An Experience on Micro Finance and Income Generation

Tara Shrestha

AEPC/REDP
Alternative Energy Promotion Centre (AEPC)

- Establishment of AEPC in 3 Nov 1996
- National Executing Agency – Renewable energy (RE) programmes and projects
- Government Institution under MoE
- **Mandate:** policy and plan formulation, resource mobilization, technical support, M & E, quality assurance and coordination
- **Rural Energy Policy, 2006**
  RETs promotion through decentralized approach, capacity building of local government bodies (DEES/U)
Micro Financing Practice in SHS

- **AEPC**
  - Subsidy, Capacity building
  - Capacity building, facilitation

- **Company**
  - Cash
  - (Total-Subsidy)

- **Users**
  - SHS
  - Awareness programme

- **Bank**
  - Loan
  - Capacity building, facilitation

- **LMFI**s
  - Loan
Micro Financing Practice in Biogas

KfW

MoU
Nov 2000

GoN/MoF

AEPC

@4%

LFI

Local Cooperatives

Milk Product Cooperatives

FECOFUN

Members/Users

Members/Users

Members/Users

Members/Users
MF and Income Generation Practice in Project: REDP for Micro Hydro

- Programmed launched on – 16 August 1996 – 15 districts

- Programme districts: 40

- Objective
Contribute to the peace process by building local capacity for sustainable, community managed and equitable rural energy services delivery for poverty alleviation, livelihood promotion and environment protection
REDP Practice

- AEPC Subsidy
- DDC (5%)
- VDC (10%)
- MH Plant Construction, Management and Operation

DDC/DEES/DEF

CEF

MH Functional Group

Female CO

Male CO

Community People/Households

Community Cash

Bank

Other Functional or Interest Group

Community Development Activities

Saving and Credit at Grassroot level

Female CO

Community People/Households

Saving and Credit at Grassroot level
REDP Strategy for IG Activities (end-use promotion)

- The subsidy policy requires minimum of 10% generated energy for productive enduses
- Remote area with low agriculture productivity and low income people
- Remote area with low agriculture productivity and rich in natural resource
- Area with low agriculture productivity and having high remittance economy
- Area with low agriculture productivity but having good tourism based economy
- Area with high agriculture productivity and accessible area
IG Practices in REDP

- Budget allocation under human resource development during project planning for skill enhancement of local community
- Appropriate IG trainings are compulsory to the community of project sites
- REDP provides Rs.250000.00 (max) to the community after completion of MH scheme to start electric based micro enterprises (IG activities) within the community
- Grinding and hauling mills, photo studio, computer institute, health lab, e-net, electric shops, and poultry farming are some of the enterprises flourished in the rural community after electrification
Conclusion

- Local organization/NGO are the effective means to operate micro finance
- Operation of saving and credit scheme is the reliable solution at local level to generate micro enterprises
- Every project should have IG package programme for sustainability of project and livelihood enhancement of the community
IG Activities

Poultry Farming

Health Clinic
IG Activities
Thank you