



NRECA's International Rural Electrification Programs

Issue. In 1962, the National Rural Electric Cooperative Association's (NRECA) overseas involvement began as a partnership with the newly-established U.S. Agency for International Development (USAID) as a means of exporting America's model of cooperative rural electrification.

Since then, NRECA has been active in rural electrification programs in foreign countries, and has sent more than 400 rural electrification advisors to assignments in over 50 countries. *Today, more than 75 million people around the world have lights in their homes and access to electric power as a direct result of electric cooperative efforts.*

Yet, more remains to be done, because **as many as two billion people in the world are living without the benefits of electric power.**

The issue is whether the U.S. foreign aid program will support rural electrification in general, and specifically, use the cooperative model to bring reliable and cost-effective power to rural areas of the world.

History has shown that good policies coupled with foreign aid dollars have put many countries on a path toward a stronger future. Aggressive and sustained overseas rural development programs that include the cooperative model of electrification will directly improve health and well being, job and educational opportunities, as well as elevate income and living conditions for peoples in all developing nations.

In this manner, NRECA electrification projects will also help alleviate some of the root causes for civil unrest and terror recruitment.

Examples of NRECA's International Programs

- NRECA's assistance to Bangladesh started in the 1970s and has transformed its agricultural sector. Rice production, for example, is up nearly 70 percent since the mid-1970s. About 30 million people in rural areas now have electricity through the 5.2 million meters installed under this program. These connections bring electricity to rural farms and supply electricity to over 114,000 irrigation-pumping stations.
- In Bolivia, NRECA has worked since 1962 to assist rural residents in establishing and operating electric cooperatives that serve nearly 50 percent of the small South American country's population. In the Yungas Valley, NRECA is helping to develop key infrastructure to rural agricultural communities that renounce cultivation of illicit coca. High-quality and affordable electric power became available to more than 10,000 families, businesses and small industries in 350 villages in late 2006.
- At Yei, a small village in Southern Sudan, NRECA is working to help the citizens restore stability and hope after 20 years of a national civil war destroyed the town. In 2005, NRECA installed an electric generator, 87 poles and 25 streetlights to provide public lighting, which helped restore a sense of security for villagers and provided an unexpected gathering place for school students to do homework. Installation of a larger system and utility personnel training in 2006 is providing reliable electric power for hundreds of homes and businesses, allowing Yei to advance its community rejuvenation effort and reawaken many social and economic possibilities for the citizens.

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These success stories are solid examples of how electricity can be directly attributable to sustainable, long-term economic growth, and improved standards of living.

Status. Funding for traditional programs under USAID, NRECA's long-term partner, is under increasing pressure as a result of a restructuring of foreign assistance program priorities by the Administration and the growing share of foreign aid dollars going to the Millennium Challenge Corp. (MCC). Development assistance accounts, which fund most of NRECA's USAID funding programs, are under particular pressure.

In 2005, NRECA joined with a group of cooperative development organizations – including agricultural production and processing co-ops, credit unions and others – in support of a special provision in the FY06 Appropriations bill urging USAID to fund its Cooperative Development Program at \$10 million.

In real terms, this program has been steadily declining over the past 20 years, reducing NRECA's ability to develop and support electric cooperative development overseas.

NRECA Position. NRECA urges the Senate and House to direct USAID to abide by the 2006 appropriations bill that funded the Cooperative Development Program at \$10 million, and to repeat this provision in the FY08 appropriations legislation.

NRECA also urges the Congress to support specific rural electrification funding to allow development of electric cooperative solutions involving the World Bank and other key development agencies working in the world's poorest regions.

for more information

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