

REPORT OF THE SECOND REFERENCE GROUP MEETING (RG-II)

28 April 2009

DHAKA, BANGLADESH



A PILOT PROJECT ON CAPACITY BUILDING ON ELECTRICITY REFORMS
IN BANGLADESH, INDIA AND NEPAL
RESA (REGULATORY REFORMS IN ELECTRICITY SECTOR IN SOUTH
ASIA) PROJECT



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Introduction

Unnayan Shamannay - a non profit organisation for research, development and cultural learning, Dhaka, in Bangladesh, in association with CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER), Jaipur, India, organised the 2nd National Reference Group (NRG) meeting under the project entitled “Capacity Building on Electricity Reforms in Bangladesh, India and Nepal (RESA project)” in Dhaka, Bangladesh, on April 28, 2009.

Background

The project is being implemented in three countries, Bangladesh, India (only two states: Rajasthan and West Bengal) and Nepal with the support of the Norwegian Agency for Cooperation (NORAD). In Bangladesh, this project is being implemented by Unnayan Shamannay, which is now working in collaboration with Consumer Association of Bangladesh (CAB) and a number of its regional partner organisations for implementation of the project. In Nepal, this project is being implemented by South Asia Watch on Trade, Economics & Environment (SAWTEE).

A reference group (RG) has been formed in each of the project territories, comprising of subject experts, academicians and practitioners, people's representatives, government officials and civil society representatives. The RG provides guidance for the implementation of the project at the national level. It ensures quality in project execution, as per the stipulated plan.

The role of the RG members is to:

- act as ‘missionaries’ for the project, spreading awareness about the mission of the project, through interactions with key people, nationally and also at the regional level;
- provide inputs (comments and suggestions) about the discussions during the RG meetings; and;
- provide inputs on key outputs of the project.

Objectives of the 2nd NRG Meeting

The second NRG meeting has following objectives:

- acquaint RG members with the project activities, its goals and outcomes and to brief them about the activities implemented so far *vis-à-vis* SLO analysis of the project
- seek inputs on implementing GIM Phase II
- discuss future activities of the project.

Participants

All the participants were members of NRG coming from diverse but relevant background. Out of 16 NRG members, 12 participated. They are: Dr Atiur Rahman, B D Rahmatullah, Professor Shamsul Alam, Dr M Fouzul Kabir Khan, Dipal Chandra Barua, Muhammad Abu Taher Khan, Aurun Karmaker, Emdad Hossain (CAB Representative instead of Kazi Faruq), Mollah Amzad Hossain, Professor HKS Arefeen, Professor AK Enamul Haque, and Professor M Ismail Hossain.

Dr Atiur Rahman, Chairman, Unnayan Shamannay & Professor, Department of Development Studies, Dhaka University, Dhaka (currently the Governor of Bangladesh Bank) presided over the meeting.

Materials

A number of documents were given to the NRG members in advance so that they could prepare for the meeting. The documents included -- papers on Grassroots Interface Meeting (GIM: Phase I), Territorial Base Paper, a paper on Consumer Participation in Electricity Regulation: Rajasthan and Bangladesh experience, a draft matrix on systematic problems related to electricity consumers and their possible solutions, and draft strategy and agenda for the 2nd phase of GIMs. Each of the members was also provided with a CD on the RESA documentary, "Powered to Grow".

Proceedings of the NRG Meeting

Presentation and Showcasing of RESA Documentary

The meeting started with a presentation on the overall progress of the project achieved so far (details of the project activities carried out, outcomes and SLOT analysis) by Taifur Rahman, the nodal person of the project in Bangladesh. A documentary video on the RESA project as mentioned above was screened after the presentation.

Discussion

At the beginning of the meeting **Dr. Atiur Rahman** thanked CUTS International for its assistance and collaboration. He hoped that the remaining part of the project will be as successful as the previous one. He also emphasised that the project should focus more on the following aspects while carrying out the remaining activities.

- How to increase people's participation?
- How to involve the civil society?
- How to improve institutional conditions?
- How to take it to a wider audience?

At the beginning, **Udai S Mehta**, CUTS International stated that the 1st phase of the project was a success. According to him the project funding agency NORAD was happy with the progress. He mentioned that being a pilot project and given the paucity of funds, the RESA documentary was restricted to cover the GIMs conducted in State of Rajasthan, India. He also said that the identification of systemic problems was completed in the 1st

phase of the GIMs, and that the solutions to those problems will be provided to the consumers during the 2nd phase of the GIMs.

Professor AK Enamul Haque, United International University emphasised on defining the term ‘participation’ to the consumers. He also identified the lack of certain information about distribution companies. To understand the consumers he emphasised on three particular aspects: proper collection of information (what type of information? how much of it is needed?), strategy to energy saving technology, and good survey method. He questioned the effectiveness of the Bangladesh Energy Regulatory Commission (BERC) and how effective were the public hearings. He also suggested monitoring of the condition of the end users.

Mollah Amjad Hossein, Editor of Energy & Power suggested that the laws and rules for consumers need to be reviewed. Consumers should be informed about the electricity acts. He claimed that these acts are not in favour of both rural and urban consumers, even the rural consumers (ones of the Rural Electrification Board - REB) still have to pay for transformer theft. He said that public participation largely depends upon the efficiency of the Energy Regulatory Commission, so regulators should be involved. As the grassroots NGOs have better relation with the common mass, their voluntary approach will definitely help in this matter. He also emphasised on conservation and efficient use of electricity.

Dipal Chandra Barua, Deputy Managing Director, Grameen Bank highlighted the problems on distribution side and stressed on efficiency improvement, consumer awareness and survey at the consumer level to determine renewable energy options. He also suggested that the consumer rights are needed to be seen from lawyers’ perspective. He opined that examples from the grassroots level should be brought to public. To achieve something out of the project, the issues should be brought to the knowledge of the policy makers. Like others he also emphasized on solar energy consumer survey.

Emdad Hossein, Consumer Association of Bangladesh (CAB) questioned the effectiveness of the Acts relating to consumers’ interests. According to him, most of the acts were outdated and not consumer friendly. Electricity acts do not protect consumer rights, he mentioned. Moreover, there are no certain policies and the government does not have any long-term vision to introduce consumer oriented policies. He highlighted the problems such as excess electricity consumption at the shopping malls, electricity wastage on decorative lightings, etc. His opinion was that these facts should be considered at the policy level. He questioned about the efficiency of the energy saving bulbs. He suggested bringing the local awareness at the national level and government to introduce solar power to the high rising buildings.

Professor Shamsul Alam, Chittagong University of Engineering and Technology said that about 93 percent of the respondents covered during the consumer baseline survey were not aware of the reforms adopted in the electricity sector. The government does not know what reforms have yielded for the people. According to him, there have been many reforms but each of them has failed to provide electricity at affordable price. The government should be made aware of this fact. It is unwise to provide gas to the rental

power plants instead of the Power Development Board (PDB), where it is clear that PDB provides electricity at cheapest rate, he opined at the meeting. According to him local electricity production should be financed locally. He also pointed out the presence of corruption at different levels, and to overcome this crisis, he felt the government should first realise what we need.

Dr. M. Fouzul Kabir Khan, Former Power Secretary said that the consumers were not aware of the citizens' charter and the authority could not be held responsible for their ignorance. He denies any mismanagement or corruption in rental power plant policy; he also claimed that no PDB plant has suffered because of rental power plant. He suggested the use of renewable energy, and monitoring of the performance of non-grid electricity.

Muhammad Abu Taher Khan, Managing Director, NGO Foundation suggested the need for more interactions with the consumers at the grassroots. He suggested promotion of renewable energy as a partial solution to the present power crisis.

Arun Karmakar, Senior Reporter, Daily Prothom Alo said that the consumers should be made aware of their rights and responsibilities and efforts should be made to get them organised. He suggested that various activities on electricity reforms should be organised by CAB with support from their local partners at the grassroots level to build awareness. He also spoke about the corruption of the officials and meter readers

Professor M. Ismail Hossein, Jahangirnagar University suggested that the problems and solution should be monitored both at consumers' and providers' end during the second phase of GIMs. He suggested publication of the results from monitoring (on what changes emerge from the activities).

Professor HKS Arefeen, Dhaka University said that in rural areas consumer awareness has been increasing in recent time. Consumption has also increased. Previous government promised to supply electricity to everyone, but they failed. So how the electricity demand of the public will be fulfilled? Our agriculture is dependent on electricity. How much are the rural people aware about the processes of reforms and regulations? Therefore, at the grassroots level these facts should be discussed. Possibilities for local level electricity generation and investment opportunities should be considered. Successful experiences with solar power as in Haluaghat should be implemented in other areas. Nuclear power option should be carefully discussed with the government.

According to **B. D. Rhamatullah**, Former Chief Engineer, REB, as the tariff increases so does corruption. His opinion was that the consumers should understand economy, generation cost, tariff etc related to electricity generation and distribution. He said that the consumer participation should be ensured at the level of Palli Bidyut Samities (PBS) and should include area directors. There are about 700 area directors for 7.5 million consumers in 74 PBSs. They are elected by the people of their own area. He emphasised on the need of generating solar power for the national grid.

Udai S Mehta in his concluding remarks said that like every project, RESA project too has its own limitations. The main purpose of the project is to build the capacity through

consumer participation, and the NRG is to guide the project at the local level. He hoped that the suggestions of the NRG members would be useful in the coming activities of the project and that their guidance would continue over the next few months that the project would continue for.

Dr. Atiur Rahman delivered the Vote of Thanks and informed the participants that the government has made solar panels tax free.

Conclusion

There was a consensus that the majority of the consumers at the grassroots level do not have any idea about reforms and regulation of the electricity sector. The following recommendations emerged from the meeting.

- People should know about the definition of participation
- Consumers should know about their rights and responsibilities
- Examples of consumer problems should be highlighted
- Involvement of media is very important
- Awareness created at the local level should be brought to the national level
- More interactions at the grassroots level are required
- Involvement of civil society should be further strengthened at the grassroots
- Results of survey/project should be publicised and be made available in public domain

In light of the above recommendations and opinions of the NRG members, the RESA project in Bangladesh has further scopes for improvement in a number of aspects. First, the participation of grassroots consumers can be expanded by organising Sub-GIMs (as done in Rajasthan, India) in addition to the 8 GIMs already planned. Second, increase in CSOs participation at the BERC public hearings must be encouraged. Third, the lessons learned from the RESA project need to be disseminated to a wider audience with support from media.
