

CASE STUDY

Getting Electricity Users Cooperatives ready for promoting Productive Uses of Energy

Ownership and leadership of a permanent actor/ institution (local or national) plays a crucial role for any intervention to be successful. The Electricity Users Cooperatives (EUCs) are the permanent institutions at local level with whom the project is closely working. They are legally registered local institutions that provide electricity services to its community members. They are deeply rooted in the communities and thus the indicated focal institutions for promoting women's entrepreneurship in the eight project districts (Dolakha, Ramechhap, Sindhupalchowk, Sindhuli, Kavre, Lalitpur, Dhading and Chitwan). The EUCs directly support and interact with the women entrepreneurs in their coverage area.

Institutional capacity building

The EUCs have a central role in the identification and selection of women entrepreneurs to be supported by the project. They also ensure availability of business support services and create an enabling business environment, including regular and reliable supply of electricity to the women entrepreneurs. For accomplishing these roles, smooth operation and management of EUCs is required. However, most of the EUCs are facing technical issues in regular supply of electricity and load management (adjusting or controlling different types of electrical demands). Besides technical challenges, EUCs also need to improve their operation and management system for sustainable service delivery. The severity of these issues varies in each EUC. Operating as social entities, low revenue generation has been the key challenge for viable operation of the EUCs. A recent survey carried out by the National Association of Community Electricity Users-Nepal (NACEUN) shows the situation of the EUCs, which is summarized in the box shown in next page.

Considering the role of the EUCs, a number of capacity development activities were planned and carried out, for effective delivery of the project. For the promotion of productive use of energy (PUE), one focal person in each EUC has received on-the-job capacity development support, such as active participation in trainings and counselling for women entrepreneurs. With the realization of institutional requirements of EUCs, one-to-one and need-based discussions were carried out. They have been then supported through field-based staff. Individual review meetings and exposure visits to one of the best managed EUC helped them in recognizing their issues and motivated them to work towards solutions. Furthermore, a one-day workshop on organizational management assisted them in realizing the pathways for overcoming the challenges

Accomplishments so far

As key accomplishments, most of the EUCs have conducted their financial audits and Annual

Sample situation of the EUCs

NACEUN recently carried out a study for understanding EUC's management and financial capability in terms of income and profitability. The study also included information from five EUCs supported by the project. Through this study, it can be deduced that:

- About 68% of domestic consumers in EUCs fall in the category of 0 – 20 units consumption per month
- On average, there is more than 15% technical loss
- Only two EUCs among the five that are part of the project are making a profit

The reasons for profit in these two EUCs can be attributed to higher electricity consumption by industrial, commercial and domestic consumers who are consuming more than 50 units per month. This has resulted in high revenue generation which can cover their overhead expenses.

General Meetings, some after many years of operation. Regular operation of offices, timely board meetings, recruitment of competent staff, development of action-plans and prioritizing promotion of PUE are some of the visible indicators of their interest for advancement. Realizing the benefits of PUE promotion for their sustainability, some of the EUCs are mobilizing their own resources to achieve the expected results of the project. For instance, Khimti Rural Electric Cooperative Ltd. of Dolakha has mobilized its technical staff besides the focal person, for effective implementation of the project. Similarly, the board members of South Lalitpur Rural Electric Cooperative Ltd. of Lalitpur are actively participating in both managerial and field level activities. It has also formed a sub-committee for promoting PUE in their coverage area. Shree Marsyangdi Multipurpose Cooperative Ltd. of Chitwan has also allocated funds to provide seed capital loan to women entrepreneurs. Furthermore, most of the EUCs have been proactively coordinating and collaborating with eco-system stakeholders, such as local government, line agencies, Banks and Financial Institutions (BFIs) and other market actors to support the women entrepreneurs, thus creating an enabling environment for women entrepreneurship and PUE promotion.

Conclusion

The above reflect some of the early changes or developments seen during the implementation of the project. The EUCs have shown aptitude of promoting women entrepreneurs as well as PUE, and are gradually transforming towards becoming social enterprises. Nevertheless, more concentrated activities for their institutional readiness need to be carried out. Some of them may be unable to continue the initiatives on their own at this stage, as they have limited capacity and require further institutional set-up. For long-run sustainability and to overcome the pertaining challenges, the capacity of EUCs should be improved in terms of good-governance, better and efficient office management practice, capacity improvement of technical staff and service diversification.