



## **Solar in Nepal's energy mix will bring the twin benefit of stimulating the economy and accelerating clean energy transitions - International Solar Alliance (ISA)**

- *ISA and Asian Development Bank (ADB) led a Technical Mission to Nepal for consultations in identifying solar interventions for the Himalayan nation.*

**11 July 2023:** To build on the progress made by Nepal in its clean energy transition, a Technical Mission led by ISA and ADB is underway from 9-12 July 2023 in Kathmandu. The chief goal of this Mission is to raise awareness about solar's role in the energy mix and the importance of accelerating its deployment in the clean energy transition. Key executives from ISA, ADB and other international partners among various stakeholders are in Nepal to identify potential projects that align with the country's priorities and climate goals.

**Mr Dinesh Kumar Ghimire, Hon'ble Secretary, Ministry of Energy, Water Resources, and Irrigation (MOEWRI)**, chief guest at the National Stakeholder Consultation Workshop, noted, "The time has changed. It is necessary to take forward the solar power development also due to lower cost of production and higher feasibility. Highlighting the increasing challenges faced by hydroelectric power, such as floods, landslides, climate change, declining water flow, and glacier melting, Mr Ghimire emphasised the risk of depending solely on a single source of electricity generation. The government of Nepal has set a target of producing 15,000 MW of electricity in the next decade, with a strategy to contribute 10 per cent from renewable energy sources. However, Mr Ghimire stated, "We should not have to stick to this figure." Acknowledging the evolving energy landscape, he emphasised the need for flexibility and openness to exploring alternative energy sources beyond the initial target."

**Mr Remesh Kumar, Chief of Unit, Programmes & Project Implementation, ISA**, shared his vision about the ongoing mission, noting, "Solar is the main source of electricity to billions of people across the world and the cheapest way of doing so. It is also the quickest way to reduce carbon emissions because the net carbon emissions of solar are zero. The main objective of this mission is to engage with the stakeholders in Nepal to understand the needs, identify priority areas of mutual interest in solar energy and develop feasible project pipelines. Under ISA and ADB's Knowledge and Support Technical Assistance (KSTA), we look forward to finding solutions for Nepal and strengthening our engagement here."

**Mr Jan Hansen of the Asian Development Bank** noted that solar power plays an important role in reducing carbon emissions; its development is inevitable to meet the goal of zero carbon emissions. "Solar power can significantly support Nepal's hydropower system and ensure sustainable and reliable power supply," Hansen said. "ADB can continue to provide technical assistance and exchange experience in potential solar projects in Nepal."

The stakeholders of the Mission are discussing key programmatic priorities, including initiatives such as rooftop solarisation of remote health facilities and commercial/industrial establishments, enhancing energy access through solar mini-grids, implementing solar irrigation pumps for agriculture, promoting solar cooling and heating solutions, facilitating large-scale grid-connected solar PV projects, and floating solar photovoltaic system as an attractive option for Nepal which has an existing hydropower baseload and high solar power potential.

Furthermore, the Mission will assess capacity gaps and explore potential collaboration under ISA's capacity-building initiatives, specifically establishing a Solar Testing and Research (STAR)

Centre equipped with test bed facilities for solar PV components and balance of system components.

ISA will also discuss signing a Country Partnership Agreement (CPA) and developing a Country Partnership Strategy to further enhance collaboration across various programmes. **Mr Remesh Kumar** added, "We are also hoping to assess investment needs and barriers, particularly focusing on unlocking private capital and proposing options for risk mitigation."

During the Technical Mission, ISA also aims to hold consultations, under the leadership of the Hon'ble National Focal Point (NFP) of Nepal to ISA, **Mr Madhu Prasad Bheutwal**, Joint Secretary, MOEWRI and officials from the Government of Nepal, autonomous institutions & government agencies, private sector stakeholders, and multilateral organisations to explore potential synergies addressing the needs and priorities of the Government of Nepal.

Earlier sharing his views at the workshop, **Mr Bheutwal** had stated, "Renewable energy sources account for about 6 per cent of the total installed capacity so far." He emphasised the need to expand the contribution of renewable energy and outlined the government's efforts in increasing the scope of solar power generation. This includes conducting a feasibility study of rooftop solar and exploring other potential areas. Mr Bhetuwal expressed optimism about increased coordination between the government and the private sector, expecting significant participation from private companies in the renewable energy sector.

ISA's engagement with Nepal has been covered under ADB's USD 2 million Knowledge and Support Technical Assistance (KSTA) under the ISA-ADB Partnership Framework, which supports the six South Asian countries, including Nepal. The KSTA focuses on identifying and developing solar energy projects pipeline, identifying innovative financing instruments for scaling solar deployment and capacity-building and knowledge support.

**About International Solar Alliance:** The International Solar Alliance is an international organisation with 116 Member and Signatory countries. It works with governments to ease solar deployment and promote solar power as a sustainable transition to a carbon-neutral future. ISA's mission is to unlock US\$ 1 trillion of investments in solar by 2030 while reducing technology and its financing costs. It promotes the use of solar energy in the agriculture, health, transport, and power generation sectors. ISA Member Countries are driving change by enacting policies and regulations, sharing best practices, agreeing on common standards, and mobilising investments. Through this work, ISA has identified and designed and tested new business models for solar projects; supported governments to make their energy legislation and policies solar-friendly through Ease of Doing Solar analytics and advisory; pooled demand for solar technology from different countries; and drove down costs; improved access to finance by reducing the risks and making the sector more attractive to private investment; increased access to solar training, data and insights for solar engineers and energy policymakers. ISA is one of the first international intergovernmental organisations headquartered in India. It is partnering with multilateral development banks (MDBs), development financial institutions (DFIs), private and public sector organisations, civil society, and other international institutions to deploy cost-effective and transformational solutions through solar energy, especially in the Least Developed Countries (LDCs) and the Small Island Developing States (SIDS). More information at <https://isolaralliance.org/>

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