



Terms of Reference (ToR)

Background

Independent Power Producers Association Nepal (IPPAN), Niti Foundation and The Asia Foundation (TAF) have undertaken a project named 'Managing Resource-Based Disputes for Peace Building and Economic Growth'. The project intends to promote an evidence-based and representative policy response by relevant state and private institutions in preventing, mitigating, and managing resourced-based disputes in hydropower development.

The independent power producers (IPP) currently contribute almost 50 percent of Nepal's installed hydropower capacity and the contribution is likely to increase in the near future given that more IPPs are entering into the generation market. These private producers are at the forefront of dealing with managing local expectations, but given the lack of mechanisms they have had to do so on a project-by-project basis. It is quite clear that a key factor behind the failure to deal with these resource-based disputes in hydropower development is the lack of clarity in defining the policy problem as well as minimum interest shown by authorities to mediate which then manifests in unclear policy response. Therefore, to overcome this problem and have a methodical approach to avoid and mitigate resource based disputes, a thorough evidence based research is required for recommending proper policy and actions.

The project is designed to first engage in an action research to generate a set of comprehensive evidence-based recommendations that will not only help clarify the problem but also provide potential responses for the private sector and the government while developing hydropower projects.

Hence, in order to have a more comprehensive and effective means of managing local expectations with inputs from standard practice around the world, the project scope is to prepare an institutional and good governance guideline for private developers and organizations to promote consistency in their approach. The drafting of the guideline will commence with a national level workshop to forge an agreement on a general framework among participating members. The final product then would be endorsed by IPPAN and is disseminated to the stakeholders. TAF will provide technical expertise, especially in ensuring that gender equality and social inclusion (GESI) and conflict management issues are adequately reflected in the guideline.

Objective

The objective of the work is to prepare Institutional and Good Governance Guideline by engaging Local Communities in Hydropower Development.

Scope of Work

For preparation of the guideline following work is deemed necessary but not limited to



- Consultation with IPPAN, Niti and TAF, private sector developers, Nepal Electricity Authority, relevant line ministries and other stakeholders
- Consultation with selected local government units and elected representative about good governance related to hydropower development
- Review of Environmental Impact Assessment(EIA) and Initial Environmental Examination (IEE) requirements which will check obligation of hydropower developers versus the rights of local communities
- Review of current laws, acts and regulation in concern to rights and facilities to be provided to local communities in the local resources and duties of hydropower developers in relation to development of local community
- Review of current laws, acts, regulation, and code of conducts regarding corporate governance for hydropower (Directives of Company Registrar Office and Securities Board of Nepal)
- Review of reports and findings of the “Capacity and Consensus Building Workshops” conducted in various places around Nepal in order to understand expectation of local communities regarding hydropower development conducted as part of MaRPEG project (to be provided by Niti Foundation)
- Review of Information, Education and Communication (IEC) material developed for the project (to be provided by Niti Foundation)
- Review of mapping survey for identifying status, nature and key governance challenges in resource based disputes in hydropower development (to be provided by Niti Foundation)
- Review of action research to test strategies in prevention, mitigation and management of resource, based disputes in hydropower development (to be provided by Niti Foundation)
- Final draft guideline to be prepared with input from The Asia Foundation (TAF) regarding gender equality social inclusion and conflict issues and the National Stakeholders Meeting to be conducted at the end of March

Deliverables

In process of preparation of **Institutional and Good Governance Guideline by engaging Local Communities in Hydropower Development**, the consultant will have to produce report on hard copies with compiled data and relevant analysis as detailed below:

- **Inception Report: Within a week (7) days after the signing of the services agreement**, the consultant shall prepare and submit an inception report to elaborate on the conceptual framework of the study, methodology, and work plan for prior approval by IPPAN.
- **Draft Report** shall be submitted within four weeks (28) days (3 hard copies and soft copy editable form)
- **Final Report** After receiving feedback from the National Stakeholders meeting and comment from IPPAN within two weeks from the submission of the Draft Report, the consultant shall provide the final report within six (6) weeks (3 hard copies and soft copy editable form)



Project Duration and Involvement

The total duration of the project is 18 man-days with intermittent involvement from March 2018 to May 2018 and during national level stakeholders meetings, developer consensus meeting and training program for capacity building of IPPs.

Eligibility Criteria for Consultant

Eligible consultant (individuals or a registered firm with experts) must have

- Over 15 years experience in hydropower
- Masters degree in engineering/management/sociology or related field
- Previous work experience in project development, EIA study, Public hearing and conflict resolution.

Payment Schedule

The payment schedule for the project:

| S.N | Payments | Payments % of contract amount | Preconditions of payment |
|-----|----------------------------|-------------------------------|-------------------------------------------|
| 1 | 1 st instalment | 10% | Submission and approval of initial report |
| 2 | 2 nd instalment | 70% | After submission of draft report |
| 3 | 3 rd instalment | 20% | After submission of final report |