

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

May 07, 2009

LALITPUR, NEPAL



A PILOT PROJECT ON CAPACITY BUILDING ON ELECTRICITY REFORMS IN
BANGLADESH, INDIA AND NEPAL

RESA (REGULATORY REFORMS IN ELECTRICITY SECTOR IN SOUTH ASIA)
PROJECT



South Asia Watch on Trade, Economics and Environment (SAWTEE)

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1. Introduction

South Asia Watch on Trade, Economics and Environment (SAWTEE), in association with CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER), Jaipur, India, organised the second meeting of the National Reference Group (NRG), under the project entitled “Capacity Building on Electricity Reforms in Bangladesh, India and Nepal” (RESA) in Lalitpur, Nepal, on May 07, 2009. The project was formally launched in Nepal through a local inception workshop organised on April 22, 2008.

Background

The Project is being implemented in Nepal, Bangladesh and India, with support from the Norwegian Agency for Development Cooperation (NORAD). In Nepal, SAWTEE is implementing the project in collaboration with local level partner organisations in 10 different districts of the country.

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.

Reference Group Meetings

RG Meetings (RGMs) have been outlined as one of the important activities of the project. Among the two meetings conducted during the tenure of the RESA project, the first RGM was held in Kathmandu on July 23, 2008. The second RGM was held in Lalitpur, on May 07, 2009.

Objective of the Meeting

Territorial trainings (TTs) and Grassroots Interface Meetings (GIMs) were conducted during the period July-December 2008. The TTs aimed at building the capacity of local partner organisations to enable them to intervene and effectively participate in the electricity reforms and regulatory processes in Nepal. The GIMs were designed to reach out to the electricity consumers at the grassroots level to identify systemic problems of electricity consumers in Nepal. The second phase of GIMs, to be conducted during the period January-June 2009, are targeted towards providing solutions to systemic problems collated during the 1st phase of the GIMs. The second RG meeting aimed at discussing the strategy for implementation of the second phase of the project with special focus on implementation of the second phase of the GIMs.

Territorial Base Papers (TBPs) were prepared in each of the project territories on the basis of field research and the baseline consumer survey. TBPs from all the project territories were collated into a synthesis report that contains a broad overview and comparative analysis of the key findings of the various base papers. The RGM-II also aimed at getting valuable inputs and suggestions on the report. Similarly, the RGM-II was a platform to discuss the activities to be conducted during the second phase, i.e. January 2009-March 2010.

In sum, the objectives of the RGM-II are as follows:

- 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; and
- get comments/suggestions on SBP and RESA documentary.

Participants

Out of 24 NRG members (including the newly added seven members), 18 participated in the meeting (See Annexure I for detailed list of participants and Annexure II for the detailed list of RG members who were not present in the meeting).

Members of the Reference Group

- Dr Ajay Dixit, Founder, Nepal Water Conservation Foundation; Editor, Water Nepal; Chairman, Nepal Water
- Dr Hemant Dawadi, Executive Director, NRN Association, Nepal
- Ranjan Krishna Aryal, Joint Secretary, Ministry of Tourism and Civil Aviation
- Rupa Shrestha, Vice-President, Central Committee, Consumers Forum
- L R Tamang, President, Nepal Electrical Contractors Association; General Secretary, Society of Electrical Engineers Nepal; Executive Director, Hyonjan Electrical Engineering Fabricator Pvt. Ltd.
- Baburam Dhakal, Senior Reporter, Abhiyan Weekly
- Urmila Joshi, Quality Control Expert, Environment and Public Health Organisation, Nepal
- Jyoti Baniya, General Secretary, Forum for Protection of Consumers Rights;
- Bikash Thapa, Senior Reporter/Sub-editor, Columnist (Hydropower Sector), Kantipur National Daily
- Dilli Prasad Ghimire, Chairperson, National Association of Community Electricity Users, Nepal
- N P Dhital, Department of Economics, Tribhuvan University; Secretary, Forum for Protection of Consumers Rights
- Ramakant Gauro, Immediate past member, Infrastructure Sector, National Planning Commission
- Prem Lal Maharjan, Chairperson, National Consumers Forum
- Ojaswi Gautam, General Secretary, Media For Economic and Social Awareness
- Ananda Pokharel, Board Member, Nepal Electricity Authority, (NEA)
- Lila Gadtula, Under Secretary, Ministry of Water Resources

Members of SAWTEE

- Dr Posh Raj Pandey, President, SAWTEE
- Ratnakar Adhikari, General Secretary, SAWTEE
- Dr Dhrubesh C. Regmi, Programme Director, SAWTEE
- Asish Subedi, Programme Associate, SAWTEE

Proceedings

Inaugural Session

Ratnakar Adhikari, General Secretary, SAWTEE, welcomed all the participants and acknowledged their valued presence in the meeting. He summarised the objectives of the RESA project and said it was a timely undertaking for the improvement of the Nepali power sector. He threw light on the successful completion of the TT and the GIMs Phase I. He requested the participants for their active participation in the meeting. **Dr Posh Raj Pandey, President, SAWTEE**, presided over the meeting.

Dr Dhrubesh C. Regmi, Programme Director, SAWTEE, and Nodal Person, RESA, Nepal, highlighted the objectives of the meeting. Explaining the role of the RG members, he shed light on the importance of RG members' comments and suggestions for the successful implementation of the project activities. He stressed that together we can solve the problems that exist in the Nepal power sector to help the people get adequate and good quality power. He thanked the participants for their valued presence.

Session I: Overall Progress of the Project: Phase I

Asish Subedi, Programme Associate, SAWTEE, made a presentation on the overall progress of the first phase of the project. He started with the brief objective of the project and introduction of the local partner organisations. He highlighted the activities undertaken so far in the project. He presented the project outputs and pointed out the systemic problems of electricity consumers in Nepal. He further presented the SLOT Analysis of the project. He also shed light on the action taken on the suggestions derived from the first round of the RG meeting. Furthermore, he explained the future activities to be carried out under the Phase II of the project.

The floor was opened for discussion after the presentation.

General Observation

RG members were keen to know more about the details of the GIMs conducted in different parts of the country. They were interested in knowing consumers' and Utility Personnel's willingness to participate in the meeting and their response to the issues included in the different sessions of the meeting.

Comments from the RG Members

Jyoti Baniya, General Secretary, Forum for Protection of Consumers Rights; Member, Electricity Tariff Fixation Commission

- Baniya started with sharing his experiences during his long association with the RESA Project.
- He said that the RESA has been able to bring the issues of electricity to the attention of the consumers at large. He added that consumers have been gradually creating a position to have their say at the policy-making level. He repeated his commitment to push harder for pro-consumer participation in the Electricity Tariff Fixation Commission.
- He stressed the need for the expansion of the activities and the geographical coverage of the project. He also stressed the need for continuous advocacy on part of the partner organisations on electricity issues.

N P Dhital, Department of Economics, Tribhuvan University; Secretary, Forum for Protection of Consumers Rights

- He said there is a problem in meter reading within the Nepal Electricity Authority (NEA) and there is a need to curb the prevailing malpractices in the power sector.
- Dhital was of the view that power theft has been getting political and social protection and thus curtailing this crime should be the political agenda.
- He stressed on the need for consumer education to make people aware enough to create a situation of checks and balances in the electricity sector, among others.
- He appreciated the RESA project's initiative of raising awareness on the electricity issues and urged for more proactive steps of the project in the sector.

Ananda Pokharel, Board Member, NEA

- He said that amid the political restructuring going on in the country, there is also a need for restructuring of the NEA as well. He suggested that such restructuring should not be dictated by the donors.
- He was of the view that the present crisis in the power sector is due to the lack of good governance in the sector. He added that a project like RESA should be a campaign reaching far and wide in the country and not be limited within project activities. He also extended his best wishes for the upcoming activities of the project.

L. R. Tamang, President, Nepal Electrical Contractors Association; General Secretary, Society of Electrical Engineers Nepal; Executive Director, Hyonjan Electrical Engineering Fabricator Pvt. Ltd

- Tamang commented on the tariff system of the NEA. He said that the current tariff system encourages maximum consumption of electricity and, hence, should be reformed for assisting nation's needs for power conservation. He stressed the need for greater advocacy by the RESA Project and others associated with the power sector for the reformation of the tariff calculation system.
- He stressed the need for advocating minimising of the import duty on energy-efficient appliances, including the Compact Fluorescent Lamps (CFLs).

Lila Gadtaula, Under Secretary, Ministry of Water Resources, Government of Nepal

- Gadtaula thanked SAWTEE's endeavour to make consumers aware of electricity issues.
- She said that it is a tendency in the Nepali power sector to exceed the scheduled date of completion of the hydro-power projects. This significantly increases the cost of electricity generation and, hence, consumers have to pay high electricity tariffs. She expressed the need for empowering consumers to act as the watchdogs for the electricity projects. She asked the RESA project to consider this aspect as well.

Prem Lal Maharjan, Chairperson, National Consumers Forum

- Maharjan spoke on the importance of consumer representation at the policy making level. He was of the view that the NEA has shown utter unaccountability towards consumers, by not representing consumers in its board.
- He said that given the inability of the NEA to localise the bill counters, the NEA should work together with the local consumer groups not only to make the billing system effective but also to curb power theft. He said that consumer organisations, including the partner organisation of the RESA project, are always ready to work together with the NEA.

Dilli Prasad Ghimire, Chairperson, National Association of Community Electricity Users, Nepal

- Ghimire was of the view that consumers should take note of the governance issues in the power sector. This is because the present crisis in the sector is due to the indifference of the people.
- Citing the example of the community managed hydro-power system, he said that if communities or the consumers would be made as decision makers, the malpractices that occur in the generation, distribution and transmission business would be automatically stopped. He stressed on the need for building capability of the consumers to make them capable enough of taking charge of the decision-making process and the overall management process, as a whole. He asked the RESA project to focus more on such issues.



Baburam Dhakal, Senior Reporter, Abhiyan Weekly

- Dhakal said that consumers have been aware in many ways in the present scenario. The expansion of the mass media throughout the country has helped a lot in raising consumer awareness. He added that, however, electricity has been a less talked issue in Nepal. He opined that projects like the RESA should be expanded in all the districts of the country.
- He also said that the media should always be committed to bringing the malpractices in the electricity sector to the public notice. Giving high priority to the issues of the electricity sector, he said that his publication has always been associated with the RESA project.

Rupa Shrestha, Vice-President, Central Committee, Consumer Forum Nepal

- Shrestha thanked the RESA project for undertaking consumer awareness on the issue that was not much talked about before. She called it a much desired initiative and shared experiences of RESA's implementation right from its beginning.
- She was also of the view that the RESA should expand its geographical coverage and activities.

Ojaswi Gautam, General Secretary, Media for Economic and Social Awareness

- Gautam congratulated SAWTEE for taking its activities to the grassroots level and not limiting itself at the centre.
- He pointed out the need for advocacy to pressurise the implementation of its action plan to mitigate power crisis. He added that this is very important when the country is facing massive power famine. He suggested the RESA should work towards this end.

Dr Ajay Dixit, Founder, Nepal Water Conservation Foundation; Editor, Water Nepal; Chairperson, Nepal Water for Health

- Dixit viewed the meeting as an important forum for a discussion on the RESA project, electricity consumers and issues in the Nepal power sector.
- He expressed his happiness to see non-technical people from diverse fields discussing the electricity issues. "Only we engineers used to talk and plan for the electricity sector before few years", he said, "It is indeed a pleasure that people are being aware about the issues in electricity planning", he added.
- He said that, of course, numerous problems exist in Nepali power sector. Undertakings like the RESA project can definitely bring a change. He viewed that it is the duty of every individual as an aware citizen of this country to contribute for the betterment of the sector. He highlighted the need for strong consumer vigilance, support from the civil society and the active role of the media in minimising the malpractices that prevail in Nepali power sector.
- He opined that it is now high time to reform the NEA. So, projects like the RESA should push the government for reform in important areas for the consumers that need not wait till the reform of the NEA itself.
- He also suggested learning from the power sector reform experiences in South Asia, particularly India and Bangladesh, given the regional nature of the project.

Ramakant Gauro, Immediate past member, Infrastructure Sector, National Planning Commission

- Gauro congratulated the RESA team for the successful completion of the first phase of the project.
- He said that the RESA has been a timely endeavour amid the power famine in the country. He suggested the rapid expansion of awareness programme regarding the use of energy- efficient appliances.

Session II: Showcase RESA Documentary

Dhrubesh Regmi spoke about the RESA documentary to the RG members. Regmi highlighted the context and the content of the documentary. He said that the documentary depicts the grassroots level activities, including other activities of the project that have been documented in one of the project territories, i.e. Rajasthan, India.



Dr Regmi speaking during the session

RG members well appreciated the presentation on the RESA project in the documentary. However, they showed their discomfort regarding the coverage of only a single territory in the documentary. They suggested the inclusion of the RESA activities in other territories as well, including Nepal.

Session III: Implementation of Project Activities

Dhrubesh Regmi briefly highlighted the future activities of the project. He asked for the RG members' inputs (comments and suggestions) for the successful implementation of the upcoming activities.

General Comments of the RG Members

A. Implementation of GIM Phase II

- RG members provided their comments on the strategy note prepared for the implementation of the GIM Phase II.
- They suggested avoiding the monsoon season for organising the meetings.
- In the sessions to be covered, they suggested adding a session on the causes of load-shedding and the role of the consumers in mitigating it.
- They thanked the RESA project for compiling the problems of electricity consumers. They further complimented it for making a comprehensive document listing legal provisions and possible solutions to the problems.

B. Advocacy Seminar

- Special attention should be given to including all the stakeholders in Nepali electricity sector.
- Seminar should not be limited to project activities and should address the pertaining issues in electricity sector of Nepal.

- They suggested organising the seminar only after mid–November, after the completion of two major festivals in Nepal, Dashain and Deepavali.

C. Final Consumer Survey

- Efforts should be made to include the respondents of the baseline survey to gauge the actual achievement of the project.
- RG members suggested utilising consumer survey as one another opportunity to make the consumers aware. It is a unique opportunity to educate people on the electricity issues and handouts/pamphlets could be used for this purpose.

Closing Session

During this session, RG members thanked the SAWTEE and partner organisations for undertaking the RESA project. They were of the view that the RESA is a timely undertaking amid the power sector reform process going on in Nepal.

Dr Poshraj Pandey, President, SAWTEE, thanked all the distinguish RG members for their valued and active participation in the meeting. He concluded the meeting with a request to all the RG members to actively contribute for the betterment of the Nepali power sector.



(L-R): Dr Pandey(R) delivering his remarks during the RG Meeting; Baniya and Ghimire

Highlights and Lowlights

Highlights

- Active participation by most of the RG members.
- Representation form wide range of stakeholders.
- Systematic format of the programme.
- Opportunity to disseminate the project activities.
- Positive feedback regarding future activities under the project.

Lowlights

- Sudden political turmoil restricted participation of CUTS representative.
- Some of the RG members did not provided detailed comments and suggestions.
- Given the number of sessions and discussions not limited to the project activities, time allocated for the meeting was inadequate.
- Some of the active RG members could not make it to the meeting due to unavoidable reasons.

Annexure I: List of Participants

S.N.	Name	Designation/Organisation	Phone Number	e-mail
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8.	Baburam Dhakal	Senior Reporter, Abhiyan Weekly	Ph: 4429816	dhakalbaburam@hotmail.com
9.	Urmila Joshi	Quality Control Expert, Environment and Public Health Organisation, Nepal	M: 9841292101	joshi_urmila@yahoo.com
10.	Jyoti Baniya	General Secretary, Forum for Protection of Consumers Rights	M: 9851058755	jyotiadvocate@yahoo.com
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12.	Dilli Prasad Ghimire	Chairperson, National Association of Community Electricity Users, Nepal	Ph: 01-5571013	dilli_ghimire2001@yahoo.com
13.	N P Dhital	Department of Economics, Tribhuvan University; Secretary, Forum for Protection of Consumers Rights	M: 9851108813	

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14.	Ramakant Gauro	Immediate past member, Infrastructure Sector, National Planning Commission	M: 9851003796	rkgauro@gmail.com
15.	Prem Lal Maharjan	Chairperson, National Consumers Forum	M: 9851041032	
16.	Ojaswi Gautam	General secretary, Media For Economic and Social Awareness	M: 9851082265	ojaswijournalist@gmail.com
17.	Ananda Pokharel	Board Member, NEA	M: 9851089532	anandapokharel@yahoo.com
18.	Lila Gadtaula	Under Secretary, Ministry of Water Resources	M: 01-4211511	lunamanjil@yahoo.com
19.	Dr Dhrubesh C Regmi	Programme Director, SAWTEE	Ph: 4415824, 4444438	dhrubesh.regmi@sawtee.org
20.	Asish Subedi	Programme Associate, SAWTEE	Ph: 4415824, 4444438	asish.subedi@sawtee.org

Annexure II: List of RG Members Who Were not Present in the Meeting

S.N.	Name	Designation/Organisation	Phone Number	e-mail
1.	Mahesh Acharya	Project Coordinator Power Development Project, NEA Transmission and Distribution Nepal Electricity Authority	Ph: 4477119	maheshacharya@info.com.np
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