

# Proposal for funding mechanism by MERC for Citizens' Initiatives

Presentation before SAC

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# Background

- Effective participation of citizens groups in the regulatory process is essential
  - Educational institutes, professionals associations, community organizations, NGOs
- Critical pre-requisites for effective participation
  - Space
  - Capacity

# National policies require capacity building of consumer groups

- National Electricity Policy

“Electricity regulatory commissions should facilitate capacity building of consumer groups and their effective representation before the regulatory commissions. This will enhance the efficacy of regulatory process.”

- National Tariff Policy

“..nurturing of consumer groups would be effective”

# Requirements

- Support for diverse activities
  - Awareness
  - Training
  - Support for representation
  - Support for analysis / studies
- Funding mechanism
  - Simple
  - Fair
  - Ensure effective utilization of funds

# Proposed mechanism

- MERC should earmark specific budget (say Rs. 25 lac / yr.)
- Provide specific project / program based grants from this fund
- Grants per group / yr should be limited (say Rs. 3 lac / yr.)
- Grant sanctioning and review
  - Separate three member committee

# Way forward

- Preparing detail proposal
  - Guidelines for funding
  - Procedures
- Finalization after public comments



