



Derisking Investment in DRE Sector: A Case Study of Sustainable Energy Challenge Fund

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WHY DERISKING DRE



Mini Hydro being developed in PPP modality (Everest region)



Fish farmer using solar water pump for refilling fishpond



68kW Jhumsa khola MHP connected to national grid



This food processing industry installed 605Kwp Solar roof-top (RESCO Model)



Wire industry replaced imported LPG 1200 kg/day , 85 Cylinder/ day with domestic Biomass Pellets



Private Company installed EV charging Facilities



WHY DERISKING DRE



Over 2 decades of Subsidy driven DRE sector (Comfort zone for private Sector)



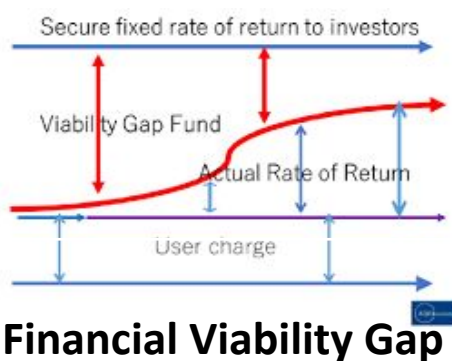
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High perceived risk, limited funding/financing



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Knowledge gap among investors/beneficiaries



Boosting Investor's Confidence



Impact of Irrigation Facility Off season paddy farming - small effort, high Impact!

HOW DERISKING DRE

Nepal Renewable Energy Programme
(**NREP**), Government of Nepal
Programme implemented by the
Alternative Energy Promotion Centre
(**AEPC**) (2019-2025)

Supported by
FCDO/British Govt.

**DAI Global UK &
Winrock International**

Goal: Transformational change in distributed sustainable energy development
through increased private investment leveraged by public funding

Technical Assistance - NREP

Assessments and Policy
work: Sectoral studies, PFS,
DFS, Reviews, end to end
handholding support

Awareness & Capacity
building works:
Orientations, Trainings,
roadshow, forums,
coaching

Match-making: Investors &
Bankers
RESCO & Industries
Suppliers & Beneficiaries

VGF – SECF (only Private Sector eligible)

Viability Gap Proven

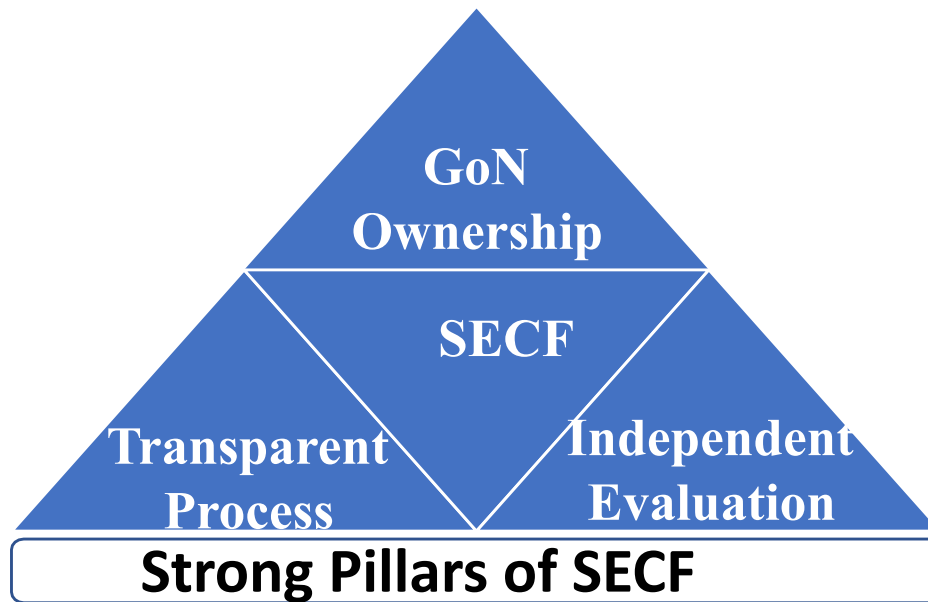


VGF out of approved 8
funding Windows

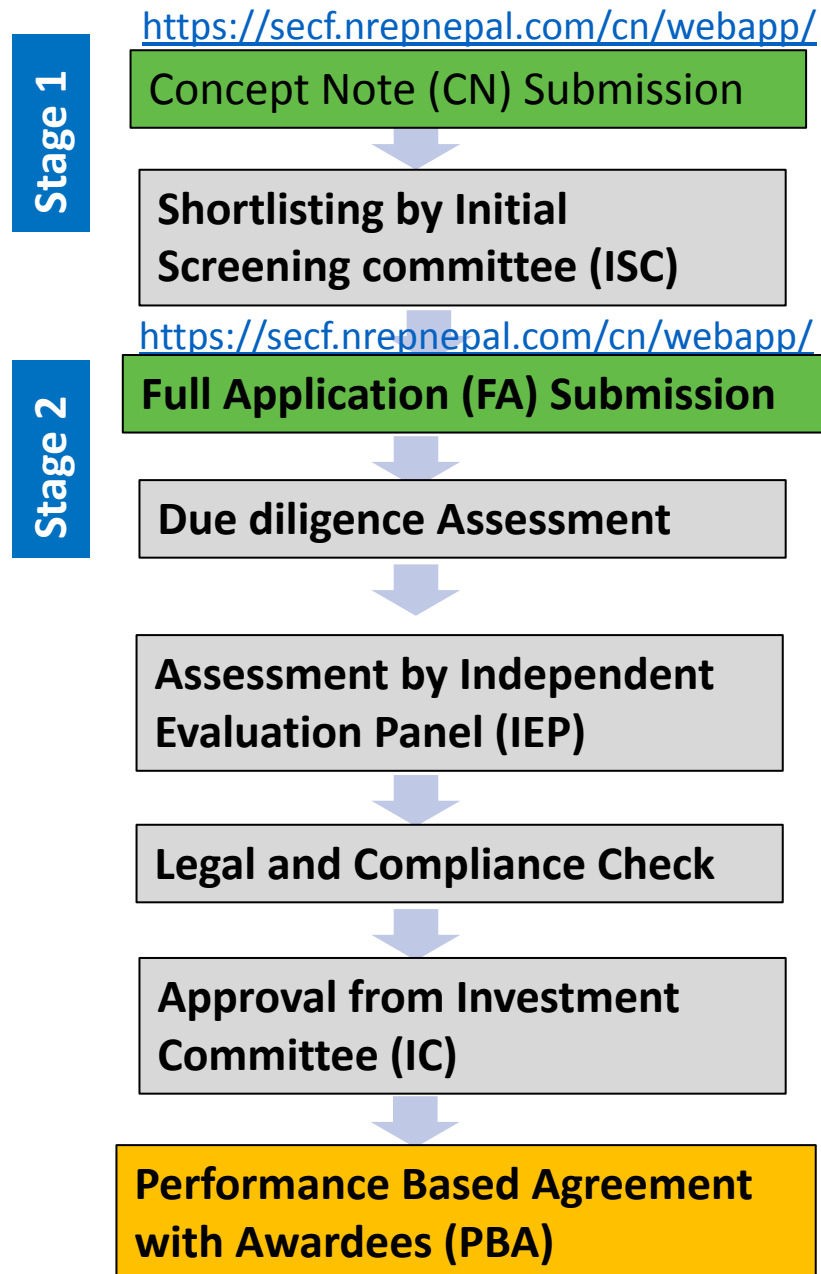


Result Based Payments

SECF APPROVAL PROCESS AND GOVERNANCE



- Case of **project approval in 37 days!**
- 8 Funding Windows Catering: **Energy Access, Energy Transition, Energy Mix and Promoting Finance**
- **For Funding Windows:**
<https://nrep.aepc.gov.np/se-challenge-fund/>



RESULTS (SUCCESSSES)



720+ Concept Notes, over 327 Full Applications



23 MW (15 MW already Installed)



45,000 + Electric Cooking stoves installed at HHs



100+ EV charging stations (20MW capacity)



Over 170+ enterprises (Ag based and non-Ag based)



4X leverage-over \$25M Investment (Loan+Equity)



Over \$6m of fossil fuel import substitution annually



>40k Tones of Co2 reduction annually



Fostered Partnership: EU/GIZ, World Bank, Wisions

LESSON LEARNED



Scalable & Replicable Model

OPPORTUNITIES AND WAY FORWARD

Robust DRE Demand

- ✓ Private sector traction
 - ✓ MHPs grid interconnection, Solar, EV, Fuel Switching
- ✓ Ready project pipeline
 - ✓ Solar rooftop, EV charging, MHPs

SECF - just the beginning

- ✓ Utilization of Surplus Electricity
- ✓ Sustainable mountain livelihood -MHPs Grid Interconnections
- ✓ Diversifying generation
- ✓ Energy Transition & FEW nexus
- ✓ Inclusion of other sectors as they evolve

Continued collaboration

- ✓ Strong GoN Endorsement
- ✓ Welcome for Partnership
- ✓ Join and Capitalized

Scaling up of SECF

- ✓ Smart VGF
- ✓ Capacity building Stakeholders
- ✓ Sustainability Plan



Partnership | Progress | Prosperity

ASIA
CLEAN ENERGY
FORUM 2025

Empowering the Future: Clean Energy
Innovations, Regional Cooperation and
Integration, and Financing Solutions
2-6 June | ADB Headquarters, Manila



Acknowledgement



ADB



THANK YOU!



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NREP: <https://nrep.aepc.gov.np/>



SECF Portal: <https://secf.aepc.gov.np/cn/webapp/>



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