

Renewable Energy for Rural Economic Development Project

**VILLAGE HYDRO/WIND/BIOMASS ECONOMIC BENEFITS VERIFICATION
TERMS OF REFERENCE FOR CONSULTANT**

1. The RERED Project

The Government of Sri Lanka (GOSL), with the assistance of the World Bank and the Global Environment Facility (GEF) has established the Renewable Energy for Rural Economic Development (RERED) Project, which aims to foster rural economic development through private sector and community based development models. Project targets include (a) provision of electricity access to 100,000 households through solar home systems and independent mini-grids fed by micro hydros, wind and biomass generators, (b) electrification of 1,000 small and medium rural enterprises through renewable energy resources and (c) addition of 85MW capacity through grid-connected renewable energy power plants.

GOSL has appointed DFCC Bank as the RERED Administrative Unit (AU). The RERED Project channels funds through participating credit institutions (PCI) to individual investments. Grant funds are also available from the GEF for selected technical assistance activities.

2. The Need for Verification

All off-grid village hydro/wind/biomass schemes installed under the RERED Project are encouraged to demonstrate success in achieving economic benefit targets. These targets are agreed to at an earlier stage between the Project Developer (Project Preparation Consultant) and the AU. Verification of the achievement of these targets is required in order to monitor and evaluate Project effectiveness. Village Hydro/Wind/Biomass Economic Benefits Verifications are carried out by contracting the services of a qualified Consultant from a list maintained by the AU. The PCIs or the AU engage Consultants for this purpose. The AU also administers funds to cover the costs of this consulting service.

3. Objective

The objective of this assignment is to inspect the village hydro/wind/biomass project designated by the AU and ascertain whether the economic benefits specified by the developer (and agreed to by the AU) have been achieved. This is a critical measurement of the success of the RERED Project in the context of rural economic development.

4. Tasks of the Consultant

When engaged by the AU the Consultant will:

- Agree on a work plan which will include a completion date as well as an estimated cost for the service based on the number of days required for the assignment, number of days in the field and the estimated travel costs including transportation, board and lodging.
- Collect from the AU the document describing the targeted economic benefits (Economic Development Plan) and other relevant documents (if any) from the Project Developer.

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- As advised by the AU, visit the village hydro/wind/biomass installation and make a field assessment as to the achievement of the economic benefit targets. A sound technical and socio-economic analysis is expected.
- Discuss the performance of the enterprise(s) initiated under the village hydro/wind/biomass scheme and problems (if any) with the user(s) and the Project Developer.
- Record all findings.
- Complete the Village Hydro/Wind/Biomass Economic Benefits Verification Form in which the Consultant summarises his findings.
- Submit the completed Village Hydro/Wind/Biomass Economic Benefits Verification Form to the AU.

Village Hydro/Wind/Biomass Economic Benefits Verification Form is attached.