

Georgia

Development of Local Capacities And Public Awareness for Better Energy Governance

Project goals and objectives

In order to improve the energy governance, the Project “Development of Local Capacities and Public Awareness for Better Energy Governance”, developed by CENN together with Green Alternative and Eco-Vision, aimed to increase the transparency and efficiency of performance and consumption in the energy sector. It has been planned to be implemented through community mobilization, confidence building, increasing public awareness and citizens’ responsibilities over the resources’ use, creation of ESCAs (Energy Services Consumers’ Association), increasing public participation in the decision-making processes at all levels and launching a nation-wide constructive dialog between all stakeholders on energy sector governance. It was believed that such cooperation would foster social equity and promote sustainable development and good governance in the energy sector of Georgia.

The good governance very much depends on informed public participation and implementation of responsibilities of all players. The emerging democracy of Georgia presents both a challenge and opportunity to improve public participation and transparency of policy making. On the one hand, since the democratic process is still new, informed public participation in policy development is not yet appreciated or fully understood. On the other hand, the fact that democracy is so new provides a unique opportunity to develop public participation in governance early in the process, before too many bad attitudes and practices become habit. It was believed that unless there are major steps taken towards establishment of good governance in the energy sector, the sector would collapse.

The Project met the USAID Tbilisi Energy Team’s Strategic Objective and Intermediate Results framework since the Project aimed to increase

public understanding of, and participation in, decisions regarding delivery of energy and environmental management services and promote sustainable communities by increasing access to environmentally sound energy and improving environmental management.

The Project was implemented by the NGO Coalition (CENN, Green Alternative and Eco-Vision, hereafter referred as “the Coalition”) led by CENN. The Coalition intended to initiate grassroots citizens groups (in pilot districts of Tbilisi) that would act as a liaison between the consumers, private companies and the State institutions in the energy sector. These citizens groups - ESCAs (Energy Services Consumers’ Association), thereby had to facilitate a new form of effective state-private-public cooperation to contribute to public education, improvement of energy delivery services, effective solution of disputes and misunderstandings in the energy sector and advocacy activities at the grassroots level as consumers’ right protection units.

Work with grassroots organizations directed toward protection of consumers’ rights has never been undertaken in Georgia. The Project is the first attempt to build confidence from bottom up. It addressed problems that existed in the electricity sector, since this sector remained highly inefficient, problematic and nontransparent and provoked a lot of misunderstandings and disputes, even political conflicts.

The main strategy was the grassroots level mobilization to, on one hand, empower the citizens’ groups for protection of their rights through constructive public pressure from bottom up, and, on another hand, to increase citizens’ sense of responsibility to meet their obligations towards the society. The main challenge was the confidence building among the main stakeholders in the energy sector.

The role of ESCA, representing consumers, which was established and developed in six districts of Tbilisi, is:

1. Building public education and responsibility;
2. Monitoring decisions and performance in the energy sector, and sharing the information with consumers (watchdog system);
3. Mediating disputes between private consumers and electricity distributors;
4. Lobbying for reforms that lead to better and more equitable electricity provision for consumers;
5. Acting at grassroots level as consumers' right protection units (advocacy);

ESCA's have been planned to play a leading role in community mobilization to convey public recommendations to the competent governmental structures for sustainable management and improvement of the energy sector at different levels, thus making the public voice heard by the decision makers. Through ESCA's, the public has to be involved in decision making in the energy regulation and distribution bodies, on such issues as the introduction of concept and practice of differential and step-rates on electricity, or decision making on changes in the rates on electricity.

The Project's long-term goal is to promote citizens' joint responsibilities and oversight over public utilities and properties. The energy sector in Georgia is rather complex, and in order to achieve sustainability of activities in this field, it is essential to carry out harmonized activities at all levels to achieve the targeted results.

The Project tries to strengthen ESCA's' competence, capacity, confidence and representativeness to enable it to act not only in the field of electricity, but also in the management of other utility services such as gas, water, waste, and serve as condominium management units. A Soviet model of condominium management units, called House Management, is still fresh in the memory of Georgians. House Management units, which were subsidized and administered by the State, played a quite positive role for the public by providing utility services, collecting payments, maintaining the State property and resolving problems in this sphere at the local level. However, due to improper management and bad governance, characteristic of the Soviet manner of administration, House Management units became bureaucratic and corrupt; following the collapse of the Soviet regime these organizations were abolished.

Expected results

It is obvious that unless major steps are made towards increasing transparency, accountability and establishment of good governance in the energy sector, the sector could fall easily into pieces. As already said, the main strategy was grassroots level mobilization as the main challenge was the confidence building among the main stakeholders in the energy sector, from bottom up.

ESCA's were primarily involved in ensuring that customers receive information and act as dispute resolution points.

The main short-term planned result was the grassroots mobilization of the citizens in Energy Services Consumers' Associations (ESCA), being in charge of monitoring of fair electricity distribution and collection of payment in the pilot districts of Tbilisi, as a new form of state-private-

public cooperation. The Project was planned to strengthen capacity of ESCAs to establish them as independent monitoring watchdogs that would facilitate relations between the State, private and public sectors, meantime increasing public awareness on principles of market economy in the energy sector and involve communities in the pilot districts in decision making.

As a result of ESCA's work, the existing tension in the energy sector, at the level of the pilot districts was planned to be reduced through introduction of fair, transparent, responsible and accountable relationship between the public, ESCAs, the State and electricity distribution company, meaning that existing space for public participation in decision making in the energy sector would have been adequately used and new opportunities would have been explored.

We believe that through various activities such as community mobilization, public education, consumer representation (i.e. ESCAs) and other activities, the project achieved its set results.

The Project established six ESCAs in six pilot districts of Tbilisi. To strengthen the results, two types of consumers' districts were proposed, 'good payer' and 'poor payer'. The Project has been implemented in three 'good payer' districts (Nutsubidze, Didube, and Avlabari, with a total of 79,606 consumers) and in three 'poor payer' districts (Nadzaladevi, Varketili, and Okrosubani, with a total of 54,264 consumers). All six districts have similar level of income and poverty indices.

Overall, the Project identifies three main results:

1. more aware and responsible consumer behavior;

2. the establishment and performance of Energy Services Consumers' Associations (ESCA);
3. responsive and accountable energy entities.

Critical assumptions facilitating the achievements of the Project results were the following:

- Willingness of the State, NGOs, private companies, individuals, etc. to work for the implementation of principles of sustainable development and good governance in the energy sector;
- Information provided through workshops, meetings, broadcasts, adequately used by ESCAs, private electricity distribution company and other relevant institutions and individuals;
- Suitable qualified staff willing to work to implement the principles of sustainable development and good governance in the energy sector;
- Willingness and commitment from the electricity distribution company to meet its obligations towards customers;
- Recommendations developed by the Project to be adequately considered by the competent bodies;
- Principles of market economy and social equity to retain at least its present level of priority in Georgia.

Critical assumptions hindering the achievements of the Project results were the following:

- Non-willingness of some governmental bodies to be involved actively in the process due to the existing corruption in the energy sector;
- Inability of communities to pay for services offered by the private electricity distribution company while social safety net was not effective;
- Lack of community ownership sense among Georgian citizens, which could slow down the mobilization process;
- Lack of long-term vision among the State authorities that could lead to short-term 'popular' decisions;
- Lack of knowledge on differences between municipal and the State's obligations.

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