OF THE STRATEGIC ORGANIZATION DEVELOPMENT PLAN	1
2.1	Development and Approval of SOD.....	1
2.2	Strategic Direction.....	1
2.3	Implementation Plan.....	2
3.0	STATUS OF IMPLEMENTATION	3
4.0	CONCLUSION.....	12

1.0 BACKGROUND

Government of Nepal (GoN) established Alternative Energy Promotion Centre (AEPC) on November 3, 1996 as a focal agency for the promotion and development of renewable energy technologies (RETs) in the country, by issuing a formation order of Alternative Energy Promotion Development Board (AEPDB) as per the Development Board Act (2013 BS). At present, the board has 11 members, from the government, non-government, private and the financial sectors. AEPC is currently under the Ministry of Energy, Water Resources and Irrigation (MoEWRI), which was previously under Ministry of Population and Environment (MoPE). AEPC provides direct financial and technical assistance in terms of subsidy and capacity development for establishing and managing Renewable Energy (RE) systems at the community level. It has been implementing programs jointly with local governance bodies in partnership with the Civil Society Organizations (CSOs) particularly Non-Government Organizations (NGOs), Community Based Organizations (CBOs) and user groups, private sector, financial institutions, research/academic institutes for technological innovation, standardization, maintaining RE systems at affordable cost, capacity development, integrating RE activities in planning, monitoring, networking, and optimal use of RETs for livelihood enhancement. As a leader of RE sector in the country, AEPC has demonstrated its ability to mobilize financial resources and deliver the services in expansion of RETs, benefiting the communities mainly in women and men of rural areas.

2.0 EVOLUTION OF THE STRATEGIC ORGANIZATION DEVELOPMENT PLAN

2.1 DEVELOPMENT AND APPROVAL OF SOD

AEPC made attempts to develop and implement Strategic Organization Development Plan (SOD) almost a decade ago which could not materialize partly due to lack of political will and partly due to lack of systematic context, functional analysis and a transitional plan. The need for a SOD in AEPC was realized back in 2001 to develop the guidance document to direct AEPC's future course. Provided that AEPC was not matured as an organization constrained by the lack of appropriate human resources to lead the process through, the SOD didn't materialize back then. Several efforts were put in place to revive the efforts but it was only after the onset of National Rural and Renewable Energy Program (NRREP) when a task force was formally formed and that led to the development of the first draft preceded by situation analysis, organization modeling, functional analysis and consolidation phases. The Strategic and Organizational Development Plan (2013-2022) was submitted to and approved by the AEPC Board on November 12, 2014.

2.2 STRATEGIC DIRECTION

The SOD envisions three phases of the organization development across five core functions AEPC performs and plans for five elements for organizational development. The organizational development plans highlighted in the SOD are in the following areas.

- Performance Goals
- Targets
- Human Resource
- Outreach
- Sectoral Capacity Building

2.3 IMPLEMENTATION PLAN

The SOD envisions three phases for the implementation of the plans outlined thereof. The phase-wise implementation plan envisioned in the SOD is presented in table 1.

Table 1: Phases for implementation of SOD

Phase I: Transition Phase (approximately 2 years)	Phase II: Graduation Phase (3 years)	Phase III: Excellence Phase (5 years)
1. Approval and implementation of this SOD document and harmonization of change management processes using this document as a benchmark and point of reference. 2. Transition from a multi-programs approach to one national program framework. 3. Implementation of output based transitional structure, revised performance management system and filling in the required critical staff positions. 4. Active advocacy for approval of REDB Bill. 5. Introduction of organization-wide Results based management system, design and implementation of revised personnel policy. 6. Conducting detailed functional analysis and piloting of revised organizational structure. 7. Organizational and human resource capacity building for establishing AEPC as credible GESI proactive institution for expansion, promotion and development of renewable energy in Nepal. 8. Creating enabling environment for decentralized RE planning. 9. Preparation of RE policy and RE perspective plan (20 years).	1. Activation of RE Sector Wide Approach with the aim to strengthen RE sector coordination and sector mobilization. 2. Implementation of revised organizational structure and execution and implementation of findings from detailed functional analysis. 3. Demonstration of results based management through delivering results of programme. 4. Capacity building of major RE actor and institutional capacity building for RE sector. 5. Implementation of outsourcing and collaboration strategy including decentralized RE planning system. 6. Advocacy for approval and implementation of (new) RE Policy, National Development Plan on RE, long-term perspective plan. 7. Exploration of long-term funding possibilities for national framework program.	1. RE sector development through SWAp 2. Production of international quality knowledge products: national stats, applicable RE technology, effective mainstreaming of RE, GESI focused RE, etc. 3. Improving resource allocation to RE in mainstreamed decentralized RE planning process.

Source: SOD Plan, 2013-2022

3.0 STATUS OF IMPLEMENTATION

The SOD envisions AEPC's strategy and policies for 10 years (2013-2022). By now, AEPC has already moved into the fifth year of the SOD; however, provided the approval of the SOD, it has hardly been over two years the SOD has come into effect. As such, although the organization is moving in the "Graduation Phase" of the SOD, virtually it has only completed the "Transition Phase" and recently entered into the "Graduation Phase" of the SOD implementation. This progress tracker, therefore, makes an attempt to track the record of efforts put together to achieve the strategies outlined for the transition phase envisioned in the SOD in table 2 and also tries to capture few progress made in the beginning of graduation phase in table 3 .

Table 2: Tracker for 1st SOD Review Recommendation and Implementation Status of transition phase

SN	Strategies	Recommendation by 1 st SOD Review	Action Taken	Remarks
1.	Approval and implementation of this SOD document and harmonization of change management processes using this document as a benchmark and point of reference.	No Action was recommended	No action was needed	SOD for 2013-2022 came into effect.
2.	Transition from a multi-programs approach to one national program framework	Dialogues with the development partners and efforts to source and secure finance from international agencies/mechanisms (GEF, CIF, CDM, NAMA facility, GCF etc.) are therefore imperative. While doing so, it is also highly advised that AEPC shall put efforts to utilize the dormant revenue parked at the Nepal Rastra Bank earned through emission trading.	AEPC itself has led and executed the NRREP funded by GoN, other development partners and donor agencies as NRREP has been successfully completed on July 2017. National Renewable Energy Framework (NREF) has been approved by AEPC board which helps AEPC on streamlining projects and programs in more coordinated way.	

			To utilize the carbon revenue received, Carbon Revenue Implementation Guideline is prepared and submitted to Ministry of Finance for the approval.	
3.	▪ Implementation of output based transitional structure ▪ Revised performance management system ▪ Filling in the required critical staff positions.	NRREP more focused at the activities level which doesn't completely align with the output based modality. It is therefore advised that AEPC makes sure on the "output" based structure while negotiating further projects.	• SREP, SASEC and others projects are negotiated which are aligned with the output based model. • Vacant positions of AEPC (including senior management) has been fulfilled • Practice of performance based contract system of staff is introduced (recently applied for senior management)	
4.	Active advocacy for approval of REDB Bill.	REDB Bill was submitted to the council of ministers through the line ministry which remained unattended due to political turmoil. Since then AEPC has not been able to re-submit the Bill to the council of ministers. It is therefore advisable that AEPC exploits all bureaucratic and political channels to justify the case.	• With the new federal systems and new constitution in Nepal, Ministry advised AEPC to revise the bill and submit it to ministry again for further approval. • Ministry has formed a committee to review and finalize the bill under chairmanship of joint-secretary, legal division of ministry. • Committee has conducted several rounds of meetings, consultative workshops and final draft bill has	

			been prepared with the lead role of ministry itself using bureaucratic and political involvement as well, and on the process of finalization from ministry and cabinet.	
5.	Introduction of organization-wide Results based management system, design and implementation of revised personnel policy.	Personnel policy has been revised by AEPC. However, the organization-wide results based management system is something that AEPC has not progressed on. Based on the demonstration of the progress, it is imperative to deploy the personnel with proven track result in specific areas.	• Revised personnel policy is under implementation • Considering the federal system, organization and management survey (O&M) is being conducted which aims to link job description, job responsibility and track result in specified area.	
6.	Conducting detailed functional analysis and piloting of revised organizational structure.	AEPC Board has recently approved new organizational structure. Under this circumstance, it is advisable that AEPC management take necessary steps in fulfilling the positions envisaged in the new organizational structure.	• As the changed federal system redefined the role of federal, provincial and local government on RE; Organization and Management (O&M) survey is being conducted in accordance to the AEPC roles and responsibilities envisioned.	
7.	Organizational and human resource capacity building for establishing AEPC as credible GESI proactive institution for expansion,	AEPC has witnessed good progress in this aspect. An element of doubt remains on whether or not the GESI issues addressed during NRREP will sustain even after its phase out. However, this is overruled with the fact that the revised subsidy policy and subsidy delivery	• AEPC has a dedicated GESI Unit led by senior officer even after the successful exit of NRREP • GESI policy has recently been drafted to further strengthen the AEPC's activity	

	promotion and development of renewable energy in Nepal.	mechanism have provisions regarding this.	from the perspective of GESI and is under the process of approval from AEPC Board.	
8.	Creating enabling environment for decentralized RE planning	This has been achieved with the climate and energy planning through the “District Climate and Energy Plan (DCEP)” preparation. The achievement made for the 39 districts so far needs to be propagated to all 75 districts. In the meantime, it is also advisable to take necessary steps in implementing the plan and avoid duplication of efforts.	As DCEP prepared, the country has entered into the federal system with the delegation of the power to implement RE activities to local government and the relevancy of existing DCEP has increased as the basis for initiating the Municipal Energy Plan in different Rural/Municipality. The planning process in few municipality has been started.	In the current federal context, focus has to be given first to decentralize d RE planning in Municipalities and Rural Municipalities. This planning needs to be propagated in all province & Rural/ Municipality.
9.	Preparation of Renewable Energy Policy and Renewable Energy Perspective Plan (20 years).	A step towards this has already been taken. However, in case of the preparation of 20 years REPP, it is likely that the national expertise might not suffice the context; provided that the renewable energy is not merely a national agenda but a topic of global interest. In this circumstance, AEPC is advised to keep the door open for the international experts as well. For this, AEPC is highly recommended to partner with one of its long standing development partners to coordinate the stuff.	In the changed federal context and restructuring, AEPC is now under Ministry of Energy, Water Resource and Irrigation. AEPC has now started dialogue to collaborate with DFID, GIZ and other development partners to prepare RE perspective plan.	

Table 3: Graduation phase of SOD progress review and action Plan (1st Trimester Review of FY 2018/19

SN	Strategies	Action taken	Variance	Reason for variance	Recommendation for way forward	Responsibility	Remarks
1	Activation of RE Sector Wide Approach with the aim to strengthen RE sector coordination and sector mobilization.	NREF is approved by AEPC board on 2 nd Nov 2017 and is under implementation. New formation order of AEPC approved and AEPC has mandate to work with federal and local government on RE, Energy efficiency and Climate Change	No distinct variance	No reason			
2	Implementation of revised organizational structure and execution and implementation of findings from detailed functional analysis.	Considering the federal system, organization and management survey (O&M) has been completed. In the new context, capacity need assessment (CNA) Organization	Implementation yet to be started	Assessment reports has been concluded recently	Based on CNA and ODA, this has to be implemented	Admin and Human Resource Unit	

		Development Assessment (ODA) is planned					
3	Demonstration of results based management through delivering results of programme.	Integrated Result Framework (IRF) has been prepared Project closure and evaluation mechanism 2018 has been prepared which highlights the project activities completed across all phases of projects including output, key result on project completion, lesson learnt and best practices to be applied for future projects.	Yet to be fully implemented	The mechanism is newly prepared	Full-fledged implementation of IRF and Project Closure and evaluation mechanism 2018	Planning and Monitoring Division.	
4	Capacity building of major RE actor and institutional capacity building for RE sector	With the support from WB a comprehensive capacity need assessment (CNA) report has been prepared, which highlights gaps	CNA and ODA of RE sector in nationwide is to be done	Time and resource limitation	Such CNA at Sub national level is necessary to be carried out as the province and the local government are key stakeholders to expedite RE activities		

		recommendation in the area of existing capacity of RE stakeholders Some of the recommendation has already been initiated with the support of WB and others partners are requested to collaborate as CNA report is shared to other relevant development partners Organizational Development Assessment (ODA) and Capacity Need Assessment (CNA) of the major stakeholder in Province 1 & 7 with the help of RERA program is about to complete by December 2018					
5	Implementation	The collaboration	The no of the	The program	The municipal energy	AEPC,	

	of outsourcing and collaboration strategy including decentralized RE planning system.	with UNDP and GIZ has been initiated to prepare municipal energy plan for certain rural/municipality with active participation and involvement of local government	rural/municipality whose energy planning is under preparation is relatively less	RERA & RERL is now focused in the few rural/municipality as the pilot project	planning is to be expanded throughout other rural/municipality including the preparation of energy plan at provincial level	provincial and local governments	
6	Advocacy for approval and implementation of (new) RE Policy, National Development Plan on RE, long-term perspective plan.	Government is under the process of preparing 15 th Development plan which will include national development plan of RE, Renewable Energy Promotion Center Act in changed federal context and the draft bill is prepared.	The draft bill has been prepared and submitted to ministry for further approval process.	The bill has to be approved by parliament.	The RE policy has to be prepared in new context.	AEPC, National Planning Commission, line ministry, Parliament	
7	Exploration of long-term funding possibilities for national framework program.	As National Renewable Energy Framework is prepared, and is to be implemented in collaboration with Development partners	AEPC has regular approach in finding funding possibility				

4.0 CONCLUSION

AEPC had developed the SOD plan well in advance before the onset of the National Rural and Renewable Energy Program (NRREP); a national framework program. Therefore few actions envisaged for the transition phase were already completed by the time NRREP execution started. Provided that the approval of the SOD took longer than expected, the developments envisioned thereof has been hampered. However, good improvements are witnessed in the areas of decentralized planning, incorporating GESI aspects in AEPC's institutional and projects level activities and lately in fulfilling the vacant positions. Despite these developments, AEPC requires taking proactive steps in realizing the outputs envisioned in its SOD plan. Also because of new developments in restructuring and federalism, adaptive and flexible approach has to be adopted by AEPC to cope with transition.