



Government of Nepal
Ministry of Energy, Water Resources and Irrigation
Alternative Energy Promotion Centre
Central Renewable Energy Fund

Call for Concept Notes application for Sustainable Energy Challenge Fund
Financial Assistance for Distributed Sustainable Energy Projects

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Renewable Energy and Energy Efficiency Programme - Green Recovery and Empowerment with Energy in Nepal (REEEP-GREEN) is a technical cooperation project agreed between the Government of Nepal (GoN) and the Federal Republic of Germany. With support of GIZ on behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ) and co-financed by the European Union, REEEP-GREEN is executed by the Ministry of Energy, Water Resources and Irrigation and sets out to improve the preconditions for planning and implementation of measures for the promotion of renewable energy systems and the efficient use of energy in Nepal. The main objective of REEEP-GREEN is to create the regulatory, institutional, and private-sector conditions for disseminating renewable energy and improving energy efficiency in Nepal. REEEP-GREEN uses a multi-level approach consisting of 5 output areas: Output 1: Policy- Institutional and Regulatory Framework for Renewable Energy (RE) and Energy Efficiency (EE) at National Level; Output 2: Institutional Frameworks for RE and EE at Subnational Levels; Output 3: Sustainable Market Development for RE; Output 4: Dissemination of Results in the field of RE and EE; and Output 5: Energy Efficiency in Industries and Enterprises.

Nepal Renewable Energy Programme (NREP) is a Government of Nepal programme, implemented by the Alternative Energy Promotion Centre (AEPC) with financial, support from the UK Government through the British Embassy in Kathmandu. This programme is dedicated to increasing private sector investment in distributed sustainable energy (DSE) and increasing universal energy access, while facilitating policy, planning, legal construct, and regulatory environment conducive to both enabling and sustaining progress in DSE market development and universal energy access.

Central Renewable Energy Fund (CREF), the financial mechanism of AEPC, is operating a Viability Gap Funding based Sustainable Energy Challenge Fund (SECF) with funding support from UK-Aid and REEEP-GREEN. SECF provides financial and technical assistance to the DSE projects to ensure their financial viability and sustainable operation.

The SECF application is a two-stage process. In the first stage, applications for Concept Note of potential DSE projects are requested. The Concept Notes are then shortlisted based on eligibility of the applicant; technical potentiality, financial aspect, and expected results and impact of the project. In the second stage, short listed Concept Note applicants are invited to submit Full Applications, which undergo due diligence and evaluation by an Independent Evaluation Panel of DSE experts.

Applications are requested from the project developers of

- DSE projects developed in a Public Private Partnership model in partnership with local and provincial governments.
- Projects to be implemented by aggregating demands of DSE technologies and projects for improving energy access including electric cooking to households, micro, small and medium enterprises.
- Projects to improve energy access to the households through reverse auction.
- Projects proposed for the improvement of technical, financial and managerial aspects of the existing mini and micro hydro projects or other renewable energy mini-grid projects.

- Grid-connected solar PV installations at commercial, institutional and industrial buildings (where minimum of 51% of the annual energy produced is used for self-consumption) for bank interest rate buy-down.
- Grid-connected solar PV installations at commercial, institutional and industrial buildings (where minimum of 51% of the annual energy produced is used for self-consumption) for incentives based on kWh generation.
- Innovative DSE projects that meet SECF objectives, e.g., those that may include hybrid generation types, advanced controls that provide grid support and reliability, advanced energy storage technologies that manage grid load, etc.

Priority will be given to the projects contributing to providing clean energy access to women and Disadvantaged Groups (DAG).

Priority will be given to the projects developed in off grid areas and contributing to clean energy access to households, enterprises and institutions led by women and DAG.

Interested local governments are requested to submit an expression of interest to develop the energy access project through reverse auction modality, focusing on women and DAG.

Interested commercial banks are requested to submit the expression of interest to participate in the Loan Loss Guarantee Mechanism.

With this notice, AEPC/CREF invites all the eligible applicants to submit the Concept Notes via online application portal: www.secf.nrepnepal.com. The online application portal will be open to submit the concept notes up to the end of January 2024. Concept notes received during this period will be evaluated on a rolling basis. So, we encourage potential applicants to submit their concept notes at the earliest possible date.

Interested applicants can also contact us through **secf_queries@NREPnepal.com** or call us at **9802323318**.

Information Package on SECF including eligibility criteria, application process and Funding Windows, are available at the following websites:

www.moewri.gov.np, www.aepc.gov.np, www.cref.gov.np, www.nrepnepal.com.

AEPC/CREF reserves the right to accept or reject, wholly or partly, any or all the project concepts without assigning any reason, whatsoever.