



USAID
FROM THE AMERICAN PEOPLE

ENERGY UPDATE

ISSUE 1

JAN 2004

Powering Economic and Social Development through Expanded Access to Modern Energy Services

The Energy Team

The Energy Team within the EGAT Bureau's Office of Energy and Information Technology provides technical leadership and field support to USAID Missions and Regional Bureaus for the design and implementation of activities to improve the quality of life, increase economic growth, and promote sustainable communities by increasing access to environmentally sound energy and improved environmental practices. The Energy Team focuses on:

- Improving policy, legal, and regulatory frameworks to establish necessary market conditions for the private sector delivery of energy services and environmental management services;
- Increasing institutional (public, private, and NGO) ability to provide or deliver energy and environmental management services in the new and enhanced markets; and
- Increasing public understanding of, and participation in, decisions regarding delivery of energy and environmental management services.

Energy Team News

Energy Team under New Leadership

Gordon Weynand assumed leadership of the Energy Team in January 2004. He replaces Griffin Thompson who has taken a position with the U.S. Department of State's Office of Policy Coordination and Initiatives.

New Staff

Jas Singh has joined the Energy Team as the Urban Energy Services Program Leader. Prior to joining USAID, Jas worked for nine years at the World Bank, focusing on energy and environment programs in Asia. Jas has worked extensively on developing energy efficiency financing programs, energy service company (ESCO) development and utility demand-side management activities. Jas can be reached at jsingh@gstmail.org until he is assigned a USAID e-mail address.

Pamela Baldinger has joined the Energy Team's Urban Energy Services Program. Prior to joining USAID Pamela worked at the World Bank and the US-China Business Council on advising government officials on energy sector strategies, and assisting Chinese banks and loan guarantee companies to understand the risks and benefits of energy performance contracting. She brings extensive knowledge and experience in energy and environmental finance and policy. Pamela can be reached at pbaldinger@usaid.gov

Announcement

Patricia Flanagan is the new Rural Energy Services Program leader. She replaces George Like who has moved to work with the Agency's American Schools and Hospitals Abroad (ASHA) program.

January 2004

Technical Assistance to Missions (Oct 2003 – Jan 2004)

Field Support

Gordon Weynand and Kevin Warr provided technical assistance in the development of a \$80 million energy infrastructure reconstruction and repair program, and an energy reform program for USAID/Afghanistan.

Kevin War participated in efforts that brought online the follow - on contract for Iraq Infrastructure Reconstruction.

Omar Hopkins, Erik Streed, and Patricia Flanagan assisted USAID/Brazil in developing a Performance Monitoring Plan (PMP) with winners of their recent Request for Proposals on “Productive Uses of Energy.”



As part of the Afghanistan infrastructure program, the Agency will repair two Units at the Kajakai Hydropower Plant shown above, bringing electricity to 36,000+ people

Patricia Flanagan provided technical assistance to USAID/Georgia to review draft energy, economic and environment studies, final reports, and construction plans of the ten communities targeted under the community mobilization task of the Georgia Energy Security Initiative (GESI) program. The program is designed to increase the efficient use of energy in Georgia and to help provide adequate and reasonably priced energy supplies for the Georgian population.

David Wood assisted USAID/Georgia in identifying public awareness and participation needs in the energy sector. The report that resulted is being used by the Mission, E&E Bureau, and Department of State as guidance in allocating further funding for the Mission’s GESI program.

Ellen Dragotto and David Wood worked with USAID/India to finalize a “Public Understanding and Participation in Energy” project with the North Delhi Power Limited (NDPL) in Delhi and Consumer Rights, Education and Awareness Trust (CREAT), an NGO in Karnataka.

Walter Hall provided support on legal and independent regulator development to USAID/Guatemala and provided LAC Missions with descriptive materials from a World Bank Conference and a brief Memorandum on current donor and Government efforts to attract further private capital into the sector to overcome service adequacy problems. Walter Hall also provided support in the development of Mission energy programs in the South Caucasus including restructuring of state-owned assets, development of a legal and regulatory structure that will attract private capital, commercialization and privatization, energy market development and attracting investment to conservation/renewable energy projects.

Todd Harding met with USAID/Bangladesh staff to identify possible intersections between Mission energy programs and the new Energy Indefinite Quantity Contract II. See note on the following page regarding the new Energy IQC.

Erik Streed and Patricia Flanagan attended the USAID/Brazil annual energy program cooperators meeting in Maceio, Brazil. Erik and Patricia then joined Eduardo Freitas from USAID/Brazil to visit Suruaca - an isolated community in the Amazon region where EGAT/EIT/E collaborated with USAID/Brazil, and a local NGO called Projeto Saúde e Alegria (PSA) to establish a community telecenter. The community was given responsibility for designing and building the telecenter building, and USAID provided the solar panels and computer and telecommunications equipment. The telecenter will be used for distance learning and providing telecom services to small businesses and micro entrepreneurs. For more details on this project see page 5.

New Contract Mechanisms

New Energy Technical Assistance Indefinite Quantity Contract Awards

The Energy Team has had a technical assistance Indefinite Quantity Contract (IQC) since 1997. The First Energy Technical Assistance IQC ran from 1997 to 2002. The original ceiling of \$200 million was largely exhausted by early 2001 and 90 task orders were contracted.

The Energy Team has a new technical assistance Indefinite Quantity Contract. The purpose of the new Energy Technical Assistance IQC is to provide technical assistance in three broad areas: (1) Activities to establish the necessary legal, regulatory, and managerial conditions for effective energy sector management and governance; (2) Activities to improve the technical efficiency and operational performance of energy sector institutions; (3) Activities to help consumers of energy to address various dimensions of energy service provision.

Basic features of the new Energy IQC:

- \$500 million ceiling
- five prime contractors
- five year duration with three year extension for existing task orders
- CPFF and FFP task order options

The new Energy IQC has five prime contractors: Advanced Engineering Associates International (AEAI), CORE International, International Resources Group, Nexant, and PA Government Services. Any questions referring to technical aspects of this IQC should be directed to Todd Harding at tharding@usaid.gov

New People, Energy and Development (PED) IQC Awards

The Energy Team has had an Energy and Environment Training Program Indefinite Quantity Contract (Training IQC) since 1998. The first Training IQC ran from 1998 to 2003. The original ceiling of \$50 million was largely exhausted by early 2002 and 28 task orders were contracted.

The Energy Team has a new, People, Energy and Development Indefinite Quantity Contract (PED IQC). The purpose of the PED IQC is to facilitate more effective and efficient knowledge management in the energy sector focusing on broad themes of governance, social development, and the environment. The PED IQC offers a wide range of training and capacity strengthening assistance in the following areas: (1) Institutional Strengthening; (2) Energy Management and Operations; (3) Oil & Gas; (4) Policy, Legal, and Regulatory Reform; (5) Rural Energy Services and Community Development; (6) Technology Transfer; (7) Transnational Issues; (8) Transportation Infrastructure; (9) Public Participation and (10) Crosscutting Sectors.

Basic features of the PED IQC:

- \$150 million ceiling
- four prime contractors
- five year duration with three year extension for existing task orders
- CPFF and FFP task order options

The four base awards were made to the Academy for Educational Development, Advanced Engineering Associates International, CORE International, and the Institute for International Education. Any questions referring to the technical aspects of this IQC should be directed to Ellen Dragotto at edragotto@usaid.gov

Projects Spotlight

Each issue of "Energy Update" will spotlight recent projects that the Energy Team supports. In this issue, we feature two projects that showcase the Energy Team's efforts to increase access to energy in India and Brazil.

Improving Electrical Access in Informal Urban Settlements in India

USAID/New Delhi and the Energy Team are piloting a private sector municipalities– NGO alliance to improve electrical service to households living in informal urban settlements in Ahmedabad, India. 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, 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.



Providing Access to Energy in Brazil's Amazon for Telecenters

While Brazil is already the world's 14th largest energy consumer, the lack of access to reliable energy remains a significant barrier to sustainable socio-economic development. This is especially true for those in the lower income strata, for whom access to power is often sporadic or altogether lacking. These people are largely concentrated in the north and northeastern parts of the country.

According to the Government of Brazil, the number of Brazilians without access to energy services is estimated to be 12 million. Disparities between rural and urban areas are widespread, with over 80% of Brazil's population without access to electrical power located in rural areas.

Since October 2002, USAID/Brazil and USAID/Washington's Energy Team have financed an energy program that focuses its resources to more effectively reach those millions of Brazilians unconnected to the grid.



USAID, with support from Sandia National Laboratory, Acumen International, Greenstar Corporation, and Projeto Saúde e Alegria (PSA, a local NGO), the Greenstar Community Center Project plans to install two solar-powered internet-enabled telecenters in the Amazon as tools to support a range of health, educational and cultural programs. In the longer term, the goal is to work with local communities to stimulate the development of sustainable entrepreneurial activities. The first of the communities identified, Suruacá, had its Telecenter inaugurated on December 14, 2003.

While the equipment was provided by USAID, the community took responsibility for designing and building the telecenter building. Over 50 community members participated in planning and construction of the telecenter, which took four

months to get ready.

The hardware provided by USAID includes a 2.0 kW photovoltaic system, with the capacity to provide energy for four computers to operate 8 hours per day, and a local radio broadcast station to operate 4 hours per day. In addition, the telecenter was also equipped with printers, scanners, digital cameras, and satellite internet connection (provided by the Government of Brazil). Located next to the local community school, it will also be used to improve educational curricula and benefit over 200 children.

Next steps on this project include: (i) the installation of the second telecenter by March 2004 in the community of Maguary, on the east bank of the Tapajós river; and (ii) the use of the telecom network to implement an entrepreneurship capacity building program for the communities in the Tapajós region.



International Leadership

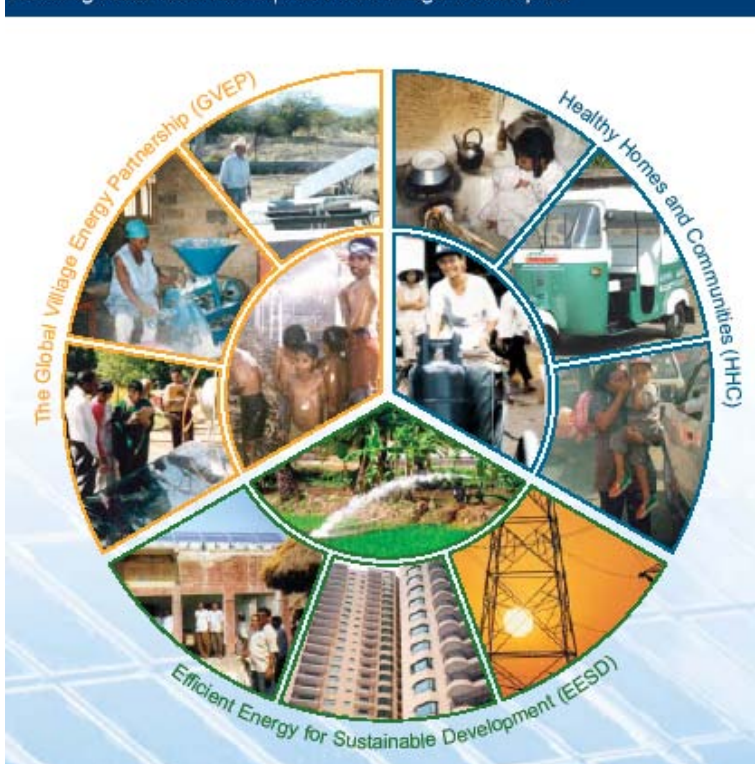
Clean Energy Initiative (CEI)

At the 2002 World Summit on Sustainable Development, the U.S. Government announced a new Signature Partnership for sustainable development – the Clean Energy Initiative: Powering Sustainable Development from Village to Metropolis. The Initiative seeks to provide millions of people with new access to energy services; increase the efficiency of energy, production, delivery and use; and significantly reduce readily preventable deaths and respiratory illnesses associated with motor vehicle and indoor air pollution. To achieve this aim, this U.S.- led, multi-year initiative has three parts:

- The Global Village Energy Partnership (GVEP) will increase access to modern and affordable energy services in areas either not served or under-served by current energy delivery systems. (USG lead: USAID)
- Efficient Energy for Sustainable Development (EESD) will improve the productivity and efficiency of energy systems, while reducing waste and pollution, saving money, improving reliability, and delaying the need for expensive new generating capacity. (USG lead: USDOE)
- Healthy Homes and Communities (HHC) will promote clean transportation fuels (e.g. unleaded gasoline, low sulfur fuels), and healthier indoor cooking and heating practices to reduce the estimated 3 million annual and readily preventable deaths associated with air pollution and unhealthy patterns of energy use. (USG lead: USEPA)

The Energy Team has produced a brochure that provides more information on the Clean Energy Initiative. **To receive a copy of the CEI brochure via e-mail, please contact Omar Hopkins at ohopkins@usaid.gov**

Powering Sustainable Development from Village to Metropolis



Clean Energy Initiative – FY 03 Results

A number of Missions/Offices/Teams reported on their Clean Energy Initiative activities and results in FY03: Albania, Armenia, Azerbaijan, Bangladesh, Bolivia, Brazil, Caribbean Regional, Dominican Republic, Egypt, El Salvador, Guatemala, India, Indonesia, Jamaica, Macedonia, Mali, Mexico, Moldova, Nepal, Nigeria, Philippines, RCSA, Romania, Rwanda, South Africa, Sri Lanka, US-AEP, WARP, Zambia, and the EGAT/EIT/Energy Team.

As a result of these collective activities, in FY03 approximately US\$36M was used to leverage US\$2 billion, provide access to modern energy to over 10 million persons, to train 15,800 individuals and 940 institutions, and to achieve to nearly 73 policy objectives. For more information on Clean Energy Initiative results reporting, please contact Omar Hopkins at ohopkins@usaid.gov

Outreach Efforts

Patricia Flanagan presented on the “**Global Village Energy Partnership**”, the USAID-led component of the Presidential Clean Energy Initiative, at the USAID/Brazil annual energy program cooperators meeting in Maceio, Brazil. For a copy of the presentation, e-mail pflanagan@usaid.gov. To learn more about GVEP visit www.gvep.org

Erik Streed presented at a workshop held in Sharm-el-Shaikh on “**The Use of Modern Technology in Agricultural Practices for Sustainable Development of Desert Areas in Egypt.**” The presentation focused on the interface between agriculture and energy, and how energy interventions can increase the efficacy of USAID agricultural programs. For a copy of the presentation, e-mail estreed@usaid.gov

Davida Wood presented a paper entitled “**Taking Power: Social Dynamics of the Energy Sector**” at the American Association of Anthropologists Annual Meeting. The paper examined multiple meanings of public participation in the energy sector, and evolving approaches at USAID. For a copy of the paper, please contact Davida at dwood@usaid.gov

Upcoming Events

Symposium on Public Understanding and Participation in Energy

Where: Cape Town, South Africa
When: March 16th – 18th
Contact: Ellen Dragotto at 202-712-1453 or edragotto@usaid.gov

The Energy Team is sponsoring a Symposium on Public Understanding and Participation in Energy that will address public participation in the areas of both policy and projects. The objective of the Symposium is for developing and donor country stakeholders to learn more about, and exchange ideas on, emerging approaches to public understanding and participation in the energy sector, and to emerge with a number of practical “ways forward” for how public participation can improve delivery of energy services, and reduce poverty, globally. The Symposium will include conceptual frameworks as well as practical case studies from Brazil, Georgia, Indonesia, India, South Africa, and Zambia. The Symposium is intended to be interactive, in order that we may all learn from each other. On the final day, workshops will be offered on customer communication tools, and the role of transparency and accountability in ensuring public support for energy policies and projects. Various groups will be represented including utilities, government ministries, regulatory agencies, USAID Missions, NGOs, and civil society groups as well as international energy organizations.

New Technical Reports

United States Energy Association and USAID Energy Partnership Assessment

The Energy Team and USEA have published a report on the effectiveness of the USAID-USEA Energy Partnership Program and how well the program has assisted countries in obtaining their objectives. Under the Energy Partnership Program, USEA organizes executive exchanges between U.S. and developing countries counterparts focusing on regulation and market design, efficiency/demand side management, improving distribution reliability, and other energy issues. To receive a copy of the report please contact Kevin Warr at kwarr@usaid.gov

“**Angola Energy Sector Needs Assessment: Emergency Response Study,**” and “**Mid-Long Term Vision and Needs Assessment.**” These reports represent an effort by USAID to assist the Government of Angola for restoring and developing Angola’s energy sector for economic growth and poverty alleviation. To receive copies of the reports please contact Kevin Warr at kwarr@usaid.gov

Contact The Energy Team

Energy Team Leader

Gordon Weynand at goweynand@usaid.gov

Energy Technical Assistance Indefinite Quantity Contract (IQC) II

Todd Harding at tharding@usaid.gov

People, Energy and Development IQC

Ellen Dragotto at edragotto@usaid.gov

Energy Sector Governance Program

The Energy Sector Governance program identifies successful legal, regulatory, and institutional interventions that help bring about stable, transparent, and predictable marketplace rules, and facilitates the exchange of these interventions among development partners. For more information contact:

Mark Murray at mmurray@usaid.gov

Kevin Warr at kwarr@usaid.gov

Davida Wood at dwood@usaid.gov

Walter Hall at whall@usaid.gov

Mark Schlagenhauf at mschlagenhauf@usaid.gov

Urban Energy Services Program

The Urban Energy Services Program addresses a broad complex of development challenges in urban and peri-urban areas. Activities encourage energy, water, and resource use efficiency, as well as the use of appropriate tools, such as environmental management systems to reduce urban pollution. For more information contact:

Jas Singh at jsingh@gstmail.org

Omar Hopkins at ohopkins@usaid.gov

Pamela Baldinger at pbaldinger@usaid.gov

Simone Lawaetz at slawaetz@usaid.org

Rural Energy Services Program

The Rural Energy Services Program's principal activity focus is to identify key energy interventions that contribute to the multiple goals of rural social and economic development. Energy interventions are designed within the socio-cultural and economic context of the intended beneficiaries' environment, thereby ensuring their sustainability. For more information contact:

Patricia Flanagan at pflanagan@usaid.gov

Erik Streed at estreed@usaid.gov



Energy Team
Office of Energy and Information Technology
Bureau for Economic Growth, Agriculture, and Trade
1300 Pennsylvania Avenue, NW
Washington, DC 20523-3800
Telephone: 202-712-1864

To learn more about USAID's energy program, visit www.usaid.gov and type in keyword: Energy