**Project Summary**

**Project Background**
Energy efficiency (EE) is a priority area of Nepalese-German Development Cooperation. During the inter-governmental negotiations 2010 the amount of 2 million EUR has been assigned under Financial Cooperation (FC) through KfW for pilot investments that improve energy efficiency in the industrial/commercial sector through the FC funded "Nepal Energy Efficiency Programme". In parallel German Technical Cooperation/GIZ (TC) is implementing the Nepal Energy Efficiency Programme (NEEP) with a focus on the identification of energy efficiency measures in energy-intensive enterprises in the industry by tailor-made energy audits. The selection process of the investments will predominantly be based on those audits.

**Project Objectives**
For the implementation of the FC Programme, NIDC Development Bank Ltd. (NIDC) has been identified as the Programme Executing Agency (PEA). The private commercial sector – as the direct target group of the programme – comprises of mainly the manufacturing sector, tourism (hotel and restaurants) and the domestic trade sector (especially energy intensive subsectors like the steel-industry, cement industry and hotel-industry).

The programme comprises of the following components:
- Investment in pilot projects (lighthouse projects) in energy intensive industrial/commercial sectors that potentially have a demonstration and a multiplier effect
- Capacity building measures for NIDC
- Consulting services for the implementation of the programme

**Project Results**
The intended project result is the improvement of Nepal’s energy efficiency in the industrial sector by supplying a financial contribution via the Ministry of Finance to the programme executing agency NIDC for pilot EE investments in 8 pre-selected sub-sectors.

Further information is provided on the website [https://energy-efficiency-nepal.com](https://energy-efficiency-nepal.com)

**Services Provided**
- Support to NIDC in the overall programme execution and in coordinating activities with other stakeholders;
- Support to NIDC in the definition of eligibility criteria and the selection process of EE measures to be supported under the programme, definition of grant element for investments in sub-sectors, evaluation and confirmation of the grants on investments;
- Supervision of the proper implementation of the selected EE projects (verification);
- Develop and implement monitoring system for energy and GHG savings;
- Design and application of environmental and social standards;
- Support to NIDC in the financial administration of the programme funds (incl. Establishment of disposition fund);
- Scrutinize and - if necessary - adjust the financial and social monitoring system of NIDC;
- Monitor and control payments to the contractors;
- Development and implementation of a capacity building concept for NIDC in the area of promotion;
- Implement mechanism to attract companies to grants;
- Dissemination of lessons learned, instruments and processes.