

YOUR JOB IS WHAT YOU DO, NOT WHO YOU ARE – Dr. Mathew Budd, Gastroenterologist, Harvard University

TEST OPERATION OF NAULISNE KHOLA KHOLA MICRO HYDRO PLANT



Naulisne Khola (9kW) MHDS of Bima VDC, Myagdi which was approved by TRC long time ago in July 2007 has been commissioned on 17 August 2008. It is the first micro hydro scheme commissioned with the supports of DEES Myagdi since 2003. Due to the political conflicts and disturbances, the MH construction in Myagdi was in a kind of deadlock stage. Now, working environment has improved considerably. The scheme has benefited 123 households of Bima VDC ward nos. 8 and 9. The supply of E/M equipment and installation were undertaken by the Dhaulagiri Civil Electrical Mechanical Engineering of Baglung. With the gross head of 45 m and design discharge of 41lps, the plant produces the power output of 9 kW. The electrification realized after continued hard works and struggles has really brought the pleasant smile on the faces of all community people - men, women, youths, children, old, rich and poor. *(Based on information provided by Ms. Tara Shrestha, REA, Western Region)*

FINANCIAL CHALLENGES IN MHS PROMOTION

The present growth rate in price of Electrical and Mechanical Equipments shows that promotion of micro hydro system will be a fruit which is difficult to grab. At present, the per kilo Watt cost of a scheme in average is Rs. 250,000 AEPC/GoN subsidy ranges for Rs. 85,000/kW without transportation subsidy to Rs. 115,000 with maximum transportation subsidy. The analysis shows that the subsidy contribution is about 35% to 46% of the total project cost only. There is a need of arranging remaining 45 to 55 % of the total cost by the communities. It is a huge amount and difficult task to communities. DDC and VDC contributes 5% of the total cost, each.

Most of the districts get Electricity Royalty from NEA every year. The DDCs have been utilizing this amount mainly for the development of road, water supply and irrigation. Some DDCs also use mainly for supporting rural electrification through grid in a sporadic manner. Some districts have also started to provide 5% of the total cost of micro hydro from the electricity royalty. But the allocation is far from adequate. There is need of making policy decision that mandates DDCs to allocate and use the bulk of electricity royalty for micro hydro development so that community people do not have to mobilise more than 20 % of the total cost. If succeeded, this will have the modality for quick installation and operation of micro hydro systems. Similarly, some amount should be allocated for biogas, ICS and Solar Home System. In this context, DEES/DEEU has important role to play in the coming days. *(Based on information provided by Mr. Ram Prasad Tiwari, EDO, Kavre)*

GOOD COMMUNITY GOVERNANCE THROUGH SELF-RELIANCE

Nepal is a heavily donor dependent country, but most of the support and services for rural people have been delivered without consideration of demand. As a consequence, this has undermined or not tapped into people's strengths and capabilities. This orientation also blocks communities from new opportunities. The conventional practice was that the outside contractor would establish micro hydro without local participation and would hand it over to the community or private entrepreneur's after its commissioning. This seriously hindered ownership building and sustainability.

In contrast, the REDP approach involved all beneficiaries from the beginning, building and strengthening their institutions and institutional capacities, promoting their leadership abilities, enhancing transparent decision-making processes and letting them lead the process on their own. To establish their rural energy system by constructing micro hydro (which forms the nucleus of the system), people demonstrated their solidarity and leadership capabilities to mobilize funds from the community, district bodies and bank loans.

Often the provision of support to hardware components such as construction or infrastructure development may be susceptible to all sorts of financial irregularities. In the case of the REDP, micro hydro equipment procurement is a vulnerable component because considerable amounts of money are involved. In order to avoid all possible irregularities, a mechanism has been devised to procure micro hydro equipment, the community selects their group leaders to send them to markets and when they come back to the village they organize stringent community audits in addition to the regular REDP audit process. The REDP plays a facilitator role by providing a list of qualified manufacturers and brokering appointments for these community people. This approach empowers people, building a sense of ownership and accountability and developing their leadership capabilities in the process. These village leaders do their best for the village in negotiating prices. This provides an opportunity for them to be exposed to the outside world away from their villages. A number of community organizations have succeeded in securing a reasonably good bargain price for their equipment and, at the same time, they have become familiar with people and places to contact in the event of future problems. This has also fostered "rural – urban" linkages. *(Source: Energy for Sustainable Development in Asia and the Pacific Region – Challenges and Lessons from UNDP Projects UNDP)*