

12 January 1994

MEMORANDUM

TO : ALL ELECTRIC COOPERATIVES

SUBJECT : REVITALIZATION OF THE BAPA PROGRAM

In the early years of rural electrification, the electric cooperatives organized Barangay Power Associations (BAPAs) to strengthen member-consumer awareness and involvement in the efforts to achieve financial viability of electric cooperatives through the reduction of system loss and increase in collection efficiency, and to fortify institutional consciousness in the grassroots level.

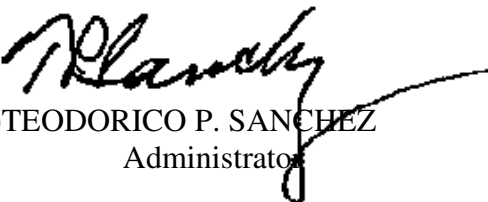
After a decade of BAPA implementation, an impact study was done by this Office which revealed both strong and weak points of the program. It is evident that in relatively successful BAPAs, a strong Board and Management support, and a closer operational linkage with the electric cooperatives are present. For those found unsuccessful, an utter lack of interest and program indifference from the cooperative Board and management prevail. It is necessary therefore to reinforce efforts towards a more directed and goal-oriented implementation.

It is in this regard, and cognizant of the importance of the BAPA in the attainment of cooperative viability and development of the rural barangays, that the attached program revitalization guidelines had been devised.

All electric cooperatives therefore are enjoined to refer to these guidelines in organizing and reactivating their BAPAs by providing all the necessary support and attention to propel them into a common direction.

The Regional Electrification Offices and concerned Departments of the NEA Central Office, particularly the Co-op Operations Department, shall help facilitate the implementation of the program.

For guidance and compliance.


(Sgd)TEODORICO P. SANCHEZ
Administrator

REVITALIZATION PROGRAM OF THE BARANGAY POWER ASSOCIATION (BAPA) CONCEPTUAL AND IMPLEMENTATION GUIDELINES

I. Rationale

The shift from the rural electrification program thrust -- from massive construction of distribution lines to attainment of financial viability -- has led to the realignment of programs intended to better serve the member-consumers whose active participation in the affairs of the cooperatives certainly plays a major role in achieving viability.

For two decades of operation, total membership in cooperatives ranged from 6,000 to 91,000, making it almost impossible for the cooperatives to personally reach out to their member-consumers and involve them in cooperative affairs.

The enormity of this number has led to the conceptualization and organization of the Barangay Power Associations (BAPAs) for the purpose of strengthening member awareness and involvement in efforts towards the reduction of system loss, improvement of collection efficiency, and fortification of the institutional consciousness in the grassroots level.

As of the second quarter of 1993, eighty six (86) electric cooperatives have organized a total of 4,276 BAPAs, 2,945 of which are operational. However, it has been observed that in the past few years the number of BAPAs had dwindled and others became inactive.

II. Impact Study Results

A recent impact study on the BAPA done by this Office revealed both strong and weak points of the program.

1. **Strong Points** – The success of some BAPAs was due to:
 - a. full support of EC Board, Management and staff and their initiative in program implementation;
 - b. competent and sufficient number of EC staff to handle an increasing number of BAPAs;
 - c. granting of various incentives by the EC, such as the 3% discount on prompt payment, rebates on KWH sold, system loss allowance, honorarium for working BAPA officers, annual cash awards for outstanding BAPAs and livelihood projects;
 - d. strict implementation of BAPA policies;
 - e. continuous follow-up, monitoring and auditing of BAPA operation;
 - f. continuous extending of technical assistance;
 - g. strong support and cooperation of barangay officials;

- h. strong leadership and dedicated BAPA officers, well-informed and active membership.
2. **Weak Points** – The failure of some BAPAs was due to:
- a. lack or absence of EC staff tasked to monitor the program;
 - b. lack or insufficient incentives given to BAPAs resulting in their inability to sustain operations leading to turnover;
 - c. high system losses mainly due to technical factors and failure of the EC to immediately attend to complaints and requests;
 - d. lack of members' understanding of EC policies and rules;
 - e. delayed collections; members, especially farmers, could not pay on time. The BAPA then could not avail of the 3% prompt payment discount;
 - f. mismanagement by BAPA officers, such as malversation of funds and delayed remittance of power bills;
 - g. lack of clear-cut policies or guidelines from which BAPA implementation could be based;
 - h. absence of legal personality, which limits its capacity to seek funding sources and makes the organization vulnerable to corruption;
 - i. laxity in the implementation of collection and disconnection policy.

To remedy this weakening BAPA situation and to reinvigorate the program, it is necessary therefore to reinforce efforts towards a more directed and goal-oriented implementation.

III. Objectives

A. General Objectives

To set forth a policy aimed at strengthening the electric cooperatives through the organization/reactivation/operationalization of the Barangay Power Association as a vital arm in the success of cooperative operations.

B. Specific Objectives

1. To strengthen the ECs through mass base participation;
2. To improve management and financial operations of ECs;
3. To improve collection efficiency and help reduce system loss;
4. To facilitate program implementation at the barangay level; and
5. To spur the development/growth of livelihood projects in the barangays to improve the quality of life of the barangay people.

IV. Implementation Strategies and Approaches

A. National Electrification Administration (NEA)

It shall be responsibilities to:

1. Provide a model BAPA By-laws, Memorandum of Agreement, Standard Installation of Metering Equipment, Membership Application Form and BAPA Pro Forma Report.
2. Extend institutional, financial and technical assistance to the ECs in the organization and operations of the Barangay Power Association.
3. Reorient, through a seminar on BAPA, the Electric Cooperatives General Managers, Department Heads and Members of the Board to ensure their lasting support.

B. The Electric Cooperatives (ECs)

The Electric Cooperatives shall adopt a policy on the organization and operations of the BAPAs substantially in accordance with NEA guidelines. This shall be implemented by the General Manager who will be assisted by a Committee composed of Department Heads from Technical, Institutional and Finance Departments.

Further, the ECs shall:

1. Incorporate into their annual budget, appropriations for the BAPA program.
2. Be enjoined to submit a quarterly BAPA progress report to the Regional Centers, of which shall in turn submit a consolidated report to the Co-op Operations Department for monitoring and evaluation purposes.
3. Assist and facilitate the registration of BAPAs with the Cooperative Development Authority as a primary multi-purpose cooperative.
4. Consider the applicability and the corresponding implementation of the following:
 - a. For existing active BAPAs:
 - A BAPA Section may be created to handle the technical, institutional and financial aspects of BAPA operation.
 - The grant of at least 3% prompt payment discount shall be continued. Other incentives, such as discounts on system losses, rebated on KWH sold, honorarium for working BAPA officers and other motivational considerations, may be granted at the co-ops' discretion.
 - Development programs, such as leadership and value orientation seminars for BAPA officers, and other livelihood projects may be explored with the active participation of the association.

Assistance to the BAPAs in sourcing funds for livelihood projects shall be undertaken in partnership with the Program of the NEA Power Use Development Division.

- A system shall be adopted to minimize or eradicate the problem of malversation of BAPA funds by unscrupulous BAPA officers. Constant auditing of BAPA funds shall be undertaken by the co-op. Treasurers of big BAPAs may be required to post a bond.
- Holding of a BAPA district assembly prior to the Annual General Membership Meeting may be undertaken. And during the annual meeting, the BAPAs should be given the opportunity to express their concerns.
- Formation of a federation among operational BAPAs, with the federation president possibly sitting as an ex-officio member of the co-op's Board.
- Grant of annual awards to outstanding BAPAs to boost their morale and increase motivation. Outstanding BAPAs may be recommended for the regional and national awards.

b. For Non-Operational BAPAs:

- Efforts shall be undertaken to reactivate inactive BAPAs and to establish measures to sustain their operation.
- BAPAs which incurred high system losses due mainly to technical factors beyond their control may be granted system loss allowance after appropriate evaluation is undertaken.
- If failure was caused by mismanagement of officers, another set of officers shall be formed. A reorientation seminar shall be conducted by the co-op for the new officers, after which they shall take their oath of office.
- A new memorandum of agreement shall be signed with the new set of officers which shall be properly notarized to discourage turnovers. It shall become a policy of the co-op not to accede to requests for reversion from BAPA to individual customer status.
- The reactivated BAPA may seek the assistance of the barangay officials especially on cases of pilferage and clearing of lines.
- Close monitoring and proper evaluation of newly reactivated BAPAs and rendering of necessary assistance particularly in the billing and collection may be done should the need arise.

c. For BAPAs to be organized:

- It shall become a coop policy not to energize a particular barangay unless it is formed into a BAPA.
- Before any energization would take place, a massive information campaign shall be undertaken by the cooperative. The info

campaign may be done through komiks dissemination, radio broadcast or barangay assemblies.

- Potential member-consumers shall pass a resolution requesting for the organization of BAPA in their barangays. This shall be forwarded to the EC Board for consideration and approval.
- The newly formed BAPA shall have its own Constitution and By-laws, policies, rules and regulations which shall not be contrary to existing EC by-laws.
- A Memorandum of Agreement between the BAPA and the co-op shall govern the terms and conditions in the operation of electric service within the BAPA coverage area. This MOA shall be properly notarized.
- An orientation seminar shall be conducted for the newly elected set of officers particularly on co-op policies on BAPA, duties and responsibilities, cooperative management in general with emphasis on financial aspect.
- The EC shall make sure that the distribution system of the proposed BAPA coverage area has a manageable system loss before turning it over to the association so that it can viably operate.
- The EC may adopt cluster metering for the BAPA for easier maintenance.
- It shall be the responsibility of the BAPA to maintain the electric lines and all installed equipment within its area. It may request for EC assistance.
- The co-op shall retain absolute ownership of all the electric lines, installed equipment and accessories.

V. Program Acceleration

A. EC Action Plan

1. Workplan

To ensure a continuous monitoring, evaluation and upgrading of the program, the EC shall adopt a BAPA Workplan on a long-term basis which shall be implemented by the General Manager and his staff. The EC Board shall pass a policy to this effect. The EC shall submit a copy of this workplan to the NEA for monitoring and evaluation purposes.

2. Periodic Meetings

It shall be the responsibility of the General Manager to schedule periodic meetings with his staff to discuss BAPA developmental programs. The Department Heads shall assist in drawing plans for better implementation.

3. Training Activities

As part of this reinvigorating program, the BAPA staff shall undergo a reorientation seminar to renew their dedication and commitment to the program. The EC management may solicit the assistance of NEA/RE Offices for the conduct of such seminars.

In the barangay level, the EC may schedule leadership training and other development seminars for the BAPA officers. The co-op may coordinate with NGOs and other government agencies for livelihood program seminar.

Leaders of successful BAPAs may be invited speakers for such seminars. The EC may solicit the assistance of other ECs with highly successful program implementation.

4. Policy Research

The EC Board shall undertake a continuing policy research considering foremost the relevance and consonance of existing policies to current thrusts, and to set priorities accordingly in view of developing the barangays within the coverage area to improve the quality of life of the barangay people.

5. Monitoring Activities

The EC shall adopt a system of monitoring the operation of BAPAs. BAPA activities shall become a part of the operational activities of the co-op's report to NEA which shall be consolidated and included in program evaluation.

B. NEA Coop Organization and Development Division Action Plan

1. Launching of the BAPA Reactivation Plan

- a. The NEA-CODD Manager shall meet the Regional Electrification Managers/RTAs to introduce the revitalized program and enjoin their support. The REMs/RTAs shall take charge of informing the GMs in the region.
- b. NEA-CODD will send copies of the program to the ECs for implementation.

2. Monitoring Activities

- a. NEA-CODD staff will be assigned regional coordinators responsible for monitoring and evaluating program implementation. He/she shall assist in the conduct of BAPA seminars in the ECs of his/her concern.
- b. The regional coordinators shall also assist the BAPAs in coordinating with NGOs and government agencies as regards livelihood programs.
- c. The RTAs shall include the BAPA operational activities in their report with their initial evaluation and recommendation.

3. Program Development

- a. To effectively contribute to the development and livelihood programs of the BAPA, CODD staff shall undergo training workshops on technology transfer and other seminars relevant to rural development.
- b. NEA, through the Training and Information Services Division, shall devise a training program specifically for BAPA staff of the co-op and BAPA officers.

4. Survey

NEA-CODD will conduct a yearly impact analysis of the program to determine how far the implementation has gone and what other measures have to be undertaken to upgrade the program.