

# **Report of the Final Term Review Meeting**

**Under**

**A Pilot Project on “Capacity Building on Electricity Reforms in  
Bangladesh, India and Nepal (RESA Project)”**

**Delhi, Monday, 06<sup>th</sup> December 2010**

## **I. Introduction**

CUTS International, with support from the Norwegian Agency for Development Cooperation (NORAD), Norway, had implemented the project entitled, “Capacity Building on Electricity Reforms in Bangladesh, Indian and Nepal (RESA project)” spread over a period of two years.

Given that the pilot project was over, CUTS had awarded the contract to Ace Global to undertake review of the project. The objective of the final review meeting was to review and discuss the RESA evaluation report as submitted by Ace Global and to chalk out the way forward.

On behalf of NORAD, Dag Larsson, Senior PSD-Adviser participated in the meeting. On behalf of CUTS: Bipul Chatterjee, Udai S Mehta, Rajesh Kumar, Amarjeet Singh and Keya Ghosh actively participated in the meeting.

Given below is a brief summary of the meetings held in Delhi on Monday, 06<sup>th</sup> December 2010.

## **II. Synopsis of the meeting**

### **Opening Session**

At the start of the meeting, Bipul Chatterjee, Deputy Executive Director, CUTS welcomed Dag Larsson, NORAD, S V Divvaakar, Ace Global and others present in the meeting. In his opening remarks, Chatterjee expressed his satisfaction over the progress of the project. He highlighted the RESA project was quite a challenging project to implement as most of the local partners had almost no experience of working in the electricity sector related issues; indeed, this project has been the first major exposure on electricity issues for the majority of the CSOs involved eventually. The sole exception was Rajasthan where 70% of the CSOs had worked earlier on electricity related issues, with some of the CSOs being involved in the CUTS-FES project as well. As a direct outcome of the project, we were able to build their capacity to undertake work in the said sector.

Larsson was happy to be present and put forth his expectations from the meeting. He said that the broad objective of the project was to increase the level of awareness of consumers at the grassroots and he would like to hear from Evaluation team, on how the same has been achieved (comparison between the baseline and final consumer survey). Larsson further mentioned that as per the budget and various reports received from CUTS, the project progressed well, however, with certain hiccups, which were not of major concern. Overall, Larsson emphasised on the importance of measuring the increase in level of awareness/understanding of the concerned stakeholders.

### **Presentations by Rajesh Kumar and S V Divvaakar, Ace Global**

#### **Rajesh Kumar, CUTS International (RESA project: Key Lessons)**

The first presentation was delivered by Rakesh Kumar and he focused on the key lessons of the RESA project i.e. importance and need for capacity building of consumers, acceptance of the RESA model especially in the State of West Bengal/Rajasthan (which was further

elucidated by Keya Ghosh and Bipul Chatterjee). Kumar concluded his presentation by outlining the way forward with the need to continue the RESA project by covering new districts and focusing on issues pertaining to green energy and overall the project should focus more on advocacy. Given all this, it was emphasised that continued support of NORAD is extremely important to initiate RESA model in new territories and to deepen our work in the existing territories.

**S V Divvaakar, Ace Global (Presentations on findings of RESA Evaluation Report)**

The presentation (Refer to Annexure I) by Divvaakar was perhaps the most critical presentation of the day and a lot of time was spent discussing the findings of the RESA Evaluation Report. Given below are key issues and suggestions, as presented during the meeting:

- At the beginning of the presentation, Divvaakar touched upon the project background, scope and methodology of evaluation, implementation structure, outreach and then analysis of results. This evaluation aimed to assess the overall results and impact of the RESA project in the four territories, and to conclude on the need for and to provide inputs for possible next phase of the project. The evaluation covered the five classical analyses: relevance, efficiency, effectiveness, impacts and sustainability (REEIS). Information and insights to assist the evaluation were collected through the following methods: desk research, discussions with project team, questionnaire survey and filed missions.
- For the purpose of evaluation, the Ace Global Team (evaluation team) visited all the project sites and in total met close to 51 individuals who comprised of representatives from CSOs, project partner organisations, media, regulatory bodies, utility companies and academia. Dag requested the evaluation team to include a list of stakeholders met during the mission distributed across project territories based on their profile.
- The evaluation team was convinced about the relevance of the RESA initiative and found the overall implementation satisfactory, especially the percentage of funds incurred on knowledge creation, implementation structure, use of reference group etc. RESA experience suggests that project scope, focus and duration are an important combination and require the right balance. The two-year duration of the project seems right, and enabled continuity of engagement with the same stakeholders throughout the project.
- According to the evaluation team, the CSOs and consumers directly exposed to the project, now have necessary basic knowledge and awareness of the consumer facing aspects (over 4000 consumers directly benefiting from the project). RESA beneficiaries should be able to exert consumer pressure in their localities through a rights-based approach, without further support but whether they do or not depends on external factors.
- In terms of management (financial) of the RESA Project, project activities accounted for over 66% of funds of which knowledge creation and capacity development accounted for close to 50%; staffing and personnel costs of 21% and overheads of 9%. Overall, disbursements to partners were made in line with budgets. The project doubled the

number of GIMs per territory from 5 to 10, within the given budget. Additionally, in Rajasthan & West Bengal, Sub-GIMs were conducted by adopting of cost-effective and innovative approaches such as meetings around the electricity offices.

- Divvaakar pointed out few of the shortcomings such as sharing of best practices and exchange of knowledge amongst the project partners found to be missing; staff turnover in certain project territories, and initial delays in implementation of the project owing to contract finalization and approval of funds. Scale and scope of RESA is very small in comparison with overall magnitude of the problem and the focus was more on grievance redressal mechanism rather than regulatory process in GIMs, lack of regulators participation in certain grassroots interface meetings (GIMs) and absence of policy makers in some activities in certain areas, etc.
- Overall, the project was implemented successfully and was able to deliver against a number of its objectives. There is a strong case for rolling out the initiative to cover a larger footprint, and also adapt future initiatives to focus on the larger, unaddressed issues such as universal access, institutional reforms and governance. The next phase should focus on :
  - **Strengthening dissemination** at the grassroots by inventorying, standardizing and rolling out the information and knowledge in other districts
  - **Advocacy on institutional reforms** to bring about greater accountability for service quality standards
  - **Induction of energy conservation** and enhancement of individual awareness on energy saving should be done in the follow-on phase
  - **Formation of a regional virtual network** on electricity that would provide opportunities to consider system-wide reforms based on the positive experiences of other countries and interact and benefit from best practices
- Divvaakar emphasised that for the next phase of the project, there is no need to repeat certain activities such as consumer survey, training manual, base paper etc. Future engagement with policy maker on identified issues is required. Divvaakar said there is need to sustain efforts to build capacity of CSOs on regulatory issues and right based approach as the short project like RESA is not enough to address this big issue. He suggested strengthening the present network created under RESA through a virtual network to share best practices and learnings.
- Dag suggested including a comparative chart on change in perception based on baseline and final consumer survey to show measurable outcomes achieved under project and further suggested refining the findings to make it more presentable for sharing with other agencies and internally within NORAD.

**Presentation on ‘Consumer Assistance Cells for Electricity Consumers at Grassroots Level (CONASC project)’ by Keya Ghosh, CUTS CRC & ‘Diagnostic study to build the capacity/awareness among CSOs to demand for DSM & RE in India’ by Bipul Chatterjee, CUTS**

The following brief presentations were made to showcase two important projects being implemented by CUTS in Kolkata and Rajasthan, as a direct outcome of the RESA project.

**Keya Ghosh, CUTS Calcutta Resource Centres**

At the start of the presentation, Ghosh mentioned the objective of the project which is to form Consumer Assistance Cells (CONASC) at the Group Electricity Supply Office (GESO) level to improve and supplement the service delivery at the grassroots with focus on improving the Grievance Redressal system of the utility. Ghosh mentioned that it is a 18 months project to be implemented in 9 districts of West Bengal and is funded by West Bengal State Electricity Distribution Company Limited (WBSEDCL). It is expected that as a result of this project, there will be increase in awareness and understanding amongst consumers about their rights & responsibilities and also about supply side bottlenecks being faced by WBSEDCL and a ready channel for two-way communication between grassroots consumers & WBSEDCL would be created.

**Bipul Chatterjee, CUTS International**

Chatterjee mentioned that the focus of the project, “Diagnostic study to build the capacity/awareness among CSOs to demand for DSM & RE in India”, is to build capacity of consumer groups so as to better prepare them to carry out need based advocacy and participate in regulatory processes and its objective is to increase long term capacity/awareness of consumer groups to demand for DSM/RE initiatives and also to understand and communicate their specific needs to policy makers. It is a two year project which is supported by ClimateWorks Foundation, USA through Shakti Sustainable Energy Foundation (SSEF), India and comprise of activities such as baseline consumer survey (500 CSOs), research report covering the analysis of the baseline consumer survey and literature review, which will then feed into state level training workshops and consumer interface meetings, as mentioned by Chatterjee. For the purpose of undertaking comparative analysis, towards the end of the project a final consumer survey would be undertaken to compare the results of the baseline survey.

**To the end of the meeting, Chatterjee summarised the necessary actions to be undertaken:**

- Finalisation of the final review report as per the comments received from Dag Larsson
- Preparation of a brief note by CUTS on results achieved from the RESA project with measurable indicators.

In the end Larsson thanked CUTS for the excellent arrangements and for the success of the project.

## Annexure I



Background	
Project Snapshot	
<b>Title</b>	A PILOT PROJECT ON ELECTRICITY REFORMS IN , AND (RESA PROJECT)
<b>Funded by</b>	Norwegian Agency for Development Cooperation (NORAD)
<b>Duration</b>	32 months (January 2008- August 2010)
<b>Implementing Agency</b>	CUTS Centre for Competition, Investment & Economic Regulation (CUTS-CCIER)
<b>Focus territories</b>	Select districts of Nepal, Bangladesh, India (West Bengal and Rajasthan)
<b>Expected Outcomes</b>	<ul style="list-style-type: none"><li>• Enhanced awareness and understanding among consumers/civil society on how to engage in policy processes aimed at electricity reforms.</li><li>• CSOs better comprehend policy issues pertaining to electricity reforms and make efforts to continue engagement with research and advocacy initiatives on this subject, subsequently.</li><li>• Improve policymakers' and regulators understanding of consumer's needs and demands.</li><li>• Mechanism of communication is established between consumers, CSOs, policy makers/government representatives, regulators and distribution companies to discuss electricity reforms.</li><li>• Formation of a regional civil society network on electricity reforms that acts as a platform for opinion exchange and learning through information sharing.</li></ul>
<b>Total Budget</b>	₹18,694,500 (Total Received: ₹19,862,207)

## Scope of Evaluation

*Terms of references for the evaluators involved evaluation of :*

- The Project Proposal
- Implementation of the Project
- Communication Strategy
- Outputs from the project
- Outcomes of the Project Management and monitoring issues
- Administration and other issues
- Utilization of Funds
- Providing Recommendation and suggestions

**Evaluation covered five classical criteria: relevance, efficiency, effectiveness, impact and sustainability.**

## Evaluation Methodology

Information and insights to assist the evaluation were collected through the following methods:

### Secondary Research

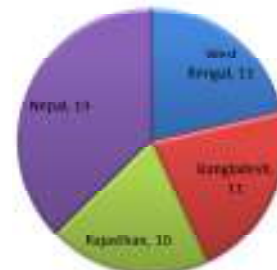
- Project documents as available on project website and copies made available by CUTS C-CIER
- Other project related documents and Periodicals provided by partner organisations during field visits
- Other relevant documents accessed on the search engines

### Primary Research

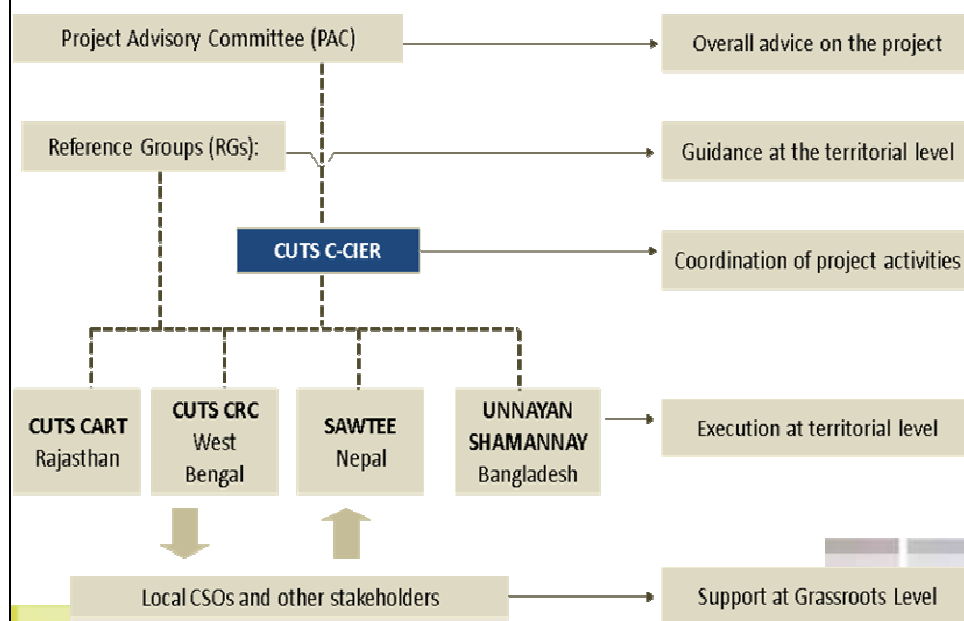
- Discussions held with CUTS CCIER project team - inception meeting ; telephonic and e-mail based conversations
- Questionnaire survey of project partners, local CSOs and grassroots consumers
- Field missions to four locations namely, Jaipur (Rajasthan), Kolkata (West Bengal), Kathmandu (Nepal) and Dhaka (Bangladesh) which were undertaken in consultation with CUTS C-CIER

**Stakeholders met (51) included representatives from CSOs, project partner organisations, media, regulatory bodies, utility companies and academia**

Stakeholders met during field visits



## Implementation Structure



Country/ Territory		Project Partners	Local CSOs
India	Rajasthan (ten districts)	CUTS Centre for Consumer Action, Research & Training (CART), Jaipur	10
	West Bengal (ten districts )	CUTS Calcutta Resource Centre (CRC), Calcutta	10
Nepal – (ten districts)		South Asia Watch on Trade, Economics and Environment (SAWTEE)	11
Bangladesh – (thirteen districts under five divisions)		Unnayan Shamannay	Consumer Association of Bangladesh (CAB) along with 13 CSOs



## Capacity Development Aspects

Territory	% of partners worked on electricity related issues	% of partners worked on consumer related issues
Rajasthan	70%	80%
West Bengal	30%	50%
Nepal	30%	80%
Bangladesh	23%	77%

Levels	Activities
REGIONAL	Launch Meeting
	Training of Nodal Persons and project staff
	Regional Conference
NATIONAL	National Advocacy Seminar
TERRITORIAL	Local Inception Workshop
	Reference Group Meeting I & II
	Territorial Trainings
	Media Workshop
GRASSROOTS	Grassroots Interface Meetings

## Outreach

Territories (no. of districts; total GIMs conducted in two phases)	Total Participants in Phase I	Total Participants in Phase II
Rajasthan (districts:10, GIMs:20, sub level GIMs:38)	1,859	795
West Bengal (districts:10, GIMs:20)	1,200	638
Nepal (districts:10, GIMs:18)	540	658
Bangladesh (districts:13, GIMs:16)	539	596
<b>Total</b>	<b>4,138</b>	<b>2,687</b>

- Territorial Base Papers (TBPs):
- Final Consumer Survey Reports:
- Territorial Training Manuals (TTMs) ( West Bengal exemplary)
- Vernacular Handouts
- Website
- Media Articles : 30
- Policy Briefing Papers: 4 (Competition, Consumer Participation, Rationalizing Subsidy)
- Newsletters: 6
- RESA Documentary – 'Powered to Grow'

## Reference Group Participation

Territory	No. of members in Phase 1	Participation in phase 1 meeting	No. of members in Phase 2	Participation in phase 2 meeting
Rajasthan	14	NA	14	NA
West Bengal	17	12	17	10
Nepal	17	12	24	18
Bangladesh	16	12	16	12

## Analysis of Results

→ **Electricity is a fundamental development need.**

→ **Availability, Access, Affordability and Quality of Service are important from a consumer perspective**

- Inadequate availability of electricity, particularly in remote areas
- Low service quality: outages, voltage fluctuations, down time
- Non transparency – theft, incorrect billing, collusions

**Some of these are system wise structural issues and require dealing at the sector level**

- Lack of knowledge and awareness of consumer rights: electricity is a public service utility
- Lack of understanding of policy and procedural aspects to seek redressal

**To some extent these are local issues, and can be addressed at the distribution level**

→ **This is not a project for Electricity Sector Reforms per se, but to seek effective implementation of the provisions under extant policy and procedures through a enhanced consumer involvement, creating a demand side influence**

## Analysis of Results

**Consumer related issues are of a higher order in locations having greater coverage (Rajasthan & West Bengal) than in locations where electricity access itself is the challenge (Nepal & Bangladesh)**

- **In Nepal and Bangladesh** where structural reform is a fundamental constraint, merely activating consumers and building CSOs' capacity is not enough to bring about changes in responsiveness. *Bangladesh: even Dhaka has 25% shortage, and there is an inverse tariff regime, and under recovery of costs due to incorrect capture of costs.*
- In India, overall access is much higher than in Nepal and Bangladesh. So, the thrust of the issues is more at the local level- distribution companies. **West Bengal** owing to the overall availability of electricity, institutional reforms within the utilities among other reasons, this project is found to be highly relevant
- From a project design perspective, issue of **additionality important in Rajasthan**, given that FES Project was implemented in August 2001 under same theme in the six districts of Rajasthan.

## Analysis of Results

### Access

**Outcome 1: Enhanced awareness and understanding among consumers/civil society on how to engage in policy processes aimed at electricity reforms:**

- **Project increased understanding** among consumers and CSOs of **consumer-facing issues** in the electricity sector (less than 30% had prior experience of the sector, except in Rajasthan- FES)
- **Thrust of the project in terms of reforms agenda** has been purely **at local grievance redressal level** and not the macro issues of electricity capacity, competitiveness and legal/ regulatory changes
- **Would be incorrect to suggest that project has strengthened consumers and CSOs to engage in larger process** of electricity reforms at a macro level

**Outcome 2: Civil society organizations better comprehend policy issues pertaining to electricity reforms and make efforts to continue engagement with research and advocacy initiatives on this subject, subsequently**

- The **first** component has been well achieved.. **Results for the second vary across territories**
- **Unreasonable to expect CSOs to engage in further research on their own**, except under follow-on projects. Also, there is sufficient research available on the system level issues already- World Bank, academia, etc. The advocacy thrust needs to move from local to the sector level., progressively.

## Analysis of Results

### Lessons (contd.)

#### **Outcome 3: Improve policymakers' and regulators understanding of consumer's needs and demands:**

- GIMs and the National Advocacy Seminar invited policy makers and regulators to participate in the deliberations
- Provided an excellent opportunity to sensitize parliamentarians on major challenges facing the electricity sector reforms in India
- However, isolated and sporadic interactions cannot be expected to have the necessary effect on regulators

#### **Outcome 4: Mechanism of communication is established between consumers, CSOs, policy makers/government representatives, regulators and distribution companies to discuss electricity reforms**

- Project provided an opportunity for meaningful interaction between the service providers and consumers
- The inclusion and eventual presence of representatives of utility companies and regulators, in the RG Team has been a very useful contribution of the project. Institutional reforms make this interaction mandatory.

#### **Outcome 5: Formation of a regional civil society network on electricity reforms that acts as a platform for opinion exchange and learning through information sharing:**

- Usefulness of a regional CSO network can only be perceived in terms of a sharing of best practices and exchange of knowledge . This is much needed in the context of a regional electricity trade agenda.
- The evaluation found efforts by partners to pro actively seek such exchanges to be inadequate

## Analysis of Results

### Lessons (contd.)

#### **Lessons implemented from other evaluations**

A well -focused project, with a core central theme

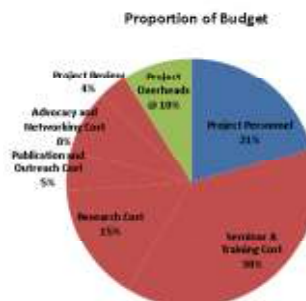
Shorter duration, enables continuity of activities

Building on existing partner network

## Analysis of Results

### •Budget Management

- In terms of utilization of resources, **project activities (in red)** accounted for over 66% of funds of which knowledge creation and capacity development accounted for close to 50%; **staffing and personnel** costs of 21% and **overheads** of 9%
- Overall, **disbursements to partners were made in line with budgets**



### •Time or Cost Overruns?

- No cost overruns** in any of the project locations
- Delays at the outset** of the project owing to contract finalization and approval of funds, resulted in the commencement of the project **three months behind** schedule.

### •Incomplete Outputs – Advocacy Document and Briefing Paper by Bangladesh

### •Project doubled the number of **GIMs** per territory from 5 to 10, **within the given budget**.

- Additionally, in Rajasthan & West Bengal, **Sub-GIMs** were conducted by adopting of cost-effective and innovative approaches such as meetings around the electricity offices

## Analysis of Results

- Scale and scope of RESA is very small** in comparison with overall magnitude of the problem
- Unrealistic to expect large scale impact** at sector level, from interventions undertaken
- Main and noticeable impact of the project is the Empowerment of Consumer Organizations**

### *Key Illustrations from the intervention*

**(Bangladesh) The visiting card that worked-** When an official from the local distribution company resisted efforts to lodge a complaint, the visiting card of the BERC official was waved at him by RESA participant, and matters were resolved promptly.

**(West Bengal) Follow on initiatives-** Calcutta Electric Supply Company (CESC) and WBSEDCL decision to support CUTS CRC to organise camps aimed at capacity building of consumers and establishment of consumer assistance cell; proposal of setting up informal redressal mechanism by CUTS CRC

**(West Bengal) Rs. 77,000 compensation-**A GIM I participant after being denied a new connection for his mill, followed the Grievance Redressal Mechanism (GRM), approached the ombudsman and was awarded a compensation of Rs. 77,000

**(Nepal) Furore over tariff hike – Nepal Electricity Authority's (NEA)** application for Tariff hike was met with resistance from the consumers who as a result of the GIMs had become more aware of their rights and responsibilities

**(Rajasthan) Continuous lobbying resulted in action-** An agricultural policy booklet with regards to electricity was issued upon continuous lobbying by RESA participants which benefited the farmers

## Analysis of Results

### ility

- CSOs and consumers directly exposed to the project, now have necessary basic knowledge and awareness of the consumer facing aspects ( over 4000 consumers directly benefiting from the project)
- RESA beneficiaries should be able to exert consumer pressure** in their localities through **a rights-based approach**, without further support
- Whether they do or not depends on external factors**, particularly extent of opacity in the distribution of electricity and presence of nexus between distribution companies and end users

## Shortcomings

- Inadequate engagement of policy makers in some territories**
  - Absence of policy makers at Bangladesh National Advocacy Seminar** can be deemed as a missed opportunity
  - Absence of representatives from Regulatory Commission of Rajasthan** and Nepal Electricity Authority (NEA) Distribution Chief of Nepal **in some** of the **GIMs** diluted the purpose of the activity
- Sharing of best practices** and exchange of knowledge amongst the project partners **found to be missing**.

## Lessons Learnt

- Consumer awareness and empowerment to seek a **rights-based reforms agenda** are **likely to find popular appeal**
  - Solutions need to emerge from a perspective of institutional reforms**, which may be beyond the scope of consumer organizations as such
  - Administrative machinery** is weak in state owned electricity companies, **or remains unresponsive** at the local level, **unless** there is **supervision from above**
  - Engagement and **buy in from government is critical** for any intervention to make a lasting impact
  - Networking among local organizations** has a more **profound impact** on the society
  - RESA experience suggests that **project scope, focus and duration are an important combination** and require the right balance.
- The two-year duration of the project seems right, and enabled continuity of engagement with the same stakeholders throughout the project.*

## Way Forward

The follow up phase of RESA should have four dimensions:

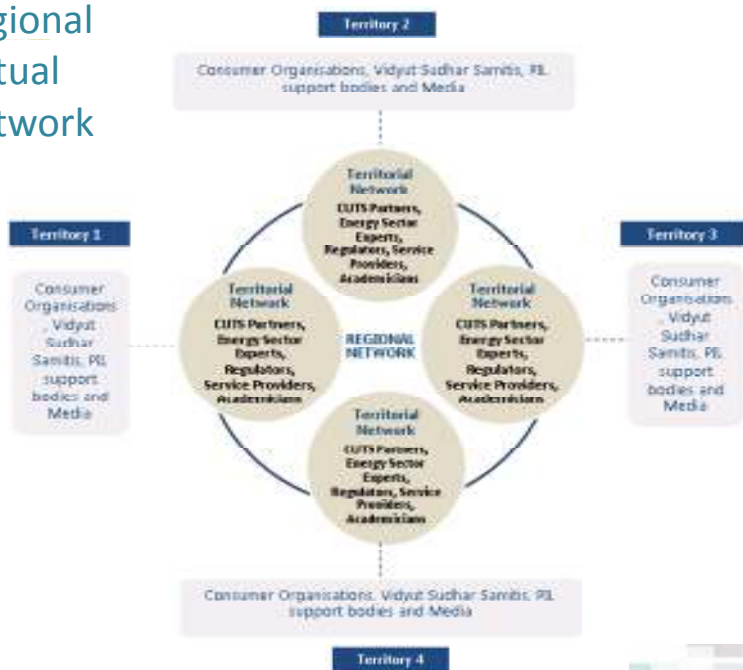
**Strengthening dissemination** at the grassroots by inventorying, standardizing and rolling out the information and knowledge

**Advocacy on institutional reforms** to bring about greater accountability for service quality standards

**Induction of energy conservation** and enhancement of individual awareness on energy saving

**Formation of a regional virtual network** to consider system-wide reforms based on the positive experiences of other countries given the commercial dynamics of regional power trading.

# Regional Virtual Network



Thank You

