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Improving livelihoods through alternative governance structure?

RAP – IIT-Bombay workshop

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Agenda for the day

- 9:30 – 10:00  Coffee and Registration
- 10:00 – 10:15  Introduction
- 10:15 – 11:00  Presentations by RAP and IIT-B – setting the context
- 11:00 – 11:25  Experience Sharing by WOTR
- 11:25 – 11:40  Tea Break
- 11:40 – 1:30  Experience Sharing by Yuva Mitra, Waghad, BAIF, MannDeshi (tentative) and HappyRoots
- 1:30 – 2:15  Lunch Break
- 2:15 – 3:05  Experience Sharing by Pray as and IWMI
- 3:05 – 4:30  Discussion session
- 4:30 – 5:00  Wrap-up and Way Forward
Outline

- Resources consumption in the rural sector
- Electricity-water-productivity nexus
- What do we learn from the co-operatives/federations?
- What we want to learn at the workshop today?
- Expected outcomes of the workshop
1 Current resource management practices in the rural sector

Current ways of resources management in rural India
Rural livelihood in rural economy depends on resource management

Water

Electricity

Agri-inputs and marketing

Rural livelihood
# Challenges in resource management

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<tr>
<th>Electricity</th>
<th>Water</th>
<th>Agri-inputs and marketing</th>
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<tr>
<td>• Notion of free electricity</td>
<td>• Rainfed (70% in MH)</td>
<td>• Cooperatives managing inputs</td>
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<td>• Non-paying consumers</td>
<td>• Conflict between tail and head of command area</td>
<td>• Farmers’ Producer Companies</td>
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<td>• Lack of reliable input</td>
<td>• Water rights</td>
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<td>• Private insurance (diesel pumps)</td>
<td>• WUAs</td>
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Through the lens of electricity sector - an example of how one sector perceives the agri-water-electricity nexus

- Agriculture sector contributes to revenue loss to the electricity distribution utilities/companies (DISCOMS) due to subsidies for electricity
- Subsidies from the state governments are not credited to the DISCOMS on a timely basis
- Agriculture consumption leads to the power quality degradation leading to an instable grid
International experiences in alternative governance structure / electricity cooperatives in the US
Definition of a Cooperative

“A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

Source: International Co-Operative Alliance
Cooperative Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

Source: International Co-Operative Alliance
Electric Cooperatives in the U.S.

- Successfully electrified rural areas
- The product of significant and consistent government support
- Today, financially stable and key players in their local economies
What might work in India?

**Single purpose cooperative:**
- Examples: electric cooperatives, water cooperatives, milk cooperatives
- Most common form
- Why? Easy to form and likely to succeed.
- Homogenous membership (e.g., all consumers) + Single aim = Fewer internal conflicts

**Multi-purpose utility coops:**
- International examples are rare
- Expected to find more, because homogenous membership and similar aims
- Other entities provide both water and electric service (e.g., some municipalities, rural public utility districts)
3 Learning from Indian cooperatives and common-pool resources management
Multiple sectors have examples of federating to achieve their common goals

Water Users Association + Farmer Producers Organisation + Rural Electricity Cooperative

Water + Market + Electricity
Organizations and categories

- Water Users’ Associations: Yuva Mitra, Waghad, BAIF
- Farmers’ Producers’ Organizations: Yuva Mitra, Mann Deshi, Happy Roots
- Rural Electricity Cooperatives: Prayagas Energy Group (solar-feeders), IWMI (Dhundi)
List of questions for today’s participants?

1. Project description
2. Primary focus (water, energy, market linkages),
3. What worked, failures, can the model scale up?,
4. Can one imagine interventions in multiple commodities/resources (water, energy and other inputs)?
5. Barriers (lack of legislative support, policies, regulations, governance, finance, stakeholder grouping)
Next possible steps after the workshop
Next steps

- Formal deep-dive to explore a **multi-commodity rural coop** or a **single commodity coop** dealing with:
  - Electricity generation, grid integration and revenue earning through sale of electricity
  - Water management (including endogenous and exogenous water sources)
  - Producer cooperative providing market access
- Policy and legal analysis of institutionalizing the coops
- Inter-departmental (state-government) convening?
About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

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