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Improving Electrical Access in Informal Urban Settlements



Illegal electric connections.



Legal metered connection.

USAID is piloting a private sector municipalities–NGO alliance to improve electrical service to households living in informal urban settlements in Ahmedabad, as part of USAID’s support for the Global Village Energy Partnership (GVEP). The privately-owned Ahmedabad Electric Company is experimenting with a co-metering approach to provide legal electricity connections in conjunction

with the Ahmedabad Municipal Corporation (AMC) Parivartan (slum upgrading) scheme. Under that scheme, the AMC works with NGOs and donors (World Bank) to provide basic amenities like water, drainage, street paving, toilets/sanitation and street lights in slum areas. The scheme, however, does not cover individual electricity connections to slum dwellers.

This USAID-supported innovative private sector – NGO partnership is based on community NGOs overseeing the 'communes of electricity consumers' as a key to overcoming the current unauthorized/illegal approaches used to provide power to slum dwellers. In 2003, some 800 households in four chaals (slums) were upgraded from illegal and unreliable electrical service for which they paid the equivalent of \$5/month to illegal intermediate service providers. Under the scheme, households pay about \$50 for a legal connection (left), which is registered under a woman’s name with micro-credit provided from the NGOs; local women are trained to read meters and to collect tariffs from households – for which they are paid by the utility.

The utility has seen its unaccounted losses reduced from 40% to the industry standard of 10% in areas that have been upgraded. The electrification of these communities has provided households with legal, safe, and reliable electricity service and extended the number of hours that women can work, contributed to their ability to send their children to school. Electricity bill have decreased by about 50%. The model is expected to ensure a long-term, sustainable solution to upgrade living standards of slum dwellers.

For more information, contact S. Padmanabhan, USAID/India, email: spadmanabhan@usaid.gov, and Simone Lawaetz, USAID’s Office of Infrastructure and Engineering, email: slawaetz@usaid.gov