Solanka Sun Associates, created community level capabilities to do complete projects, including evaluation of potential customers, providing financing; designing, installing and maintaining the solar home systems; collecting repayment and managing the project with the inherent difficulties of managing projects from cities. This model has shown that success can be achieved with proper training and incentives to the operators at the village level. With the lower than commercial rates of interest provided to its customers, Solanka has targeted the lower economic category of the market, having thus far installed two projects, one with 84 solar home systems in the village of Morapathawa, and the other with 77 systems in Thorawa. This has been possible since the funds for lending have been provided as grants. However, it will be difficult to sustain this scheme with commercial level funding, unless interest rates are increased and loan repayment period is reduced. However, this will naturally exclude the current target market of this organization. Thus, the challenge for Solanka is to secure further grant funding to replicate such projects. Its biggest merit has been to prove that the village has the capacity to implement and manage PV electrification projects. Solanka had the provincial government's patronage and support when the selection of areas for implementation was made jointly. The project has an interesting feature in that the 12-V lamp units and the simple electronic controllers are manufactured at the village level. Also, a village level repair unit has been started where defective battery cells can be replaced to lengthen the life of the battery. Loan repayments to date for both projects are 100% due to the grass roots level service that is provided to users. For instance, even when a battery fails, the user immediately gets a replacement while the old one is being repaired or serviced. The Colombo-based head office focuses on long-term strategic planning and also imposes the accounting controls with audits of all accounting operations in the process of selecting recipients and collecting repayments. On the basis of the experience of these two projects, its original promoter has established a commercial solar company called RESCO as a subsidiary of Selco-USA.

A counterexample is the Pansiyagama 1000 homes project, funded by the Sri Lankan and Australian governments, which has a very low repayment rate in spite of the very favorable finance scheme applied. Hence, it can be considered a failure, although technically over 90% of the systems are still operating. This project was politically motivated, and was implemented by the National Housing Development Authority (NHDA) of Sri Lanka, which attempted to implement a "grass roots" level program. However, the top-down manner in which it was done resulted in poor community level involvement and poor management infrastructure. The systems installed were more sophisticated than the normal SHS being installed elsewhere in the country and had a typical cost ranging from Rs. 20 000 (US $571) to Rs. 32 000 (US $914), depending on the size of the module and number of lamps. This led to a monthly payment from Rs. 75 (US $2.14) to Rs. 135 (US $3.85), depending on the cost of the unit (US $1 = Rs. 35 in 1990), which turned out to be unrealistically low. According to a socioeconomic survey conducted by the Marga Institute of Sri Lanka, it was found that most households could afford to pay much more for the system. However, since the payments by households were set at nominal terms, their value has been eroding with inflation. At some point in time, the infrastructure for collecting repayments broke down as a result of bureaucratic problems, and some initial technical problems in the systems set a precedent for nonpayment, which was most difficult to break later. Some of these problems have been fixed after the NHDA handed over the maintenance and money collection duties to Power & Sun in 1991. However, the