



SINDH SOLAR ENERGY PROJECT: COMPONENT 3

GENERAL PROCEDURES FOR SHS INSTALLATIONS

Date of issuance: 2nd April, 2022

1. INTRODUCTION

- 1.1 This document forms part of the “Grant Agreement for Supply of Solar Home Systems” signed between Project Director, Sindh Solar Energy Project, Energy Department, Government of Sindh (“First Party”) and a number of private supply firms (referred to as the “Second Party” in each Agreement) under Component 3 of the Sindh Solar Energy Project (the “Project”). It describes the general procedures for sale, installation, and notification of solar home systems (SHSs) by the respective Second Parties, the subsequent verification and monitoring and evaluation (M&E) process, and the payment of grants by the First Party for validated SHS installations.
- 1.2 This document may be revised from time to time, in line with the procedures outlined in the Grant Agreement. The general procedures outlined in this document shall apply from the date of issuance for all SHS installations carried out on or after this date.

2. SALES

- 2.1 Second Parties shall only be eligible for grant payments for SHS sales/installations carried out in the districts currently being targeted under this Project, as follows:
 - Badin
 - Ghotki
 - Jacobabad
 - Kashmore
 - Khairpur
 - Qambar Shahdadt
 - Sajawal
 - Sanghar
 - Tharparkar
 - Umerkot
 - Larkana
 - Shikarpur
 - Sukkur
 - Dadu
 - Jamshoro
 - Keamari (Karachi)
- 2.2 Of the above districts, the Project shall be implemented in all targeted sixteen districts, with



General Procedures for Notification and Verification of SHS Installations

- sales restricted to these sixteen districts. Following an assessment of sales and installation activities in these sixteen districts, the First Party shall review progress, make any required changes to the Project procedures, and notify the Second Party that sales in any districts may take place.
- 2.3 Second Parties shall only be eligible for one grant payment per household/family, regardless of the number or size of the SHS(s) that are purchased by that household/family.
- 2.4 Second Parties should submit the following documents for grant payment:
- Consumer's Application Form.
 - National Identity Card.
 - Residence Certificate (Verified/ Endorsed by U.C), if residing in the mentioned district but do not having address of mentioned on his/her National Identity Card.
 - Application Form (Witnessed by two (02) Locals).
 - Consumer's Poverty Eligibility Criteria Form.
 - Payment Proof/ Receipt/ Summary
- 2.5 Second Parties are responsible for their own marketing and sales efforts, although they will indirectly benefit from the "SHS Social Mobilization and Consumer Awareness Campaign" that has been commissioned by the First Party to support implementation of the Project in the target districts. They are encouraged to coordinate with the appointed firm that is implementing the Consumer Awareness Campaign to achieve synergies.
- 2.6 Second Parties must ensure that any communication messages disseminated about the Project are consistent with the Project's key communication messages.
- 2.7 Second Parties must clearly reference the First Party (referred to as "PMU Sindh Solar Energy Project, Energy Department, and Government of Sindh") in all sales literature, marketing efforts, and advertising, and must clearly state the existence and amount of the grant available to households to support purchase of an eligible SHS.
- 2.8 When providing a quotation or making a sale, Second Parties must provide all households/customers with the following information:
- Full retail price of the SHS, minus any discounts provided by the supplier;
 - The grant amount that will be deducted from the final sale price;
 - The total cost to the customer;
 - Details of any deposit, instalments or payment schedule that will apply;
 - Details of the terms and conditions of the sale;
 - Details of the warranty and after-sales service that shall be provided including contact number for customer complaints;
- 2.9 Failure to provide any of the above information shall be grounds for non-compliance, resulting in non-eligibility for a grant payment for that SHS installation.
- 2.10 Second Parties must indicate their physical presence or sales offices in each district that they operate and share the locations, GPS coordinates and other information with SED and any



appointed Monitoring and Evaluation (M&E) firm for dissemination through the appointed

- 2.11 Second Parties must submit the product specifications and other information including sale cost and stock wise serial numbers of products to the First Party prior to sale of any products.

3. INSTALLATIONS

- 3.1 Second Parties must carry out SHS installations within two weeks of receiving an order and respective deposit/payment from the household/customer. A SHS installation shall be considered complete and eligible for a grant payment where it is in compliance with the terms of the Grant Agreement (including the "Technical Specifications for Installation of SHS") and when it is in full working order and supplying electricity services to the household/customer.
- 3.2 If any installed SHS system which formed the subject matter of a claim is subsequently repossessed by the Second Party, the equivalent amount shall be deducted from any subsequent grant made pursuant to a later claim by the Second Party.

4. NOTIFICATION

- 4.1 Second Parties shall be responsible for notifying the First Party of all completed SHS installations, and shall provide the following information for each installation:

- Customer name;
- Customer ID number/ CNIC Number;
- Customer (Complete Address) district, Tehsil, Town Committee/U.C, Village, Mohlla;
- Customer gender;
- Customer mobile phone number;
- Household size (adults, children);
- Household rooms (number of);
- Household female-headed (yes/no);
- GPS coordinates of SHS installation;
- Date of commissioning of product;
- Date warranty ends (Solar Panel, Battery, 3 LED bulbs, 1 DC fan, Mobile Charging facility port)
- Date of installation;
- Date of notification;
- SHS model installed (only from the list of products communicated by each Second Party);
- SHS serial number(s);
- Total sales price of SHS (after any subsidy);
- Total customer payment towards SHS (including any instalments, without subsidy);
- Payment method (upfront or in instalments with schedule);
- At least three GPS-tagged and time-stamped photos of each SHS installation, one of which must show its model and serial number, and another its positioning in relation to the building/structure on which it is installed.
- All the necessary information required as received appropriate and share with SED or its M&E



Firm.

- 4.2 The First Party shall make available to the Second Parties an electronic system for providing notification of SHS installations and providing the required data for each installation.
- 4.3 The Second Party shall notify First Party within two working days if an installed SHS has been repossessed or customer has defaulted on payments, or payment has not been received for over 90 days.

5. VERIFICATION, M&E AND COMPLIANCE

- 5.1 To be eligible for grant payments for SHSs installed under this Project, the Second Party undertakes to comply with the following:
 - Ensure that it has company procedures, including quality assurance mechanisms in place, and appropriate resources available that ensure the provision of the defined customer services at all times and at all levels of its company (such as company owned offices, franchisees, distributors, dealers, contracted community technicians, and independent retailers) while participating in the Project.
 - Follow the grant disbursement procedure outlined by the First Party and/or its appointed agent(s) /M&E.
 - Submit to the First Party and/or its appointed agent(s) all requisite documentation as requested.
 - Assist the First Party and/or its appointed agent(s) in the preparation and implementation of audit and quality inspections by providing the necessary information and documentation, including evidence of tax payments.
 - Undergo regular quality inspections by the First Party and/or its appointed agent(s) to confirm its continuous compliance with the quality and performance standards of the Project.
 - Refrain from distributing, promoting, and selling SHSs that are non-compliant with the quality standards under "Technical Requirements for SHS Installations" and/or that are unapproved by First Party. Second Party will distinguish any non-compliant solar PV products it offers to its customers outside of the framework of the Project from the quality approved SHS it sells under the framework of the Project.
- 5.2 The First Party and/or its appointed agent(s) shall carry out a primary audit of each and every SHS installation claimed and notified by the Second Parties, comprising direct communication by telephone or SMS with each household/customer to check the status and details of the installation and their satisfaction.
- 5.3 The First Party and/or its appointed agent(s) shall carry out a secondary audit of a randomized sample of SHS installations that shall involve a field visit to check the status and technical specifications and assess the satisfaction of the household/customer. Second Parties will not be informed in advance of such visits.
- 5.4 The First Party shall operate a Grievance Redress Mechanism (GRM) via the Project website and via a telephone call center that shall function as a secondary complaints resolution system. Households/customers shall first be asked to attempt to resolve any issues or complaints directly with the respective Second Party, but if that fails then they shall be free to submit a complaint



through the Project's GRM. All valid complaints shall trigger a field visit by the First Party and/or its appointed agent(s), with the Second Party informed prior to the visit and invited to join.

- 5.5 If any deviation, intentional or unintentional, from the terms and conditions in the Grant Agreement and/or General Procedures and/or Technical Requirements for SHS is observed, the First Party reserves the right to dismiss the pending claim(s) of the Second Party (ies). Further, the Second Party may be blacklisted from the project and will no longer be eligible to make sales or receive any subsidy under the project.

6. GRANT PAYMENTS

- 6.1 The claim of grant payment for the first time must be submitted after installation of at least 100 SHSs. Subsequent claims may be submitted once a month before the 10th of each month. A report must be submitted with each claim and must contain the updated status of customers for ready reference.
- 6.2 Based on the number of eligible SHS installations carried out by each Second Party on the last working day¹ of each month, the First Party shall calculate the payment due to each Second Party, according to the formula as notified in the accompanying document "Grant Amount Notification for SHS Installations".
- 6.3 The Second Party shall submit satisfactory proof of system installation to make a claim (described in section 4, sub clause 4.1). The First Party shall credit the Grant Amount to the Second Party for the number of installations within thirty (30) calendar days of acknowledgment by First Party of receipt of the proof of installations and subsequent verification by the First Party and/or its appointed agent(s) firm.
- 6.4 The remaining 10% of the grant amount due for each SHS installation shall be paid once the SHS has completed the milestone of three months. The Grant Payment mechanism may be reconsidered for all targeted sixteen districts as per SHS Suppliers and field response. Payment shall be calculated and made as described above, on the same payment cycle. Payment of this final grant payment shall be contingent on the Second Parties providing evidence of the following:
- SHS is still in working order;
 - SHS is still owned and operated by the household/customer to which it was sold;
 - SHS is still located in the district in which it was installed;
 - There are no outstanding complaints by the customer against the Second Party in relation to this installation.
- 6.5 For all grant payments, the First Party shall make all efforts to electronically transfer funds to Second Party. The second party shall submit their bank account details to the first party for the purpose of payment of subsidy.
- 6.6 In the event that any Second Party has a product malfunction rate of over fifteen percent (15%) on SHS systems installed, the First Party shall have the right to withhold subsequent grant payments until the malfunction rate returns to the acceptable limit. "Default" shall mean repossessed SHSs or default in payments to be made to the Second Party by its customers overdue for a period of ninety (90) days or more.



7. ENVIRONMENTAL AND SOCIAL MEASURES

7.1 The procedure for safe battery disposal will be prepared with register SHS Supplier. SSEP will conduct a meeting with SHS Suppliers in order to obtain their feedback and suggestions. These suggestions would be included and implemented (if necessary).

8. HEALTH AND SAFETY MEASURES

8.1 SHS Suppliers will strictly follow the SOP's which are determined by Government of Sindh as well as WB guidelines from time to time during COVID-19 pandemic. Preventive measures against COVID-19 ensuring supply essential goods in the times of COVID 19 outbreak individual precautions employees working in fields should strictly follow the preventive measures by:

- Using alcohol-based (70 percent) sanitizer or wipes;
- Wearing a face mask to cover the mouth and nose at all times during field visits or interaction with any members of the public or prospective clients;
- Covering cough or sneeze with tissue or a shoulder or elbow;
- Avoid touching eyes, nose, or mouth;
- Check temperature with contactless thermometer;
- Maintain social distance (6 feet);
- Repeated and diligent hand washing of at least 20 seconds after every hour;
- Clothes of the workers/staff and management shall be frequently disinfected, especially following contact with any frequently-touched surfaces such as door handles, elevator buttons, machines, handrails, drinking fountains, computers, telephones, fax machines keyboards, etc;
- Keeping up-to-date on the latest information on COVID-19 (Federal & provincial government health websites, WHO etc.);
- Seeking the assistance of health care professionals if any worker/staff starts to feel unwell and avoid contact with others when unwell. Workers/staff should not attend work while unwell.

¹ For the purposes of this document, “working days” do not include weekends, or national or provincial public holidays.