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The USAID-United States Energy Association Energy Partnership Program

Activity:	Impact Assessment of the United States Energy Association Energy Partnership Program
Program Area:	Energy Sector Governance
Implementer:	United States Energy Association
Geographic Focus:	Africa, Asia & Near East, and Latin America & Caribbean
Countries:	Angola, Bangladesh, Bhutan, Botswana, Brazil, Costa Rica, Dominican Republic, El Salvador, Gambia, Ghana, Guatemala, Guinea, Honduras, India, Indonesia, Jamaica, Kenya, Lesotho, Malawi, Maldives, Mongolia, Mozambique, Namibia, Nepal, Nicaragua, Panama, Philippines, Senegal, South Africa, Sri Lanka, Swaziland, Tanzania, Zambia, and Zimbabwe
Duration:	January 2003 – March 2003

Project Background

With funding from the U.S. Agency for International Development (USAID), the United States Energy Association (USEA) created the Energy Partnership Program to organize volunteer-based, multi-year partnerships between U.S. utilities and regulatory agencies and their counterparts in developing countries.

USEA is a non-profit association of public and private energy-related organizations, corporations and academic institutions in the U.S. USEA represents all U.S. energy sectors and is the U.S. Member of the World Energy Council.


Development Objectives

The purpose of the Energy Partnership Program (EPP) is to involve volunteers from US utilities and regulatory agencies and their counterparts in over 40 developing countries. USEA has involved over 250 American utilities, regulatory

commissions, energy organizations, trade associations, manufacturers, engineering companies, professional societies, and educational institutions in the EPP. EPP volunteers have donated nearly \$9 million in time and expertise to their developing country counterparts, exceeding the USAID contribution to the program.

Activities

The objective of the EPP is to work with each utility or regulatory partnership to prioritize 3-4 key focus issues and develop a Work Plan that guides the partnership. Each two-year partnership is developed to be results oriented and include peer-to-peer exchanges and 3-4 partnership activities per year. Examples of focus issues are restructuring and reform, energy pricing, energy market operations, independent transmission, financial, rate setting, media, consumer participation, and distribution planning.



By early 2003, USEA had established 50 bilateral and regional partnerships in USAID-assisted countries in Asia, Africa, Latin America and the Caribbean. While USEA has an essential coordinating role in the Energy Partnership Program, the program's success is largely based on the voluntary participation of the U.S. and International Partner organizations. Participants and their organizations donate significant time and resources, including technical expertise, materials, administrative support and personal time to ensure the success of their partnerships.

Intended Benefits

Partnerships are intended to yield development impacts by helping International Partners' senior executives observe and learn how similar U.S. organizations are structured, financed, managed and regulated. Partnerships also aim to help International Partners do the following:

- Gain knowledge about market-based planning, energy sector restructuring, and other issues from peers in U.S. organizations.
- Learn and adopt international standards and best practices for energy-sector regulation.
- Establish advisory relationships to discuss improved practices for operating and managing changes occurring in the energy sector.

- Compare different approaches to regulatory and energy-sector reform efforts.
- Improve management and organizational performance.
- Increase energy efficiency.

Partnerships are also intended to help U.S. executives to understand the dynamics of non-U.S. energy markets and to forge beneficial international alliances. They can help U.S. Partners demonstrate their corporate social and environmental commitment, develop staff capabilities and international awareness, and compare different approaches to regulatory and energy-sector reform efforts.

Organization

Each partnership consists of one or more organizations based in USAID-assisted countries ("International Partners") and one or more U.S. organizations ("U.S. Partners"). Some partnerships involve only private-sector energy companies (known as "utility partnerships"); the rest involve only public-sector energy agencies (known as "regulatory partnerships"). In addition, there are "bilateral partnerships" (consisting of one International Partner and one or more U.S. Partners) as well as "regional partnerships" (consisting of multiple International Partners from the same region, as well as one or more U.S. Partners).



Energy Partnership Program works in Africa, Asia, and Latin America and the Caribbean.


Issues

International Partners have the lead role in selecting three or four specific issues they would like their partnership to address. These issues, known as “partnership objectives,” help to focus the partnership activities to optimize limited time and resources. Typically, partnership objectives involve key issues such as energy distribution, customer service, regulation, market restructuring, transmission, energy efficiency/renewable energy, and electricity generation. The participation of partners’ senior staff in all partnership activities helps ensure that partnership objectives are met and the intended development benefits are provided.

Assessing the Program’s Impacts

Much has been accomplished under the Energy Partnership Program, with many apparent benefits to its participants. However, until 2002 a summary of these benefits and a formal evaluation of the Program’s effectiveness had not been performed. Recently, at USEA’s request, Energy Resources International, Inc. (ERI) performed an impact assessment of the Energy Partnership Program’s effectiveness and development impacts, including:

- Impacts/accomplishments of the partnerships.
- Benefits to the partner organizations.

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- Achievement of the programmatic goals defined by USEA and USAID.
 - Opportunities to improve the Energy Partnership Program.

The assessment's goal was to determine the effectiveness of the USEA Energy Partnership Program and how well the program has assisted countries in obtaining USAID's objectives.

The assessment employed a detailed questionnaire that asked international and U.S. partners about various aspects of their partnership experiences including impacts produced, activities undertaken and challenges encountered. The questionnaire was transmitted to 140 individuals in 24 partnerships, in all 18 USAID-assisted countries in which the partnerships have been established.

Overall, this assessment found that the USEA Energy Partnership Program is having positive development impacts on international partners' organizations and their countries. As a result of the

partnerships, in many international partners' countries more people have better access to energy services. Energy resources are being produced more efficiently, and delivered to customers more safely and reliably. The partnerships also helped them to strengthen the rule of law in their countries, improve the structure of their energy sector and/or increase their customers' knowledge and awareness, and helped prepare them for regulatory, policy and institutional changes in their countries.

Development Impact

The results of the EPP in developing countries have (1) improved the operational efficiency and increased financial viability of their utilities; and (2) avoided, reduced, and mitigated the impacts of their energy sector activities.

Lessons Learned

Volunteer interaction between peers is a valid approach to transfer useful development information.

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