



ESRES Real Time Learning: Adaptive Learning Strategy

Version 2 – June 2017

The purpose of this document is to outline the ESRES pilot programme Real Time Learning (RTL) approach and objectives. RTL is a new approach to learning within complex programmes. It is focused on observing implementation of the programme – discussing with stakeholders and direct observation of key implementation phases – and extracting lessons and framing constructive changes to the programme.

Content

ESRES REAL TIME LEARNING: ADAPTIVE LEARNING STRATEGY	1
1.A WHAT IS RTL WITHIN ESRES?.....	1
1.B WHAT IS THE APPROACH OF RTL?	1
1.B.1 <i>Baseload</i>	2
1.B.2 <i>Themes</i>	3
1.C HOW DOES RTL ADAPT OVER TIME?.....	4
1.D WHAT WILL RTL DELIVER?	4
1.D.1 <i>Team Structure</i>	6
1.D.2 <i>RTL Resource allocation across themes</i>	Error! Bookmark not defined.

1.A What is RTL within ESRES?

The RTL process gathers information from ESRES key stakeholders synthesising lessons learned. These lessons are then communicated back to DFID Somalia, the ESRES Secretariat, and others. Gaining access to information at the operational, political, private sector and local level is important. The RTL outputs inform the set-up and design of ESRES Phase 2 by providing evidence on the feasibility and challenges of hybrid mini-grids in Somaliland and other FCAS contexts.

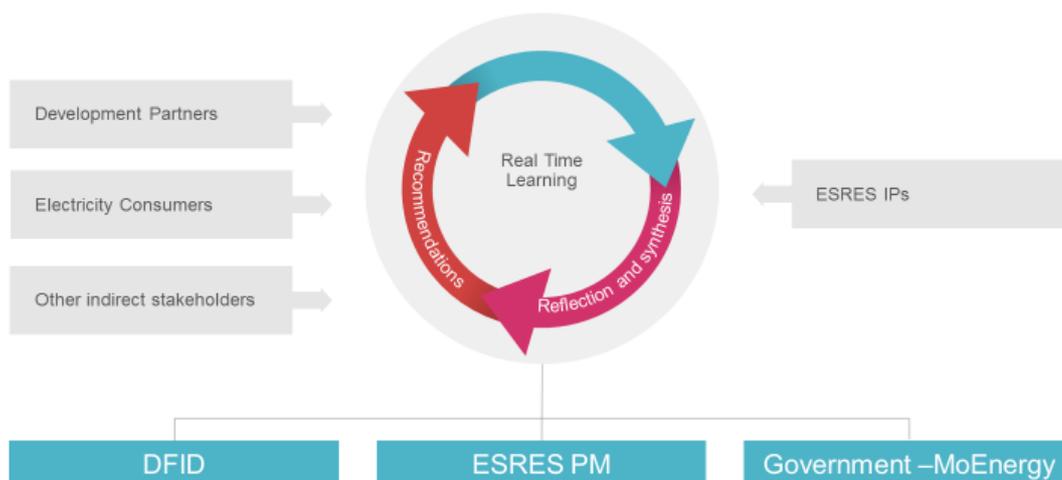
1.B What is the approach of RTL?

This Adaptive Learning Strategy (ALS) outlines the RTL approach that is flexible and responsive to emerging contextual and programmatic changes. The RTL approach adapts to complexity, constraints and rapid changes. It relies on regular and direct access to information from various stakeholders at decision making, local and national levels. RTL has a twin pronged approach:

- Baseload engagement:** The first prong tracks the key implementation steps of the ESRE programme. It shadows the programme continuously, engaging directly with stakeholders. Lessons learned are fed discretely and directly back to stakeholders with the objective of gathering information and nudging programming.
- Thematic engagement:** RTL has selected specific programme themes to look at in detail. These topics are agreed by stakeholders and are issues that generate learning for phase 2 of the ESRES programme.

The RTL team engages with stakeholders regularly to gather information and synthesise learning. It gathers information from stakeholder and provide reflections and recommendations for specific themes and on-going programme implementation. The main stakeholder engagements are with the ESRES PM team in Somaliland and directly with DFID, the 6 ESRES IPs, senior government stakeholders. These engagements are at least monthly and in person where possible or through telephone. We also engage directly with other stakeholder’s electricity end users, development partners such as USAID/IFC and ESPs in Somaliland outside of the ESRES pilot sites, for example Sompower, to gather perspectives and primary inputs.¹

¹ A table of engagement each quarter will be reported specifying time, location and method of interactions



1.B.1 Baseload

RTL discusses ESRES design and implementation with key stakeholders and provides real time feedback, mirroring the ESRES pilot implementation plan:

[Component 1] – Technical Assistance to the MoEM

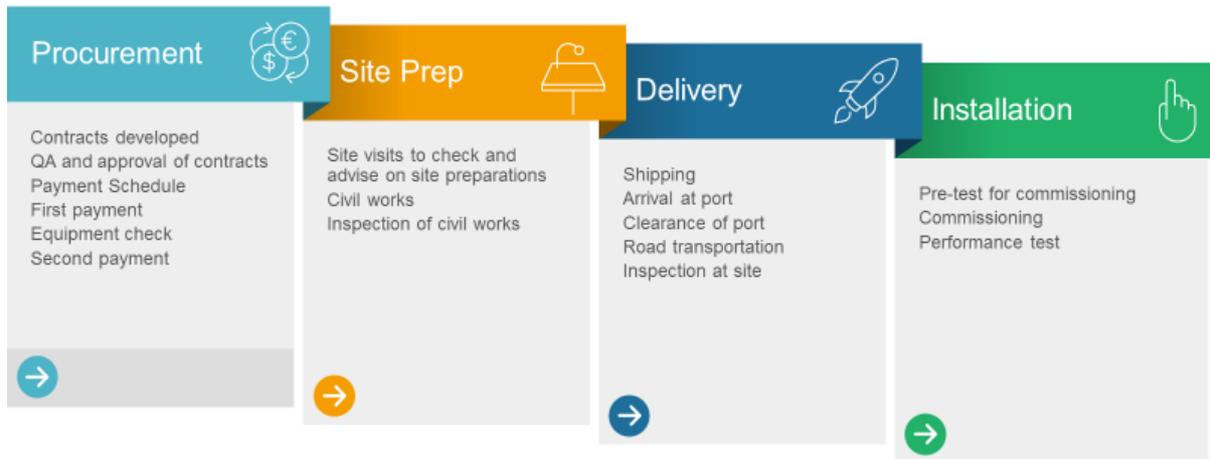
Figure 1 - ESRES Component 1

Pillar 1: Policy and Regulatory Framework Development		Pillar 2: Organisational and Human Resources Development		Pillar 3: Domestic and External Resources Mobilisation		Pillar 4: Information Management and Monitoring	
WP 1.1.	Developing the Energy or Electrical Energy Act	WP 2.1	Redefining organisational functions	WP 3.1	Identifying potential external support	WP 4.1	Strengthening ICT use & support
WP 1.2	Establishing the Energy Regulatory Commission	WP 2.2	Restructuring of (parts of) MoEM to match the work with resources	WP 3.2	Mobilising support from Development Partners	WP 4.2	Establishing digital archive and sharing
WP 1.3	Developing the Regulatory Framework for Licenses and Tariffs	WP 2.3	Strengthening management, planning and accountability	WP 3.3	Strengthening Inter-Ministerial Coordination	WP 4.3	Establishing databases on electricity and RE sectors
WP 1.4	Developing the Regulatory Framework for Technical and Safety Standards	WP 2.4	Adjusting or establishing positions and equipping appointees	WP 3.4	Strengthening cooperation with Local Government	WP 4.4	Strengthening Public Relations and transparency
WP 1.5	Updating the Energy Policy	WP 2.5	Activating & strengthening regional level	WP 3.5	Reviving Public Private Dialogue	WP 4.5	Establishing resource centre(s)
WP 1.6	Developing the Renewable Energy Strategy	WP 2.6	Strengthening Human Resources Management systems and procedures	WP 3.6	Strengthening Technical and Vocational Training		
WP 1.7	Developing Medium Term strategy and NDP	WP 2.7	Introducing Human Resources Development				
		WP 2.8	Improving internal procedures				

The ESRES PM developed a TA work plan in 2016 and has already delivered some work packages (shaded green) and plans to deliver others (shaded orange) to the end of the programme. It is expected that other development partners will coordinate support and deliver other work packages with the government. Although developed by ESRES, the scope of the TA roadmap is wider than ESRES and has been handed over to MoEM as a working tool. Areas shaded grey are already deemed completed by the ESRES PM and areas shaded white are not being addressed at present under ESRES but should be implemented by the MoEM.

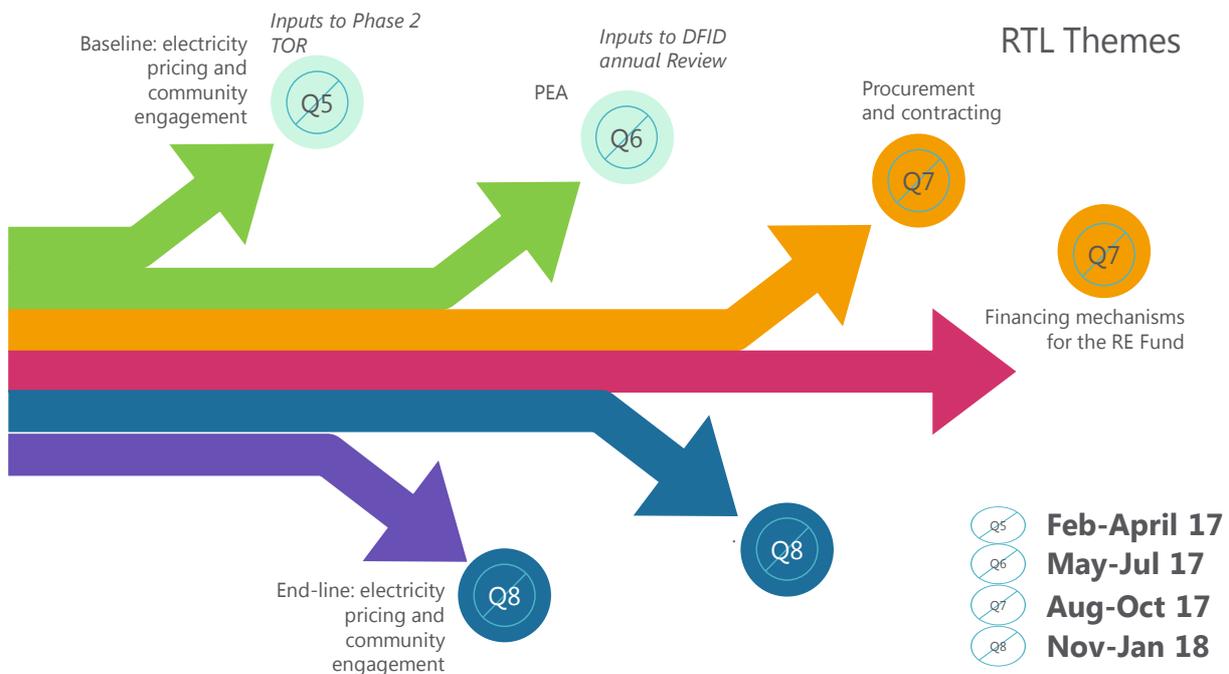
[Component 2] – Hybrid Mini Grid installation

The ESRES Inception phase has been completed and grant agreements are signed with 6 IPs. Hybrid Mini Grid installation under ESRES phase one will follow the procurement of equipment, site preparations and delivery of equipment to ESRES sites. The graphics below outline the process for installation of mini grids from this stage of the ESRES programme i.e. after inception and grant agreements with IPs. A detailed timeline for delivery an installation of the mini grids will be mapped out in coordination with the ESRES PM.



1.B.2 Themes

As the implementation phase progresses, a cyclical structure to the adaptive RTL process will ensue, with each cycle (re)addressing the RTL themes, determining ongoing and emerging lines of enquiry, undertaking information collection and analysis. RTL will investigate the following topics:



RTL will present a thematic focus to DFID and the ESRES Secretariat in quarterly reports to inform future decision making and, where necessary, programme adaptation.

The RTL themes will be revisited periodically to ensure the RTL process continues and remains reflective of current challenges, and so is open to change (See Annex 1 for details).



1.C How does RTL adapt over time?

RTL has acted upon stakeholder feedback, specifically around its in-country presence and its dual focus on both Baseload and deep dive focus, regular contact with government, ESRES PM and IPs.

The RTL team will maintain regular and direct communications with stakeholder groups through in person meetings and virtual meetings where relevant. RTL must develop and maintain strong, direct and frequent relationships with core stakeholders. The RTL TL will be in country at least per quarter and more often where needed. The Research and Knowledge Manager to be in country 2x per quarter. These will be planned on the quarterly basis, and spread to maximise the coverage of the RTL team time in country. RTL has senior researchers based full time in Somaliland who lead on engagement with government and IPs.

RTL has a dual focus: on programme developments within the ESRES pilot, feeding lessons back into the pilot as relevant and in shaping inputs to phase 2 of the programme.

Table 1 below offers a short summary of the current and potential factors that influence RTL team. These challenges must be continually addressed by the adapted RTL approach.

Table 1: Key Challenges for the RTL Process

Type	Current	Potential
Contextual	<ul style="list-style-type: none"> Political changes (reshuffling of the cabinet and delays in passing of the Electricity Act) Security and conflict (limitations in fieldwork) 	<ul style="list-style-type: none"> Political (upcoming elections) Energy Sector (ESP mergers and introduction of new actors) Security (ongoing)
Programmatic	<ul style="list-style-type: none"> Timeline changes and forward planning Communicating findings sensitively RTL findings relevant both to live phase 1 programming and phase 2 	<ul style="list-style-type: none"> Major shifts in interest as programme progresses and lessons emerge (DFID Somalia, ESRES Secretariat, and MoEM) Access to Hybrid Mini Grid sites

The implications of these influential factors on the ESRES project require the RTL team to engage with different stakeholders on a timely basis to obtain information.

1.D What will RTL deliver?

Output	Time and format
Routine engagement with stakeholders (DFID, ESRES PM and government)	Monthly/quarterly through PM meetings, JSC's and direct ad-hoc engagements
8 Quarterly Reports	Quarterly
2 annual workshops	Work shop and report-Mar17/Feb18
Baseline assessment of 3 ESRES pilot sites	April 2017
Review of Theory of Change	July 2017
Inputs to phase 2 TOR	July 2017
Annual review	July 2017



Final report	Report- April 2018
Value for Money Assessments	April 2018
Updating live risk Matrix	Quarterly

Quarterly Reports:

RTL is about real time programmatic learning that can extract and consolidate constructive lessons and recommendations on both RTL tracks. There is a process of sign-off for outputs i.e. they are agreed, shared and owned by ESRES as a programme.

1. RTL send to reports in parallel to both DFID and Mott MacDonald (as per Quarterly schedule)
2. DFID and ESRES PM for feedback
3. Clear the report internally
4. Reports then formally sent to focal points in the government for views comments
5. Report amendments, noting difference of opinion
6. Final report including recommendations that can be shared externally as relevant

Quarterly reports will usually be between 10 and 20 pages in length and consist of:

- A. Summary of findings and recommendations
 - B. Baseline: A factual update on the programme form the quarter (aligned to ESRES PM reporting) and RTL reflections on its engagement
 - C. Themes
 - a. What happened in the quarter?
 - b. What are the issues and challenges?
 - c. What lessons can be learned?
 - d. What recommendation can we make?
 - D. RTL self-reflective learning
 - E. Following quarter work plan
- Annex 1: Resource utilisation and LOE (direct to DFID only)
Annex 2: Meetings and Engagements

Annual workshops:

The Annual RTL Workshops give a chance to broadcast RTL and to learn from stakeholders. The annual workshop was held in March 2017 in Hargeisa and focused on pricing and customer charging and TA to the Ministry of Energy. The outputs from the meeting are set key findings for the ESRES Secretariat, for IPs, for the Government and for external development partners.

Case-studies of ESRES sites: RTL field work

RTL will travel out to ESRES IP sites to gather first-hand information. RTL will conduct at least 3 field visits to these sites (from May 2017 to April 2018) and discuss directly with ESPs and stakeholders.

RTL will deliver 3 detailed case studies of the energy situation in Somaliland and a report on pricing and affordability of electricity in Somaliland based on these findings. The case studies will investigate 3 ESRES Implementation site, regarding pricing and consumer charging before and after mini grid installation. This will enable ESRES to get a clear picture of consumer pricing of electricity, a profile of electricity users in each site before installation. The case study methodology is comprised of series of key informant interviews with household heads from various socio-economic and demographic backgrounds, business owners, as well as customary leaders and government officials. A participatory appraisal exercise of data collection in each site to develop a deeper understanding of governance, wealth distribution, and broader contextual challenges that may affect implementation and sustainability.

RTL will visit at minimum 3 (of the 6) ESRES sites before and after installation of the Hybrid Mini Grids. We will compile information on all sites (from interviews, meeting phone calls and site visits) and provide 3 detailed



case studies (Burao, Sheikh and Gabiley) that have first hand information collected by RTL. 3 basic case studies (Badhan, Buhoodle and Boroma) that rely on second hand information. These will be reported on in the final report.

RTL final report:

RTL will develop its final report in April 2018. It will provide a summary of lessons from the programme look at the ESRES pilot phase holistically. The report will be validated and then shared with partners as appropriate through coordinate for and the website.

1.E Team Structure

Due to the adapted RTL process and the changes in the RTL team, we have updated our team structure to reflect the shifts in personnel and responsibilities.

Project Director Ewan Snedden. Ewan has overall responsibility for contractual and compliance issues, contract level budgeting and risk management.

Project Manager Kyla Reid works with the Team Leader to facilitate the daily management of the RTL activities and ensures outputs are delivered on time and to budget. .

Team Leader William Battye (from October 2016).

Deputy Team Leader is Altai's Matthieu Dillais. Matthieu has leadership and oversight of the in-country and TUSMO team. He supports the Team Leader on the RTL process design, implementation and reporting.

Research and Knowledge Manager is Henri van den Idsert from Altai. He works closely with the Team Leader and Deputy Team Leader to oversee the in-country team and RTL activities.

Value for Money (VfM) Lead Alastair McPherson is a proposed addition to the RTL team who will join as a short-term expert.

The **Senior Researchers** and **Enumerators** are supplied by Tusmo Research & Consulting in Hargeisa. They are a part of a pool of researchers in Hargeisa available for the RTL process and are deployed to conduct KIIs, FGDs and fieldwork as required by the project.



Annex 1 Proposed Scope of Work for RTL topics

Below is a proposed scope of work for RTL deliverables outside of baseload engagement. These themes will be delivered as per the below schedule, and also included in RTL quarterly reporting.

1. **Political Economy Analysis – July/August 2017**
2. **Designing of funding windows for phase 2 – Sept/Oct 2017**
3. **Procurement and contracting mechanism – October/November 2017**
4. **End line survey in 3 sites – Dec 2017 / Jan 2018**

Political Economy Analysis:

SCOPE: The ESRES RTL Team proposes to investigate the recent trends in political economy and their implications for the ESRES implementation programme

- **ESRES specific risks related to the election and other risks:** Delays and uncertainties in the organisation of the next Somaliland presidential elections are a cause for concern regarding the overall stability of the region and analysts are exploring different scenarios and their implications for security, governance, and economic programmes. It is proposed to draw from on-going analysis of the situation to anticipate specific political risk to the ESRES programme surrounding the election.
- **Site access issues to ESRES IPs:** Recent tensions in Buhoodle and Badhan led to logistical challenges for site visits organized by the ESRES implementation team. With the support of the central Somaliland government authorities site access was arranged. However, this has raised questions about the long-term accessibility of ESRES sites in these regions. While these tensions seem now solved, it is proposed to research (i) how access issues were resolved, (ii) whether this solution is sustainable and what the major risks, and (iii) whether specific elements related to access should be factored into the design of the next phase of the programme, and, if yes, in which regions and how.
- **Electricity market mergers and recent developments:** The recent mergers and acquisitions that followed among Electricity Service Providers (ESPs) indicate a significant market adjustment to the passage of the Energy Act and broader political discussions around the future role of Somaliland ESPs in organizing the provision of energy for the government and its constituency. It is proposed to track current consolidation trends across the sector to understand whether this adjustment will encourage competition and help improve access to electricity for the poorer population, or whether it only reinforces the capacity of a core cartel to dictate prices and further restrict access to electricity.

APPROACH: The ESRES RTL Team proposes to answer these questions through a discrete field research element that would include (i) Desk review of relevant programme and contextual literature (ii) Key informant interviews in Hargeisa. The research approach will be **low profile** and be extensively discussed with DFID advisors and the ESRES PM before proceeding and/or presenting to external stakeholders. This will help ensure it is understood as a constructive initiative and does not add tensions around the programme. Moreover, the research will draw from RTL partners research in Somaliland, work conducted for other UK programmes (e.g. CSSF Somaliland Programme) and a political network developed by Altai and partners over five years of on-going presence in Somaliland.

OUTPUTS: Final report would be maximum 10 pages including an analysis of insights from senior person close to the government and stakeholders from the energy sector. This could include an element of network mapping and risk analysis however it would not be able to provide robust evidence or rigorously triangulation of assumptions by interviewees. The research would be led by Matthieu Dillais and a Somaliland political economy expert Mr Guleid Hassan Dirir

Design of funding windows for ESRES RE Fund:

SCOPE: Phase 2 of ESRES is being developed by DFID. The scope of the Renewable Energy Fund is now being considered as to its objectives and targets, the technologies and approaches being promoted and the geographical focus of the programme under the complimentary studies. The complimentary studies are being developed by the ESRES PM to scope potential, locations and technologies for the RE-Fund to consider. Linking these findings and the baseline findings on energy in 3 ESRES pilots, RTL will evaluate options for the financial mechanisms that could be utilised by the RE fund.



The design of the fund will be determined by its objectives; what will it seek to promote, in which areas and through which mechanisms. The RE Fund will then have a number of options available for supporting these activities in its funding windows.

To support this, we will investigate:

- How the ESRES pilot has deployed its finance to support hybrid mini grids: for TA and for a call for proposals, technical support and co-financing grants for procurement.
- Are these mechanisms suitable for an expanded RE support programme and what may be missing?
- What has been the experience of others funds operating in similar contexts with similar objectives and review the financial instruments used by these funds to promote RE
- The risk of these approaches in the Somaliland context
- What are the priority options to consider in terms of funding mechanism?

APPROACH: Gather information from the complimentary studies, baseline studies, ESRES PM, TA consultants, the ESRES IPs, and the government/development partners on project implementation challenges and successes. We will also review available information on funds and financing mechanisms internationally and make recommendations based on findings.

TIME: October 2017 linking with the outputs of the complimentary studies

Procurement and contracting:

SCOPE: ESRES adopted a procurement approach where the primary responsibility for procurement was with the private sector operators, who selected, negotiated and contracted with international suppliers to install solar systems. Some oversight and quality assurance was provided by the ESRES PM who reviewed contracts (technical specifications etc) and provided a certificate of approval for contracting to proceed.

This model resulted in 6 separate contracts that were reviewed and assured with 2 international suppliers. Suppliers were selected by the 6 ESRES pilot sites, and the value of each contract was relatively small (PURE and DHYBRID). One of the suppliers, PURE, had previous operational experience in Somaliland before the ESRES programme, installing a 1 MW solar system for Heco; DHYBRID on the other hand has no prior experience in Somaliland and is less aware of the needs on the ground. Moreover, the costs per unit of installed capacity was variable across the sites and above the market average. The number of panels ordered ranged from 576 to 1923 per site with unit costs (\$/unit) from \$122/unit to \$182/unit. This reflects the scale of the installations, the negotiating experience of power of the ESRES Implementing Partners (IPs), the risk premium for operating in Somaliland. Moreover, some ESRES IP were also able to renegotiate with suppliers to get better deals, purchasing more solar panels for the investment.

APPROACH: This task will look at this procurement process and provide inputs on potential areas for improvement as the ESRES project moves to a larger scale in phase 2:

1. Understand the rationale and challenges of the approach taken
2. Map out the ESRES procurement process and the role of the IPs, ESRES PM, suppliers, and DFID and develop a process map for the approach taken and assess the benefits/downside of the approach.
3. Outline an alternative procurement process suitable for phase 2. This could include Bulk buying of equipment with one supplier or pre-selection of preferred contractor pool for IPs to engage with and support in the engagement with suppliers.
4. Comparison of benefits and risks of these procurement models in this context i.e. the benefits in terms of ownership, capacity development, and risk management.

OUTPUT: The outputs will be a short report (approx. 5-10 pages) on procurement options for ESRES based on the process adopted in ESRES pilots and table of benefits/risks and an alternative option and a recommendation of options going forward.

TIME: October/November 2017



End line survey:

SCOPE: After commissioning of the hybrid mini grids, the end-line study will revisit three ESRES sites (Burao, Gabiley, and Sheikh), and will adopt the same methodology as the baseline study. The objective of the end-line is to understand how the ESRES project has influenced HHs, businesses, public and private institutions, as well as the IPs. By looking at parameters such as electricity pricing, expenditure, affordability, usage patterns, and perceptions surrounding service provision: the end-line will provide a pre and post comparative analysis.

APPROACH: Data collection methods will include Key Informant Interviews with public and private institutions, as well as the IP. At each site, 10 surveys will be conducted with heads of HHs, as well as ten surveys with business managers and owners. Focus Group Discussions will make use of paired-wise ranking exercises that will seek to understand how the ESRES has influenced the lives and perceptions of low-income HHs. Commissioning dates vary per site: it is expected that results will also vary significantly per site. In Burao for example, commissioning is set to occur in July 2017, while in other sites (Gebiley), commissioning is set to occur in October 2017. It is understood that some changes will only take effect after some considerable amount of time after commissioning of the Hybrid Min Grids so impacts at the time of the end line may be limited.

OUTPUT: A summary PowerPoint presentation and technical report (up to 50 pages).

TIME: Fieldwork implementation between January-February 2018.