



USAID
FROM THE AMERICAN PEOPLE

Public Understanding and Participation

Activity: Public Understanding and Participation
Program Area: Energy Sector Governance
Implementer: The Academy for Educational Development
Geographic Focus: Global
Countries: India, Indonesia, South Africa, and Zambia
Duration: September 2001 – June 2004

Project Background

This work addressed a critical need -- for incorporating democratic principles into the energy policy development process. While democratization and civil society concepts have gained important ground in other areas of social policy, such as health care and environmental issues, such concepts have eluded energy policy development to date.


Engaging key stakeholders – the public, business community, product manufacturers and suppliers, utilities, fuel suppliers, local and national governments, NGOs and advocacy groups, and the public at large - in the process of energy policy formulation at the earliest stages and throughout implementation will accomplish several things:

1) Energy policies will benefit from early buy-in from all key parties affected, whether directly or indirectly.

- 2) Through better education, the public will understand how energy policy relates to them and will be in a better position to influence and facilitate change.
- 3) Stakeholders will feel empowered to influence the process of policy development and will know how to go about doing so.
- 4) Through these activities, consensus-building opportunities will be identified that will help facilitate positive change.
- 5) Implementation will achieve greater success when a democratic process is used to develop strategies.

Development Objective

The objective of the project was to increase the capacity of the public to understand the various social, economic and political dimensions of energy service provision and to participate in decision making, as much as is practical, regarding such provision. Greater public



participation will result in better service provision and will provide ancillary development benefits in strengthening civil society and democratic culture. The program defined “the public” broadly as incorporating consumers, non-residential end users of electricity and energy, as well as stakeholders – government, utilities, NGOs, regulatory agencies, and groups either directly involved in or influencing energy policy decisions.

Approach

The program goals were accomplished through a series of case study applications to specific energy issues within several countries; the results were combined to identify commonalities across projects, and to extract lessons learned and best practices for a wider audience.

Project Activities

India – India’s power sector is restructuring, establishing regulatory bodies, breaking-up vertically integrated state-owned utilities, and encouraging private sector participation in the energy development and management. Frameworks have been put in place to increase public participation in the sector, but regulators and distribution companies have little experience in public outreach and interaction, and the public does not know HOW to get involved. USAID worked in two different states to increase public involvement in the power sector. In Delhi, USAID worked with North Delhi Power Corporation to reach out to low income consumers in slum areas. In Karnataka, the focus was on work with NGOs that represent consumers

throughout the state. Activities included training on power sector issues and customer service, assisting with public outreach and basic consumer research to find out what the public expects, wants, and needs.

Indonesia – Indonesia is restructuring both its oil and gas sectors. USAID funded a research audit of to gather existing data on stakeholder relations and the status of public participation in the reform process. This valuable tool provided a first step for determining a strategy for addressing popular resistance to reform.

Zambia – The energy sector is privatizing and a new regulator has been established, but so far, consumers neither understand nor appreciate its role in energy service provision. At the same time, the staffs of both the regulatory agency and the utility have little experience communicating or interacting with the public. Working with the Energy Regulation Board, USAID provided training and technical assistance on consumer outreach and communications techniques, including working with the media and journalists, and developed a consumer bill of rights to help establish and codify the relationship between customers and energy service providers, articulating the responsibilities of each.

South Africa – The government and electric utility have long been united in the desire to establish appliance standards and a labeling program to encourage energy efficiency in the fast-growing residential market. The problem has been



reaching that goal – a mutual objective that has proved elusive given the range of stakeholders, each with their own agendas related to the initiative. Government wanted to emphasize high energy efficiency goals and clear labeling that is South African-based, while the utility and appliance manufacturers preferred to stick with existing European labeling conventions so a minimal burden is placed on appliance manufacturers. These two camps are not the only players – retailers and consumers; the ones whom most directly affect appliance sales – had not even been consulted yet. In this case study, USAID conducted consumer research and facilitating a series of workshops with a broad array of stakeholders to help reach consensus on an approach to achieving the energy policy goal.

Project Results

This project built public participation capacity among energy decision-making bodies in Zambia, South Africa, Namibia, regionally in Southern Africa, in India and Indonesia through direct case study activities. It involved over 150 individuals in the various countries' energy sectors in direct training activities on topics such as customer service, media training, communications, NGO capacity development and stakeholder collaboration. It further helped to build the capacity of at least 10 secondary stakeholder groups involved in energy issues including consumers groups, manufacturers' associations, energy conservation groups and others.


Development Impact

Positively engaging the public in the decision-making process, no matter what level of the engagement, leads to better and more effective policies and programs. This project helped various decision-making bodies who are engage in market transitions and critical energy issues – the new energy regulatory agency in Zambia, the government's energy ministry in South Africa, a social policy NGO in Indonesia, and electricity distribution companies in India. In each case study, the project has demonstrated the lead organization can find better solutions by engaging those who are going to be affected by the policy or program. The "public" has many faces - In some cases it is residential energy consumers, in others it is manufacturers of energy using appliances, in another it is consumer groups and in yet another it is local government leaders and organizations.

Lessons Learned

Addressing the "Information Deficit"

Reducing the mystery of the energy sector to outside groups has been another key lesson learned, its value in the project far exceeding expectations. Journalist and media training has helped reduce the amount of sensational reporting on energy issues, has given those involved in communicating to the public tools and places to go for updated information about the energy sector that is credible, and has helped forge relationships between journalists and public affairs staffs of the utilities and regulatory groups. In another area, understanding why customers do



not pay their electric bills ended up being a revealing exercise to local sector partners and sponsors alike, in that trust issues play a major part. The energy sector has a significant information deficit – where the media, the public and others outside of the decision-making process do not understand change, such as distribution reform or higher tariffs, and also do not feel that their interests are being considered. Consumers reported being willing to pay – that is, for adequate and reliable services received. Public participation efforts in several countries and activities under this project helped to reduce the level of distrust among stakeholder groups and elevated the discussion of issues to a higher level of understanding and focus on reaching common solutions. It also widened the target audience and fomented debate and discussion among stakeholders who were previously marginalized or disengaged.

Regulatory Capacity Building Must go Beyond Technical Training

There is resistance to addressing anything beyond the comfort zone of the traditional energy sector employee – and regulatory staffs are no exception. The problem is that the resistance sometimes comes from the top, so it is critical to achieve buy-in from the highest levels of government regarding the need for training in the human interaction side of energy sector issues. Regulatory staff tends to be overrepresented by engineers and financial analysts, many of whom came from the utility sector and have no experience in concepts such as consumer protection, social policy or transparency – issues that are critical to the effective operation of an independent regulatory body. Advances were made in introducing these concepts in this project, but this is clearly an area where more “selling” to top decision-makers of why such capacity is necessary to effective regulation is still in order.

USAID Contact

Davida Wood
Office of Infrastructure and Engineering
+1 202 712 0594
dwood@usaid.gov

Project Contact

PUP India
Carol Mulholland, Program Director, AED
+1 202 884 8034
cmulholl@aed.org

PUP South Africa; PUP Zambia
Brian McCotter, Program Officer, AED
+1 202 884 8224
bmccotte@aed.org