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SOUTH ASIA REGIONAL INITIATIVE FOR ENERGY
COOPERATION AND DEVELOPMENT
ARTICLE ON PARTICIPATORY APPROACH
TOWARDS IMPROVED RURAL
ELECTRICITY SERVICES

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The Government of India has clearly indicated that it wishes to continue the power sector reform efforts that have been under way since the passage of the Electricity Act of 2003. These reforms include creating an environment that encourages privatization and ensuring that all segments of society have access to quality electric power.

The power sector has long experienced uneven load distribution and a corresponding loss of revenue. A genuine fear is that privatization will focus only on major load centers and exclude rural areas. The rural sector has a very important part to play in the reform process, and both the center and the states have placed top priority on rural sector reform. In this context, the state of Karnataka is the only state in the country that has taken the lead in implementing the devolution of power to rural areas via the panchayati raj system, as per the constitutional amendments. Karnataka also embarked on power sector reform by passing a reform act as early as 1999. This act was designed to unbundle the mammoth Karnataka Power Transmission Corporation Limited (KPTCL), formerly the Karnataka Electricity Board (KEB), into Electricity Supply Companies (ESCOMs) that would subsequently be privatized.

In 2002, Karnataka began experimenting with the use of panchayati raj system to improve revenue realization in rural areas so that the marketability of the rural power sector would improve under privatization. It was at that point that the United States Agency for International Development (USAID) offered to support the capacity building process of Karnataka's gram panchayats (GPs) by leveraging the agency's own experience in South Asia under its SARI/Energy program. USAID was also promoting the concept of establishing an energy-water nexus to assess the impact of shortages in both energy and water resources. The Government of Karnataka (GOK) was pleased to receive such assistance from an international agency at this crucial juncture as it would benefit the state in two ways: (1) by helping the GOK address the issue of huge power subsidies going to the farming sector (Rs 3000 crore per year), which was becoming a burden on the state budget; and (2) the participatory approach and the involvement of local institutions in power sector reforms will evoke a positive response towards the government. The GOK called this effort "Participatory Rural Energy Services in Karnataka" or PRESK for short.

USAID made it clear at the start that whatever technical assistance and capacity building was to be provided would be decided based on the actual need in the rural areas in Karnataka. GOK reacted favorably by selecting four taluks being served by the local utility, Bangalore Electricity Supply Company (BESCOM). Each taluk was selected based on certain criteria. One was contiguous to urban Bangalore, had satellite transmission receiving center and set up a transformer users' association for an experimental project; the second had a large number of rural customers; the third was noted for a large no. of Irrigation Pump set users and very high line losses; and the fourth was a dry area with very low water table. In this way, the experiment could be tried out under different scenarios.

After an exploratory visit by international experts to the four taluks and after discussions with the local populace, it was observed that rural consumers were dissatisfied with the utility services and had no desire to take up additional responsibilities relating to electricity supply. This was not unexpected as farmers had

other major problems to deal with, such as consecutive droughts coupled with drying borewells; difficulties in marketing agricultural produce; and accumulating debt. On previous occasions, the GOK routinely waived the electricity bills of farmers under the guise of showing concern towards the rural consumers. Farmers naturally took for granted that future electricity bills would also be waived and, on that pretext, were refusing or delaying payments to the utility. This, of course has put the ESCOMs, in dire financial constraints. Thus, the most important and immediate need was to improve communications channels between consumers and the different agencies concerned and to change the mindset of rural consumers.

The GOK, while setting up committees at state and taluk levels, demonstrated commitment towards USAID interventions. BESCO arranged introductory workshops at the identified taluks to announce the USAID pilot project and request local participation in large measure. USAID brought in experts from Bangladesh to speak about their experiences in establishing rural electric cooperatives or palli bidyut samithis (PBSs) in their country, which is very similar to the empowerment of GPs, now being attempted in India.

The communication channels offered a plethora of options. Community participation was the main approach considered appropriate to the Indian democratic setup. This meant that frequent interactions with rural consumers were necessary to elicit their support for all the tasks and to show concern for their demands and requests. Because no database pertaining to the energy-water interface in the agricultural sector existed to support the communications effort, one had to be generated. This meant collecting and integrating information from the local utility, and from the departments of mines and geology and agriculture and taluk panchayat offices. Also, a field survey was undertaken to establish farmer profiles and assess water consumption patterns for different plantations. Volunteer rural consumers were selected to collect the survey data in the field, and the survey findings were then discussed with other rural consumers to get consensual feedback.

During the visit of the Bangladeshi experts to Karnataka, discussions were held and their experiences were documented in Kannada, the local language. Their video film on the “Rural Electricity Board in Bangladesh” was also translated into Kannada for dissemination. However, during interactions, the local farmers expressed that best practices from within the state, rather than from an outside area, would be better appreciated. Therefore, progressive farmers were identified within the state to serve as resource persons for the project. Their activities have been documented on videodiscs to enable dissemination. Documentary filming has also been done at several progressive GPs—for example, a GP where water meters are installed in all consuming areas to ensure metered water supply and pro-rata revenue collection. A visit was made to Hukkeri Rural Electric Cooperative Society (HRECS) in the Belgaum district of North Karnataka. HRECS was established in 1959 as a society with the support of US NRECA and has, since then, been supplying power to the rural consumers in Hukkeri taluk under license from KPTCL and approved by KERC. HRECS’s activities, performance, and profile of consumers have also been filmed for the benefit of other taluks in the state.

To help change the mindset of rural consumers, a documentary film has been made on the present status of farmers and what they can expect by becoming involved in the

GPs associated with the PRESK initiative. The film is aptly titled “Marali Mannige” (Back to the Soil) and is intended to inspire farmers to return to the soil and their ancestral vocation of farming and discourage migration to urban centers.

All the collected materials, data, and information need to be disseminated to the farmers and rural youth to facilitate increased awareness. To achieve this goal, a PRESK resource center (RC) has been established in one of the taluks. It is located in the agricultural office where the farmers are already coming to buy fertilizer and seeds and to obtain information from the raitha samparka kendra (Farmer information Center). The farmers visiting the agricultural office can now visit the RC to get information on the energy-water nexus in agriculture, rainwater harvesting techniques, rural electricity distribution issues, and alternate power generation technologies. The RC has an internet facility to search for needed information worldwide. The RC also shows documentary films and videos and distributes handouts free of cost. Kannada-language handouts have been produced on water and rural electricity and are distributed through the taluk offices to consumers. Several free lecture demonstrations have been held in the RC to give rural consumers the opportunity to interact with the PRESK officials. To increase the information outreach, a mobile facility has also been introduced at the RC, which has made it possible to bring knowledge and awareness at the village level.

Dissemination of information was also done through training programs for GP members. The first batch of programs was held at the Mahatma Gandhi Regional Institute for Rural Energy and Development (MGRURED) at Bangalore. At GPs’ request, the second batch was held at taluk level to facilitate their easy commutation. All the programs were purposely kept in a highly interactive mode to create maximum impact on the participants. Women GP members were well represented in the training programs.

This opportunity for the GP members and farmers to have a free interaction with the PRESK team generated considerable enthusiasm. Members began showing more interest in GOK plans and discussing the pros and cons of the GPs taking over electricity distribution and the benefits they could derive from that action. Throughout the project, discussions were held in a friendly atmosphere with everyone taking equal responsibility for the benefits or pitfalls of any given proposal. Ample scope was also given to rural consumers to express their views freely and frankly.

This exercise has inspired an effective participatory movement at the grassroots level. By the end of one year of field activities, GP members are showing readiness to take on additional responsibility for electricity distribution. In view of the complexity of the issues, it was thought best to give the GPs the task of rural electricity supply meter reading, billing, and collection (MBC) in the first phase. As they gain experience, GPs would eventually take on additional responsibilities of distributed generation and demand-side management, as well as other distribution sector tasks. In spite of apprehension in the beginning, several GPs (30 out of 112 from the four taluks) have displayed specific interest in undertaking these activities, and six of these interested GPs have actually stepped forward to implement them. They convened special panchayat meetings to convey their desire to other GP members and obtain their approval and passed resolutions to that effect.

BESCOM, in association with the Rural Development and Panhayati Raj (RDPR) Department of the GOK, is now working on a model memorandum of understanding (MOU) to be signed between all the GPs in the state and the respective utilities.

The lessons to be learned from this exercise are that rural people are not averse to new technologies or responsibilities. They only need to be educated in their own language and allowed sufficient time to understand and react. They require a friendly approach and an interactive mode of communication. They do not refuse to pay for the services rendered to meet their needs as long as the government does not stop them from doing so. They are legitimately fed up with the often fly-by-night actions of many agencies in the past. They are also looking for *sustainable* options.

The die has been cast. Now, what is required is the speedy implementation of the proposal to involve gram panchayats in rural power sector reforms. Delay will only wean away the enthusiasm that has developed as a result of the PRESK initiative and the plight of the rural electricity consumer will worsen.

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