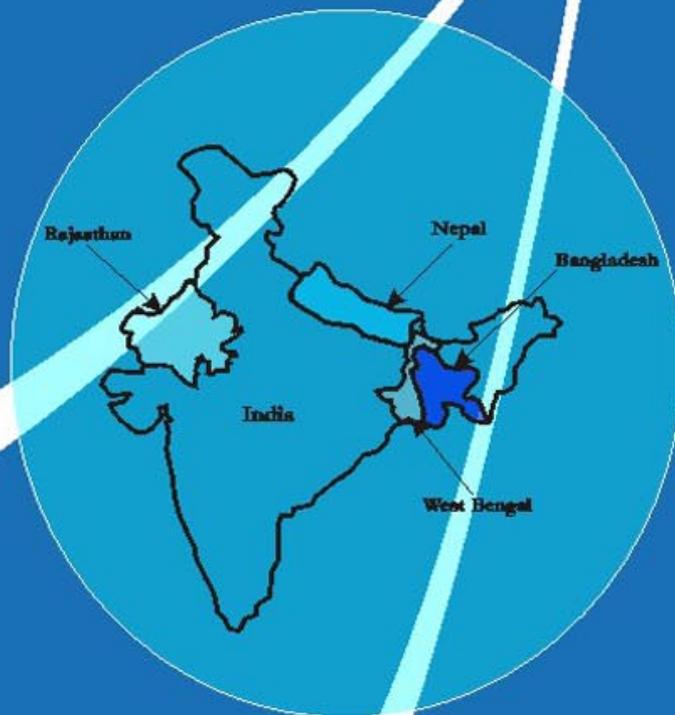


(RESA Project)
(March 2008 August 2010)



Electricity Reforms in South Asia: Empowering Consumers

A Pilot Project on Capacity Building on
Electricity Reforms in Bangladesh, India and Nepal



PROJECT BACKGROUND AND OUTCOMES

Background

Electricity is the most versatile form of energy and affects the well being of each section of society. It plays a crucial role in the economic development of a country. However, due to certain reasons such as lack of adequate investment, poor quality of service etc. in most of the South Asian countries the electricity reform process has been unsatisfactory. For the last one decade, restructuring of the electricity supply industry is in process. Broadly, three types of changes are being implemented: unbundling of integrated utilities; deregulation; and privatisation and creation of independent regulatory agencies.

In the new regulatory environment, consumers are required to play a proactive role to protect their interests by participating in the policy formulation and regulatory decision-making process. However, public participation in many cases is inadequate.

Apart from others, one important reason is the low capacity of civil society organisations (CSOs) to intervene in the regulatory process. Needless to say supply of electricity is a very complex issue; CSOs need some basic training so that they can participate effectively. Thus, there is a critical need to build capacity of CSOs, which can promote consumer interest in the reform process over time.

Realising the importance of building the capacity of CSOs in the electricity reform process, CUTS International along with its partner organisations: Unnayan Shamannay, Dhaka, Bangladesh; and South Asian Watch on Trade, Economics & Environment (SAWTEE), Kathmandu, Nepal implemented a two-year pilot project entitled, "Capacity Building on Electricity Reforms in select South Asian Countries (Nepal, Bangladesh and two states in India, i.e. Rajasthan and West Bengal)", popularly known as the RESA Project – <http://www.cuts-cier.org/RESA/index.htm>. The project was supported by the Norwegian Agency for Development Cooperation (NORAD).

Key Activities

- Launch Meeting & Training Workshop
- Local Inception Workshops
- Consumer Baseline Survey
- Reference Group Meetings – Phase I & II
- Grassroots Interface Meetings – Phase I & II
- Mid Term Review Meeting
- National Advocacy Seminar
- Final Consumer Survey
- Regional Conference

Launch Meeting and Training Programme,
March 13-14, 2008, Kolkata, India

Objective

The overall objective of the project was to increase long term capacity of CSOs to improve consumer representation, and thereby enhance the effectiveness of regulatory regimes in the electricity sector in India (West Bengal and Rajasthan), Bangladesh and Nepal.

Outcomes

The RESA project has made a number of significant contributions with an impact on the community at large. The following are the main contributions of the project:

- The RESA project has popularised discussion of power sector reforms. For example, in most of the project territories, reforms are in process but the consumers are unaware of it. CUTS, through the effective implementation of the RESA project, has been able to generate discussion on power sector reform issues and thus raised awareness among various categories of consumers (roughly 3000) in select project territories on such issues.
- The project provided a rare opportunity for meaningful interaction between the service providers (utilities) and clients (consumers). The same has been well documented in the RESA video documentary entitled 'Powered to Grow'. While creating opportunities of interface between the utilities and the consumers, the project has helped authorities understand the ground realities and consumers to understand various limitations/problems faced by utility companies.
- The balanced approach that the RESA project adopted was targeted at educating consumers not only about their rights but also about their responsibilities regarding curbing power theft and promoting energy conservation. This resulted in a better relationship between two major stakeholders (consumers and utility companies), which will definitely ensure more efficient use of electricity, power saving and other positive future outcomes.
- The RESA project has become an eye opener for many policymakers working in the power sector. Most of the local/decision makers in the project territories participated actively in the grassroots interface meetings (GIMs) and appreciated the platform created by CUTS to actively engage with consumers.
- The feedback received from various consumers reflects that the project has contributed significantly in building capacity of the local CSOs and thus enabled better

Mid-term Review Meeting, April 01, 2009, Jaipur, India



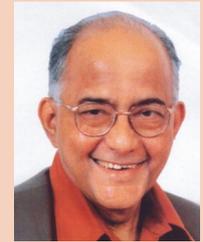
comprehension of the issues. These enhanced capacities are now being used in raising awareness and knowledge on the power sector and its reforms.

- As part of the project activities, territorial trainings (based on territorial training manuals) were organised which

resulted in creation of a cadre of 90-100 consumers across project territories as grassroots trainers for undertaking advocacy.

- A strong network of consumer organisations (about 40-50) has been formed at the grassroots level.

“..a valuable study produced by CUTS International on electricity reforms and regulation. It makes a point that around 50 percent of population in project countries, have no access to electricity due to rampant theft, poor metering, billing and collection, unaffordable tariffs, poor quality of electricity service, and frequent shortages. To overcome this situation, one of the solutions is to induce the private sector to enter the sector and for that policies have to change. These lessons come clearly from this study”.



S L Rao

Chairman, Institute for Social and Economic Change, India



“The Power Sector Reform Programme in Bangladesh is unplanned and non-transparent. Besides, in absence of proper investment, reform activities have been seriously lagging. Under these circumstances, RESA project undoubtedly is significant and valuable in context of capacity building on the power sector reform in Bangladesh”.

M Shamsul Alam

*Professor, Electrical & Electronic Engineering Department
Chittagong University of Engineering & Technology, Bangladesh*

“Everyone knows that sustainable development in South Asia requires major reform of the power sector. Too often, however, reform has failed to take into account the needs and views of ordinary consumers. The RESA project is an outstanding exception. From the beginning grassroots capacity building and active involvement of consumer advocates has been blended with best practices from other countries and it is a great model for other projects”.



Allan Asher

*Chief Executive Officer
Australian Communications Consumer Action Network*



“CUTS International has contributed reasonably in raising consumer awareness about reforms in the electricity sector. I am sure that such efforts will help in developing a matured electricity market offering greater transparency for all stakeholders including consumers. Efforts such as RESA project need to be encouraged and continued”.

Prititosh Ray

Former Member, West Bengal Electricity Regulatory Commission

“I have observed and actively participated in events organised as part of RESA project in Nepal, which brought together consumers, service providers and other key stakeholders. This interaction has definitely helped improve the service and the relationship between the utility and its consumers. I wish that SAWTEE and CUTS International will continue with the project, which deserves appreciation and compliments”.



Sher Singh Bhat

Director System Operation, Nepal Electricity Authority

National Reference Group Meeting, July 17, 2008,
Dhaka, Bangladesh

Mid-term Review Meeting, April 01, 2009, Jaipur, India



GRASSROOTS INTERFACE MEETINGS

Grassroots Interface Meetings (GIMs) were conducted in two phases. The agenda of these meetings was to reach out to consumers at the grassroots level and make them aware of the role that they need to play in regulatory reforms, and transfer some of the key advocacy skills to them. In the first phase of the meetings, information such as reforms, grievance redressal mechanism were disseminated to relevant consumers namely farmers, commercial users, domestic consumers etc. and efforts were made to register their problems, needs and challenges. In the second phase, possible solutions to their problems were discussed in the presence of peoples' representatives. Around 10,000 consumers participated in both the phases of GIMs across project territories.

Initiative taken by Consumers

Given below are select examples of initiatives taken by consumers after awareness generation about the regulatory process through GIMs under the RESA project:

Koushik Mondal, one of the participants of the GIM conducted in Nadia district in West Bengal, India, had a meter with broken seal. After having been made aware about his rights and responsibilities, he registered a complaint with group electricity supply office. The station manager initially refused to register his written complaint. However, when he insisted that he would approach the higher authority, i.e. the Grievance Redressal Officer, the station manager was forced to register his complaint. Within three days, the meter was sealed properly.

Ramji Lal and Raju, Melusar village Sardarshahar, Churu, Rajasthan, India having participated in a sub-GIM gathered a group of influential people and empowered them with the ongoing power sector reform processes with emphasis on energy conservation, power theft and grievance redressal mechanism. They distributed handouts, which were given to them during the GIMs. Later the same group gathered again and submitted a memorandum before the Assistant Engineer of Sardarshahar. Steps were taken to rectify the problems.

After attending GIM I & II, Saraswati Ghimire, a domestic consumer of Palpa district, Nepal discovered that she was made to pay extra charge for electricity connection as compared to the official installation cost. During the meeting, she was informed about the actual installation charges and also trained to read the meter. She mentioned that meter readers from Nepal Electricity Authority (NEA) would come to her residence and record 20 units of electricity consumed, without referring to the meter. Having attended the meetings, she was able to read the meter herself and cross check whether NEA officials have recorded the correct meter reading or not. Further, she also took the initiative to use CFL bulbs in her house which led to reduction in the amount of electricity bill.

Champa Khatun, a domestic consumer of Shahapur, Rajshahi District, Bangladesh actively participated in both the phases of GIMs. She was made aware of the issues such as consumer participation, regulatory reforms, energy efficiency, etc. Having acquired knowledge, she took the initiative and replaced all the bulbs at her house with CFL bulbs; thus, taking a step towards ensuring energy efficiency. She has taken a step towards being aware of her own rights and responsibilities as a consumer and using the knowledge to benefit herself and her family members.



Grassroot Interface Meeting, December 17, 2008, Uttar Dinajpur, West Bengal, India



Grassroot Interface Meeting, November 06, 2008, Kota, Rajasthan, India



Grassroot Interface Meeting, December 06, 2008, Rupandehi, Nepal



Grassroot Interface Meeting, July 25, 2009, Comilla, Bangladesh

NATIONAL DISSEMINATION AND ADVOCACY SEMINARS

National Advocacy Seminars were organised in each project territory to disseminate the project findings to the policy community and regulators etc. The seminars facilitated and helped in developing a network between and amongst policy community, regulators, civil society representatives, media, etc. on challenges that need to be addressed with regard to electricity reforms. The seminars aimed at making the policymakers realise the urgent need and importance of consumer participation in the policy-making process amid the ongoing power sector reform process in the country.

Common advocacy messages that emerged from the discussions in the project territories:

- Policies and laws that govern the electricity sector should be transparent and able to protect the interest of consumer;
- Creating a conducive environment for the private sector to enter the sector;
- Devising a mechanism to ensure that the policymakers/mass representatives are held accountable and responsible for their actions;
- Controlling pilferage should be a priority; and
- Continued consumer awareness campaign across project territories are required.

“The RESA project being carried out under the direction of CUTS is an ambitious and important project. Too often the people that have suffered as countries ‘experiment’ to find workable structures are the poorest, most vulnerable consumers. The value of this project is that it seeks to build capacity in the vulnerable groups so that they have a voice in the process and can ensure that their interests are represented”.

Steve Thomas

Senior Research Fellow, Public Services International Research Unit



“The RESA project offered a welcome initiative to allow the proactive participation of electricity consumers in the reform process. I believe that the increased awareness that the RESA project has generated will allow civil society and other electricity consumers’ fora to contribute meaningfully in improving the delivery levels of electricity - a vital component for sustaining economic growth in the State of West Bengal”.

Sunil Mitra

Revenue Secretary, Government of India

“The RESA Project undertaken by CUTS along with its project partners in Nepal and Bangladesh adds significant value to the body of knowledge currently available on consumer issues in the electricity sector. The findings reflect that consumers are keen to get involved in the process and this should be noted by the concerned organisations as an immediate action point. I hope that the policymakers will utilise the findings of the project in improving the electricity regulatory scenario in India”.

J L Bajaj

Distinguished Fellow, The Energy and Resources Institute, India



“Consumer participation in regulatory process is the key to protect their interests and making the process accountable and transparent. The initiative taken by CUTS under RESA Project to build the capacity of consumers/CSOs to enable them to effectively participate in the regulatory process is indeed a commendable step. Considering the commitment and involvement of CUTS in protecting and furthering consumers interest, a representative of this organisation has been inducted as a member of the State Advisory Committee of the Commission”.

D C Samant

Chairman, Rajasthan Electricity Regulatory Commission

“The RESA project implemented by CUTS is a unique effort to build the capacity of electricity consumers in Rajasthan. Infact, CUTS has been active in Rajasthan in the area of electricity since many years. Like always, the efforts through RESA has not only contributed in raising the consumer awareness level on rights but also their responsibilities and it has been able to provide a better platform to improve relations among consumers and utilities”.

R G Gupta

Chairman and Managing Director, Ajmer, Jaipur and Jodhpur Discoms, Rajasthan



Consumer Empowerment in Electricity Reforms
– A Review from South Asia



Countries	Partner Organisations	Website
Bangladesh (Dhaka)	Unnayan Shamannay	www.shamunnaybd.org
India (Rajasthan)	CUTS Centre for Consumer Action, Research & Training (CART)	www.cuts-international.org/CART.htm
India (West Bengal)	CUTS Calcutta Resource Centre (CRC)	www.cuts-international.org/cuts-crc.htm
Nepal (Kathmandu)	South Asia Watch on Trade, Economics & Environment (SAWTEE)	www.sawtee.org

Important Project Stages

- Identification of 700 consumers in each project territory during consumer baseline surveys.
- Territorial Trainings to ensure creation of a cadre of 90-100 consumers as grassroots trainers for undertaking advocacy.
- Involvement of 700 consumers in each project territory during two phases of GIMs.
- Advocacy seminars across project territories by involving all concerned stakeholders.

Key Outputs of the Project

- Territorial Training Manuals
- Synthesis Report, "Consumer Empowerment in Electricity Reforms – A Review from South Asia"
- Project Poster
- Video documentary, "Powered to Grow"



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