

PACE PROJECT

Sri Lanka Update

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PACE Partnerships

The focus of the project has been in off-grid rural electricity.

Project partnerships with Energy Forum, CAPS (consulting company promoting micro hydro), provincial councils, divisional secretariats, rural banks and off-grid rural Householders

What has been done

Phase 1:

- Stakeholder meetings held and surveys carried out (50 homes) in 2 Micro (village) hydro projects to look at the Sustainable Livelihood issues as well as public-private partnerships
- Meetings held and survey conducted on 50 solar PV users in the Uva province
- Hosted the partner country workshop and study tour – March 2003

Findings from Phase 1 – Micro Hydro

- Micro hydro projects require the establishment of approval criteria for the Divisional Secretariat to approve and monitor projects. This will also help the provincial council when they are funding projects. (Need to ensure that this requirement will not be a bottleneck for project approvals).
- Energy Forum has been a catalyst in the process creating the Federation of Electricity Consumer Societies as well as linking provincial councils and divisional secretariats.

Findings in Phase 1 – solar PV

- The partnership between Uva Provincial Council, solar PV vendors and micro financing institutions is resulting in off-grid households getting electricity at a subsidized cost as well excellent service as there is a monitoring system in place
- On the livelihoods area, electricity is used for lighting and entertainment resulting in an intangible increase in quality of life

Critical Issues Identified in Phase 1

- Off-grid rural electrification require coherent policies incorporating these into the country's energy mix. This should also identify and roles of the private sector, NGO's, MFIs, government (central, provincial and district), banks, donors and regulatory bodies.
- There is a need to assess the income generation and economic development capability through rural electrification – sustainable livelihoods
- How do we link energy and poverty alleviation ?

PACE Project – Phase 2

- Engage in two micro hydro projects to pilot the approval process, implementation and develop income generation area
- Neluwakkana – assist in establishing new project with 15 kW system for 52 households
- Handunella – 10 kW existing project for 50 houses - to assist in enhancing project and developing income generation activities

Proposed Intervention - Neluwakkana

- Assist the community in cooperation with CAPS to obtain the statutory approvals for land and water use.
- Assist in obtaining the environmental approval.
- Study the approval process and look at how it can be more streamlined to save time and effort.
- Examine the area of income generation with the project.

Proposed Intervention...continued

- Information gathered will be used to make recommendations to the central and provincial governments through the initiative planned with the Energy Forum on integrating off-grid and grid based energy systems for rural areas.
- examine the area of income generation with the project.

Proposed Intervention - Handunelle

- Assess with CAPS, the maximum capacity of the system based on the resource
- Do an assessment at the village level (with the current company) willingness to bring in new consumers and willingness for others to join
- Ascertain from the CEB how far the grid is and how long it will take to reach the village
- Do a village level assessment of capabilities for income generation

Current Activities

Neluwakka

- Electricity Consumer Society formed, officials elected and funds collected from 52 households
- CAPS has done technical design and developing feasibility and bankable proposal
- Civil works commenced to build wier, channel and power house

Current Activities.....continued

- Statutory approvals for land and water use (Divisional Secretariat) and environmental approval (CEA) not obtained yet (as such the civil work is unlawful)
- Barrier for approval as the Sabaragamuwa land office has sent circular to DS office mixing up requirements for larger grid connected hydro and off-grid micro hydro

Current Activities.....continued

- The circular stipulates that the project requires CEB (utility) and Chief Electrical Inspector's approval among other requirements needs for larger projects
(This is an anomaly as the off-grids projects are done outside the purview of CEB as the Electricity Act does not allow for generating and selling electricity privately)

Current Activities.....continued

PACE Project Interventions - Neluwakkana:

- Discussions with the Sabaragamuwa Provincial Council to change the circular to reflect the requirements for micro hydro projects
- Assisting the ECS to establish a good team – leadership and teamwork, communications issues

Current Activities.....continued

- Assessing potential income generation activities by discussing with the members of the ECS
- Examining potential partnerships with outside ventures and opportunities
- Complementing CAPS to develop the proposal and obtain funds from a rural bank in the area