

Note: Sri Lanka has been successfully implementing Bank/GEF projects in renewable energy. The TOR is for the organization of a study tour to Sri Lanka by several staff of the implementing agency of the Bank project in the country.

**Terms of Reference
Study Tour to Sri Lanka on
Accelerating the Growth of Off-grid Renewable Energy Industry**

Introduction

<Brief description of objectives, scope and status of Bank project in the country. Brief description of successful Bank/GEF Sri Lanka project and opportunities for learning by local staff through a study tour>

Objective

The objective of the assignment is to exchange international renewable energy experiences to learn notable lessons for enhancing growth of off-grid renewable energy in the country. Particular focus is on administrative set-up and execution, successful business models and impact of electricity provision on rural poor people.

Scope of Work

The following tasks are to be completed:

Task one: local preparation of the study tour. The implementing agency (IA) of the Bank project will coordinate the overall execution of the study tour to Sri Lanka which will include, but is not limited, to the following tasks:

- It will organize a preparation workshop with the key stakeholders and a closing workshop before and after the actual trip to Sri Lanka. At the preparation workshop the agenda of issues to be discussed during the tour will be clarified and documented. The agenda will build on the topics identified so far i.e. (i) how to involve MFIs; (ii) what is the role of the national and provincial governments; (iii) how to establish an effective administrative set-up; (iv) what is the role of the different stakeholders; (v) how to involve the private sector (see also Annex A). Key will be that the issues are stated in such a way that they can be reported back on after the study tour. The closing workshop will discuss the lessons learned and report back on the issues that were identified during the preparation session and identify actions for follow up. It will document these lessons and actions which could include possible outlines for cost-shared technical assistance.

- It will *select the participants* of the trip. The selection will be based on strategic interest by the organizations to invest into the development of the renewable energy industry. Main stakeholder groups have been identified as: Government; Micro Finance Organizations; private companies; NGOs and others. Number of participants would be around 12. If necessary in-depth bilateral discussion will be held with potential participants before selection.
- It will *facilitate the logistics* including purchase of tickets, booking of hotels, transportations and other matters in coordination with the Administrative Unit in Sri Lanka for all the participants. It will assess if a *translator* is needed and if so organize one.

Task two: preparation of the study tour in Sri Lanka. The Administrative Unit (AU) of the RERED Project will facilitate the two week study tour in Sri Lanka which will include, but is not limited, to the following tasks:

- It will propose the in-country program for the two weeks based on what is proposed in Annex B and what is practically achievable. This will include the set-up of a field trip, an overall introduction session during the first week for three days, a two day hands-on partnering of the different stakeholders (see below) and a wrap up sessions.
- The AU will work in close coordination with staff from IA (Thursday and Friday first week and if possible with them on Thursday and Friday second week) to provide as much as possible insight on the operation of the administration for solar and village hydro components.
- It will provide suggestions for the logistics in the country including accommodations in Colombo and the field trip and transportation.
- It will help in setting up the field trip including what sites to be visited and who from the specialists could accommodate the group on their field visits.
- The AU will invite lead specialist to provide input during the two weeks and seek to establish the partnerships between the different groups of specialists for the last two days of the first week (e.g., MFI partner with SEEDS; Solar dealer with Shell/Access/Selco/Suryavahini; NGO/village hydro with CAPS/ITDG).
- The AU will help in making available key example document for example: administrative forms for processing of solar and village hydro projects; example business plan; administrative forms for processing of micro loan; documentation for solar including customer acceptance receipt; introduction manual and after sales

documentation; documentation for village hydro including business plan, design verification, approval of commissioning etc. All standard forms and documents are available at AU's website www.energyservices.lk

Reporting

The IA with the participants will prepare the following brief reports:

1. Preparation workshop report
2. Study tour report
3. Closing workshop report including list of actions for follow up

Time Schedule

Activity	Nov	Dec	Jan	Feb	Mar	...
Finalize ToR						
Preparation workshop						
Study tour						
Closing workshop						
Follow up on actions						

Estimated Budget

Travel and DSA:	US\$ 40,000
Workshops:	US\$ 3,000
Unforeseen:	US\$ 7,000
Estimated Cost:	US\$ 50,000

Annex A Preliminary Issues for Discussion

The study tour is designed to cover off-grid renewable energy. The IA indicated that so far following issues have been identified for discussion (this will be further clarified after the preparation workshop has been conducted):

Micro Finance Institutions: It is acknowledged that debt financing to rural customers is critical in the establishment of more sustainable delivery mechanisms. Currently hardly any MFI has experience in providing loans for energy investments in the country. Within this context the visiting group is seeking further understanding on: (i) How to identify MFIs that are qualified to participate in the program? (ii) What criteria can be used for the selection? (iii) What would be the role of the MFIs in the program? (iv) What steps entails a transaction? (v) What kind of documentation is required?

Private Sector Involvement: The IA is finding it challenging to involve the private sector in off-grid rural electrification. Parties that are involved are mainly interested to sell and install systems as part of larger procurements. Hardly any private organization has identified the off-grid (solar) electrification as a viable business model. Within this context IA is seeking further understanding on: (i) how can the private sector be involved? What kind of incentives can be offered? If workshops were organized how did these look like? What triggered the companies that got involved? Why did they get involved in the business?

Role of the Government: The Role of the Government in the country is slightly different compared to Sri Lanka. The IA is seeking further understanding on: (i) What the advantages and disadvantages are of minimal involvement of Ministry of Power? (ii) What kind of incentives the Government is providing to promote renewable energy? (iii) How is an annual budget for renewable energy secured? (iv)? How predictable is the flow of funds?

Administrative Unit: The IA is in a similar situation as the AU for implementation of the World Bank supported projects. With the success that the AU had in establishing a fast expanding renewable energy program what lessons can the IA learn to further its organization. To whom does the Administrative Unit report to? What is the role of MoP? What is the role of MoF? How does the AU secure funding for its overhead? What kind of administrative system has been established? How are the funds flowing? What are the release mechanisms for the funding? How to use Provincial Funds for energy projects?

Technologies: Solar home systems and other solar systems; village based biomass systems; village based hydro systems.

**Annex B
Initial Program of Study Tour**

Proposed program week 1

	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Morning 1	Travel	Travel	Presentations Intro RERED AU	Presentations Intro Solar SIA; Dealer	Presentations Intro MFI SEEDS	Hands-on Intro Work Partnering	Hands-on Intro Work Partnering
Morning 2	Travel	Travel	Presentations RERED, the Bank project AU; FUNAE	Presentations Village Hydro ITDG; CAPS	Presentations Intro Admin AU	Hands-on Work Partnering	Hands-on Work Partnering
Lunch							
Afternoon 1	Travel	Travel	Study time	Study time	Study time	Hands-on Work Partnering	Hands-on Work Partnering
Afternoon 2	Travel	Arrival and check in hotel	Q&A RERED AU	Q&A Solar & Hydro SIA; Dealer; ITDG; CAPS;	Q&A MFI & Admin SEEDS; AU	Hands-on Work Partnering	Hands-on Work Partnering
Evening							
Topics of the day			Overview RERED	Overview Solar and Village Hydro	Overview MFI and Admin	Solar; Village hydro; MFI; Admin	Solar; Village hydro; MFI; Admin
Setting			One Group	One Group	One Group	One on One	One on One

The first three days are a comprehensive introduction to renewable energy program supported by the ESD and RERED projects. On Thursday and Friday the group of participants will break up and work with their counterparts in their offices: the IA partner with AU; MFI partner with SEEDS; Solar dealer with Shell/Access/Selco; NGO/village hydro with CAPS/ITDG.

Proposed program week 2

	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday
Morning 1			Field Trip	Field Trip Village hydro CAPS	Field Trip P. Government UVA/Sab'wa	Admin Disbursement AU	
Morning 2			Field Trip Solar Dealer	Field Trip Village hydro CAPS	Field Trip P. Government UVA/Sab'wa	Admin Disbursement AU	
Lunch							
Afternoon 1			Field Trip Solar; MFI SEEDS	Field Trip Village hydro ITDG	Field Trip	Admin Clt Protection AU	
Afternoon 2			Field Trip Solar; MFI SEEDS	Field Trip Village hydro ITDG	Field Trip	Admin Clt Protection AU	Wrap up
Evening							
Topics of the day			Solar and MFI	Village Hydro	Provincial Government	Admin	
Setting			Field Trip	Field Trip	Field Trip	One Group	One Group

The first three days of the second week are a fieldtrip with ideally specialist available for the day. On Thursday and Friday the agenda is left open for topics emerging during the study tour. On Thursday the IA will continue twinning with AU.

Annex C

Example Itinerary for Study Tour to Sri Lanka and Indicative Cost Estimate

Departure Day	Departure Date	Departure Time	Departure Place	Flight	Arrival Place	Arrival Time	Arrival Date	Arrival Day	Indicative Cost
Saturday	15-Jan-05	11:45	Maputo	SA143	Johannesburg	12:50	15-Jan-05	Saturday	321
Saturday	15-Jan-05	19:15	Johannesburg	EA764/554	Colombo	16:05	16-Jan-05	Sunday	1,531
Saturday	29-Jan-05	17:25	Colombo	EA554/761	Johannesburg	10:00	30-Jan-05	Sunday	
Sunday	30-Jan-05	13:55	Johannesburg	SA144	Maputo	15:00	30-Jan-05	Sunday	
Total per participant									1,852
Total travel									22,224
Days of DSA		14						Total DSA per participant	1,400
DSA		100						Total DSA	16,800
Note: # of participants		12						Total Travel and DSA for group	39,024

