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# USAID'S GENERATION AND TRANSMISSION IMPROVEMENT PROGRAM

## MONTHLY PROGRESS REPORT

### SEPTEMBER 2011



**Project Name: Generation and Transmission Improvement Program (GTIP)**

**September 2011**

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# USAID'S GENERATION AND TRANSMISSION IMPROVEMENT PROGRAM (GTIP)

Monthly Report September 2011

Contract No: EPP-I-00-03-00004-00, Task Order 08

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# ACRONYMS

GTIP	Generation and Transmission Improvement Program
GOP	Government of Pakistan
FARA	Fixed Amount Reimbursable Agreement
GENCO	Generation Companies
GE	General Electric
PSRP	Power Sector Reform Program
CASA	Central Asia South Asia
NPCC	National Power Control Center
PEPCO	The Pakistan Electric Power Company
EECR	Energy Efficiency, Conservation and Renewable Energy
PMO	Project Management Office
EW	Energy Wing
ECC	Economic Coordination Committee
AEAI	Advanced Engineering Associates International
LNG	Liquefied Natural Gas
FODP	Friends of Democratic Pakistan
IMF	International Monetary Fund
NEPRA	National Electric Power Regulatory Authority
IPP	Independent Power Producer
PPIB	Private Power Infrastructure Board
NTDC	National Transmission and Dispatch Company
PSRP	Power Sector Reforms Program
PDIP	Power Distribution and Improvement Program
DISCO	Distribution Company
CPPA	Central Power Purchasing Agency Limited
WAPDA	Water and Power Deelopment Authority
DBDP	Diamer Basha Dam Project
KKH	Karakoram Highway
TUTAP	Turkmenistan, Uzbekistan, Tajikistan, Afghanistan, Pakistan
OGRA	Oil & Gas Regulatory Authority
AEDB	Alternate Energy Development Board

# PROGRAM OVERVIEW

USAID's Generation and Transmission Improvement Program (GTIP) supports the jointly agreed upon interests of USAID and the GOP in power generation, transmission efforts, and related policy reform activities. Current key activities include providing monitoring and implementation support to the following seven signature energy projects, announced by the Secretary of State, Hillary Clinton:

- Four repair and maintenance projects (3 GENCOs and 1 Tarbela. Total Funding \$68 million)
- Two multipurpose dam completion projects (Gomal Zam and Satpara, Total funding \$66 million)

These projects, when completed, will add more than 888 MW to Pakistan's generation capacity.

Project	MW per FARA	Expected Gains	
		Low	High
Muzaffargarh	165	440	475
Jamshoro	95	120	150
Guddu	55	35	100
Tarbela	80	88	128
Gomal Zam	17.4	17.4	17.4
Satpara	17.66	17.66	17.66
<b>Total</b>	<b>430.06</b>	<b>718.06</b>	<b>888.06</b>

GTIP is providing technical support for identifying and selecting new generation and transmission projects. Examples include the CASA 1000, TUTAP (Transmission Interconnection, under which power from Central Asian Republics (CAR) would be transmitted to Pakistan through Afghanistan), and import from Uzbekistan project to import power from Central Asia. Step 1 Due Diligence is completed for Diamer Basha, Kurram Tangi, Warsak and Mangla Dam Projects.

GTIP is also supporting generation & transmission related studies and the policy reform activities assigned by USAID. Examples include developing policies/procedures for the National Power Control Center and advisory services at MWP and the Planning Commission (Energy Wing).

**Staffing:** Contractor's level of effort is comprised of 85% Pakistani and 15% international staff.

**Location:** All Provinces and Federally Administered Tribal Areas

**Total USAID Funding:** \$191.06 million (including \$10.9 million for consulting services)

# Main Components of GTIP

## COMPONENT 1:

### **PROJECT MONITORING AND IMPLEMENTATION**

#### **Key Personnel:**

- Salahuddin Rifai, Dispatch
- Saleem Paracha, Hydro
- Malik Ghulam Abbas, Thermal
- Michael Gembol, Generation
- Asif Majeed, Engineering

GTIP is monitoring the implementation of six Fixed Amount Reimbursable Agreement (FARA) projects, three existing thermal GENCO power plants (Muzaffargarh, Guddu and Jamshoro), one existing hydropower (Tarbela) and two new multipurpose dams (Gomal Zam and Satpara). GTIP is also coordinating with the implementing partners to achieve timely progress and the processing of invoices for reimbursement to the GOP from USAID.

Specific activities for the month of September are:

#### ➤ **Hydro:**

- ***Tarbela FARA:*** Tarbela reservoir level reached its maximum level of 1550 ft in August and has been maintained to date. Unit # 4 (after replacement of its windings under FARA) is now generating 195 MW. Prior to USAID intervention it was generating 87 MW; hence a gain of 108 MW has been achieved by replacement of windings. Unit 1 & 3 windings have arrived at site and replacement/installation work on units will start from October 4. Shut down of the units has been approved accordingly. Purchase orders have been placed for all remaining equipment including digital governors and SCADA system, the installation is expected to be completed by May 2012. Total disbursement till September 2011 is \$9,509,917. The project is expected to be completed by May 31, 2012 instead of December 31, 2011 (as per FARA).
- ***Gomal Zam Dam Activity Agreement:*** At month end, the reservoir level was 699 meters above sea level which is one meter below the power intake. WAPDA was requested by USAID/GTIP to reduce irrigation releases to enable water reservoir to rise to power intake so that testing and commissioning of the power plant can be started. WAPDA is likely to start commissioning tests for power house by October

2011. Total disbursement till September 2011 is \$31,178,000. The Gomal Zam initiative is expected to be completed by February, 2012 instead of October 2011. The project commissioning has been delayed due to delay in the completion of switch board which was damaged during the 2010 floods.

- **Satpara Dam Activity Agreement:** Acting Director, USAID Office of Energy, Mr. Luis Velazquez and Senior Energy Expert from GTIP project conducted a field visit to Satpara Dam site on Sept.21 - 22, 2011. They verified the completion of works and the current status on the main dam, power houses 1 & 2, irrigation system and power houses 3 & 4. An amount of \$ 1,877,000 was disbursed in WAPDA's bank account on Sep 17, 2011. Civil Works for power house 3 & 4 are in progress. By end September the progress on construction was 27% completed. Total disbursement till end September 2011 is \$11,274,300. The project is on schedule for both phase I & II with actual completion by April, 30, 2013.

➤ **Thermal:**

- **Muzaffargarh Rehabilitation:** Northern Power Generation Company Limited (NPGCL), received MK Breakers for Unit Nos. 5 & 6 (FARA line item 37) in September. GTIP experts will visit the plant to inspect and verify the receipt of material in early October.

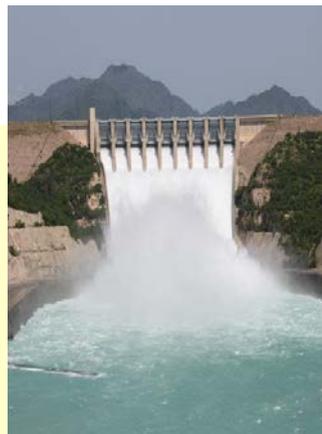
Super heater tube replacement of Unit 3 was completed on September 15; the unit will be returned to service in October and GTIP will verify the proper performance of the repairs, proper documentation and invoicing of the work, and actual increases in capacity and efficiency. Total disbursement till September 30, 2011 is \$4,464,500. There are some delays in overall completion of the FARA milestones due to issues of procurement and arranging foreign exchange. Now the project is expected to be completed by July, 30, 2012 instead of November 30, 2011 (as per FARA).

- **Jamshoro Rehabilitation:** Item# 5; Replacement equipment, Automatic Burner Control System and Data Acquisition System, for Unit #1 was received at Jamshoro Thermal Power Station (JTPS) in August. GTIP expert visited the site in September to verify the claim of \$270,000 which was later processed and submitted to USAID. Total disbursement for Jamshoro FARA till September 2011 is \$670,000. There are some delays in the milestones due to issues of procurement and arranging foreign exchange. Now the project is expected to be completed by July, 31, 2012 instead of November 30, 2011 (as per FARA)
- **Guddu Rehabilitation:** The original FARA plan called for overhaul of one of the two 255-MW General Electric Combined Cycle Plants (CCP), which will increase the capacity of the plant by about 100 MW to the plant capacity, improve its efficiency about 3.4%, and improve the reliability of the system by upgrading the obsolete gas turbine and steam turbine control systems. The GENCO and GE negotiated for over a year, trying to agree on the Scope of Work, price, and contract terms. Rather than risk losing the FARA funding entirely, the GENCO requested AEAI assistance to evaluate another option. We found that the 415-MW Siemens CCP was also past its overhaul

date and was deteriorating even faster than the GE plant. Overhaul would restore up to 170 MW to that plant, improve the efficiency and reduce the risk of a catastrophic failure leading to an extended outage. Overhauling the Siemens CCP had a better payback, in the range of a few weeks. We provided financial analysis of this option to the GENCO to support its request to transfer the FARA funding. However, the GENCO then had positive meetings with GE at the Energy House on 7&8<sup>th</sup> September and signed the contract with GE on September 26. This was a difficult decision, as the Siemens plant also needs overhaul, but the analysis done by AEAI will support requests for additional funds so the Siemens plant can be overhauled, also. This breakthrough with the GE contract is expected to result in completion of milestones as per the original FARA by the end of July, 2012, before the summer peak demand season. Note that the Combined Cycle Plants at Guddu produce some of the cheapest power in Pakistan because they are efficient and they burn low-quality natural gas from gas fields nearby. It is vitally important to keep them operating at full capacity and reliability.

## TARBELA SITE VISIT

US Ambassador to Pakistan Cameron Munter, USAID Pakistan Country Director Andy Sission, and Chairman WAPDA along with their teams visited Tarbela Power Station on September 16<sup>th</sup>, 2011 to mark the completion of rehabilitation work of its unit No 4.



## COMPONENT 2:

### **POLICY AND REFORM**

#### **Key Personnel Seconded to MWP and Planning Commission:**

- Mary Webster, Policy
- Faraz Khan, Finance
- Ijlal Naqvi, Outreach
- Michael Gembol, Generation
- Gerrie Vermeulen, Transmission
- Tari Qazi, Transmission
- Akbar Yousaf, Hydrocarbons
- Imran Haider, IT

Specific activities for the month of September are:

#### **1. Support to Governance and Reform Team (GRT), MWP**

Support the Ministry of Water and Power in the implementation of power generation, transmission and fuels related elements of the GOP's Power Sector Reform Program (PSRP). The activity is jointly performed with Power Distribution Improvement Program (PDIP).

#### ➤ **Policy:**

- GTIP team lead for the Governance and Restructuring Team at the Ministry of Water and Power arrived in Islamabad on September 28, 2011. Assisted MWP address issues in tariff setting that relate to the tariff differential subsidy, reduction of further accumulation of circular debt, appropriate tariff recovery for line losses and revenue collection issues.
- Preparing several reports which are expected to be completed by end October, 2011. The reports will cover the following topics:
  - Subsidy and Circular Debt
  - Line losses
    - NEPRA does not want to pass line losses along to consumers by allowing recovery for expenses that are avoidable, however companies need more revenue
  - Collections
    - How to address concerns of NEPRA regarding insufficient collections while still providing adequate revenue to companies.
    - If collections were greater, then there would be less of a subsidy required.
- There are problems for the Ministry in their role of determining NEPRA notified tariffs. MWP indicated that the Planning Commission has another proposal to

address NEPRA tariffs. MWP wants GTIP to review the proposal and make comments, especially in light of the new legislation relating to NEPRA which is a work in progress.

- The GTIP team is also strengthening the relationship between GTIP team stationed at the Ministry of Water and Power and the government officials. This has been and will continue to be a task for all GRT representatives.

➤ **Finance:**

- Provided summary on current position of circular debt/payables position for September 2011 to the Deputy Secretary, MWP.
- Completed an overview report on the Pak-US Energy Dialogue for the Additional Secretary, MWP.
- Group Support: Providing support to other GTIP members in tasks related to financial analysis

➤ **Transmission:**

- First draft of the Standard Operating Procedures (SOP) for National Power Control Center (NPCC) is being prepared and is 97% complete. The internal review process of the drafted SOPs continued during September among the GTIP experts and is 25% complete. GTIP technical team discussed the NPCC procedures and required changes for SOPs (1-5) have been incorporated. The review for remaining SOPs is progressing. The initial draft of the SOPs is scheduled to be completed by the end of October, 2011.
- Alongside developing the SOPs, GTIP team is also developing a contingency plan for NPCC. The first draft of the plan is 10% completed. There was no documented contingency plan available with NPCC; therefore the document is being prepared from scratch, after extensive secondary research on best practices worldwide, which will be customized for Pakistan. The initial draft of the contingency plan is scheduled to be completed by 10<sup>th</sup> of December.
- Induction Training Manual (Orientation & Operations) for NPCC's new recruits and the existing operators is being developed. There was no training manual for the staff available at NPCC. International best practices applicable to Pakistan are also being incorporated in the manual. The work on the first draft is 15% complete and the first draft is expected to be ready by 15<sup>th</sup> of December, 2011.
- Technical assistance to GTIP's team working on NTDC business plan is currently ongoing.
- GTIP technical team is in the process of collecting and analyzing data for the 132 kv grid review. By the end of October, 2011 the transformers portion will be completed whereas the GTIP team is waiting to receive data on 'lines' from NTDC by the end of November, 2011.
- Assisting NTDC's Planning Department on the Reactive Power Compensation (RPC) study. Since NTDC does not have this study done expertise is needed to get this study done.
- GTIP team researched and prepared a presentation on options to import power from Uzbekistan, CASA 1000 and TUTAP as requested by the Secretary, MWP

who had just returned from meetings in Tajikistan and Uzbekistan. The presentation will be delivered in October.

## **2. Support to Planning Commission**

### **➤ Hydrocarbons:**

- Energy Efficiency Projects: Provided support to Energy Wing (EW) in the preparation of a draft PC-II for technical assistance to the Planning Commission for energy efficiency projects to be financed by ADB, under a multi-tranche facility.
- Energy Conservation: Provided support to Member Energy, Planning Commission in the development of a presentation on energy efficiency and conservation measures for presentation and discussion in MWP.
- Industrial Zones near dormant gas fields: Attended follow-up meeting of stakeholders at Energy Wing where potential gas fields were short-listed and follow-up actions were agreed. Coordinated with Energy Wing to finalize recommendations and minutes of meetings for circulation.
- Seminar on Energy: Coordinated with Energy Wing staff to outline the agenda and topics to be covered in a seminar proposed to be held on energy sector-issues/remedies. Participation of energy sector professionals is expected.
- General Technical Assistance and support to EW: Provided operational support to EW in miscellaneous planning issues.
- Shale Gas: The Directorate General of Petroleum Concessions (DGPC), responsible for upstream oil and gas sectors in MPNR had formally requested USAID's assistance to appoint a Shale Gas Expert to formulate the Shale Gas policy to effectively exploit these resources and increase domestic gas production. As a follow-up to this request, GTIP drafted a response on behalf of USAID to DGPC and later attended a meeting with the Director General to discuss various issues in upstream oil and gas and possible USAID support. GTIP developed minutes of the meeting and drafted the TORs of the Shale Gas expert who would support DGPC, in developing and implementing a shale gas policy. The TORs were submitted to DGPC, response is awaited.
- GTIP prepared a presentation for LNG imports and other areas of International Financial Institutions (IFIs) assistance to MPNR which was presented to the Additional Secretary, MPNR in the Energy House. As a follow-up to this meeting, another meeting was held with Secretary MPNR. The overall response from MPNR was positive. MPNR requested GTIP to hold follow-up meetings on the topic. Further work will depend on the response from MPNR.

### **➤ IT Support:**

- Provided assistance in preparing presentation and a brief on 'Energy Conservation' for the Prime Minister.
- Provided assistance in preparing a presentation on the Power Sector crisis for workshops related to "New Economic Growth" organized in Karachi, Lasbela and Gujrat.
- Updating presentation on Circular Debt for the Prime Minister.

### 3. Coordination, Capacity Building and General Support Services to USAID

#### Key Personnel:

- Munir Ahmad, Policy
- Salahuddin Rifai
- D. Vincent

Following are the activities performed:

- As a follow up to the Donors Forum-Energy Roundtable and as requested by USAID, GTIP team continued to collect data on energy sector initiatives from several donor agencies to provide a consolidated snapshot on the ongoing projects. Follow up with JICA, World Bank and ADB for collection of data continued during the month. The response is still awaited.
- Compiled a list of deliverables as required under the USAID contract with AEAI, and compiling the copies of documents in the electronic library. This activity included collecting documents prepared since 2008 to date, by reviewing all the documents, files, shared folders and organizing the files for easy access. Internal meetings with the project consultants continued during the month for this task, which is 50% complete by month end, and is expected to be fully complete by November 30, 2011.

The documents/deliverables are of the following types:

- Project reports (monthly and quarterly)
- Financial reports
- Sector studies
- Feasibility studies
- During the month GTIP team prepared briefs/papers on overview of FARAs and additional information for the papers/reports submitted to USAID for Strategic Dialogue between USG and GOP, such as sources of Electricity, decentralization efforts, dissolution of PEPCO; Privatization, OGRA, Energy Sector Investment Climate & Private Sector Engagement.
- GTIP team provided updated information on all the FARA projects to USAID including the current status of each project, its cost, disbursements to-date and expected disbursement for the next quarter.
- Projected disbursements schedules were modified and updated.
- Event brief for Ambassador's visit to Tarbela Dam was prepared.
- GTIP team prepared detailed analysis titled, Overview of the Power Sector, in response to the questions raised by USAID Energy office.

#### 4. GENCO Management Contracts

**Key Personnel:**

- Malik Ghulam Abbas, Generation
- Michael Gembol, Generation

GTIP continued to work with PPIB to prepare contract formats and bid documents. PPIB has changed its original plan. PPIB now requires the contractors to convert two plants, at the selected station, to burn imported coal. GTIP has advised that this will require an extremely difficult capital investment that would be better emplaced through a separate Request for Proposal (RFP), instead of being combined into a much smaller O&M contract. GTIP will continue to work in a support and advisory role, but has concerns about the design of O&M contracts.

#### 5. NTDC Business Plan

**Key Personnel:**

- Daniel Potash, Finance
- Aisha Fariel Salahuddin, Project Development
- Gerrie Vermeulen, Transmission Expert
- Tariq Qazi, Transmission Expert

The initial draft of the NTDC business plan is expected to be completed by 1<sup>st</sup> November, 2011.

Specific activities are:

- GTIP continued evolving the financial model and structural options to capture the exact dynamics of circular debt, which is the key problem of the power sector in Pakistan.
- Updated circular debt analysis and incorporated most recent figures into the NTDC Business Plan for MWP policy-making.
- Deepened the analysis of technical matters with additional engineering personnel of GTIP, to link transmission technical performance and financial impact, now and in the future.
- GTIP technical team visited Lahore on the following dates; 8<sup>th</sup>-11<sup>th</sup>, 13<sup>th</sup>-15<sup>th</sup>, 28<sup>th</sup>-30<sup>th</sup> of September, 2011. Had a series of meetings with NTDC to learn management's thinking on future directions. GTIP team met the following NTDC officials:
  - Waseem Saadat, Manager Corporate Planning, NTDC
  - Muhammad Akhtar Chaudhry, HR & Admin. Director, NTDC
  - Muhammad Daud, GM(P), NTDC
  - Ehsan ul Majeed, GM (CPPA), NTDC
  - Shan H. Zaidi, GM (SD), NTDC
  - Sharafat Ali Sial, GM (GSC), NTDC

- Tahir Mahmood, GM (Projects), NTDC
- Shan Zaidi GM (Services Division)
- Raza Abbas CE (Design ) NTDC
- Rama Muhammad Amjad, GM (WPPO)
- Aftab Alam, Manager in office of GM GSO, NTDC
- Qamar Iqbal Bhatti, GM (GSO)
- Dilber Ghorri, Secretary of the BOD
- Syed Khalid Ali Shah, Manager Finance CPPA

Some of the highlights of the meeting held in Lahore are:

- ❖ The planning experts highlighted their strategy to overcome bottlenecks and system constraints in response to GTIPs query. They explained that the data of overloaded power transformers and transmission lines collected by GM (Grid System Operation) is shared on regular basis with the GM (Power Planning) which is then used as impetus in preparation of their augmentation, extension, and expansion plans.
- ❖ The salient features of the Least-Cost Generation and Transmission Expansion Plan, recently prepared by Planning Department, with the help of SNC Lavalin were discussed. The detailed plan and electricity demand forecasts, as promised by CE (Planning) are now available on NTDC website.
- ❖ The Load Flow Study analyst and Electricity Demand Forecast expert explained their working, in detail along with their achievements; and the difficulties, they foresee, in near future, consequent to unavailability of qualified engineers and lack of modern training facilities.

- GTIP met with the MWP team to discuss ideas on NTDC and Central Power Purchasing Agency (CPPA) business planning and restructuring. Different alternative plans for CPPA were discussed which now need to be reconciled by the stakeholders.

## COMPONENT 3:

### **NEW PROJECTS, PLANNING & DEVELOPMENT**

#### **Key Personnel:**

- Mian Shahid Ahmad – Engineering & Finance
- Ghulam Abbas – Hydro
- Muhammad Khan Hoti- Finance

When projects are identified by the GOP and others to USAID as candidates for USG support, USAID requests GTIP to undertake a two-step Due Diligence exercise to determine whether the proposed project meets the requirements established by USAID. The criteria relate to technical viability, cost and overall effect.

#### ➤ **HYDRO:**

- GTIP prepared briefs and reports for USAID Energy Office, as a follow-up to the Chairman WAPDA's visit to Washington D.C. to discuss possible USAID support for the Diamer-Basha Dam Project (DBDP).
- USAID has listed projects in the energy sector for GTIP to investigate and review under its "Due Diligence" exercise. Step 1 Due Diligence reports have been submitted over the last few months for Diamer Basha Dam, Kurram Tangi Dam, Warsak Dam and Mangla Dam. As a follow up, to USAID's requests for clarifications or any other information, from time to time, GTIP continued to provide support for such queries during September as well. Major effort during the period was devoted to review pre-project activities related to the DBDP.
- A timeline of activities and two year cost schedule for the DBDP, was provided to USAID as requested.
- GTIP experts continued to collect and update the ongoing analysis of DBDP for USAID. In this regard several meetings and follow-ups with WAPDA officials continued during the month. Also met including GM Hydel Development and Chief Engineer in Lahore. GTIP learned that so far WAPDA has awarded 12 contracts for construction of residential facilities for personnel that will live at the site during the 10 year construction period of the project. Eleven of these contracts total Rs 3.17 billion (about \$36 million) and most contractors are mobilized at site. One contract is in process. GTIP provided a descriptive matrix for each contract with related information to USAID. GTIP also provided cash flow of 11 contracts and Environmental Impact Assessment, Socio Cultural and Heritage activities of project on six monthly basis to USAID to establish the funding requirements on each activity.
- GTIP submitted a 'synopsis and commentary on WAPDA's financial plan' for the DBDP to USAID. Accompanied by Chief of Party, GTIP, held detailed deliberations

with the finance team in WAPDA. Principal accomplishments included helping steer WAPDA's team to break up DBDP's costs in baskets that would indicate potential sources of financing e.g. Energy Cost Adjustments, multilateral debt, international commercial debt, GOP equity and subordinated debt and local currency capital market instruments such as Sukuk bonds. Helped WAPDA's team to focus on the limited debt capacity available in the local market and explore external sources in an efficacious manner, which could include Public Private Partnerships (PPPs) in certain key aspects, e.g. the powerhouse declared as IPP. Discussed with WAPDA ways and means, to view the Dam as a source of revenue generation and not just a cost centre, as provided in report to USAID Revenues of over US\$ 500 million per annum identified to strengthen DB Dam's sources of repayment in the first instance, and thereafter incremental revenues to finance further hydro-electric power projects in the public sector or by way of PPPs. Convinced WAPDA to go back to the drawing board to chart out its broad sweep financial plan for DB Dam.

- WAPDA has awarded consultancy contracts to international companies to conduct Feasibility Study for rehabilitation of the Mangla and Warsak power stations. On direction from USAID, to investigate progress on the Mangla Power Station rehabilitation project, several inquiries were made and meetings were held with WAPDA officials. Following discussions, WAPDA has invited GTIP experts to attend an upcoming presentation on Mangla Dam to be made by the MWH Consultants on 10<sup>th</sup> October 2011. GTIP team plans to attend and will report results to USAID. Meetings were held with WAPDA to determine progress on Mangla. GTIP team collected monthly progress reports and consultants site visit reports prepared by MWH Consultant and provided support on specific rehabilitation requirements on plant foundation and sub soil conditions to enhance the useful plant life for another 50 years. GTIP team emphasized the need to meet time schedule which is being delayed by two months.
- Soft and Hard copies of Feasibility Report (10 volumes) of DBDP were obtained from WAPDA and delivered to USAID in response to a request for more information regarding the project.

➤ **Transmission:**

- GTIP technical team reviewed the final due diligence of the CASA 1000 study and also reviewed the MoU as requested by MWP. Both GTIP team and NTDC planning department team recommended the ministry to not sign the MoU since there were too many discrepancies. A report highlighting these discrepancies and recommendations was provided to the Secretary.

➤ **Public Private Partnership:**

- GTIP has prepared a policy paper on the role of Public Private Partnership (PPP) and the final draft is being reviewed internally by the GTIP team before it is sent to USAID.
- GTIP team held a meeting with the World Bank officials on the 21<sup>st</sup> of September 2011 in Islamabad. Meeting with the World Bank was held to ascertain the World Bank's thinking and to find mutual grounds for possible co-operation. The following WB officials were met:

- Mr. Rashid Aziz, Senior Energy Specialist
- Mr. Anjum Ahmad, Senior Energy & PPP Specialist

Highlights of the meeting:

- GTIP learnt that The World Bank were First Movers in promoting PPPs in the country, had vested specialists in PPPs in their Islamabad Office and to-date had spent funds in helping GOP set up the architecture and support network, administrative, legal, corporate, financial, policy and social.
- The WB was keen for USAID to assist in the financial close of the first PPP in run-of-the-river hydro-power generation, Suki Kinari (SK Hydro) on the Kunhar River in Khyber Pakhtunkhwa ( KP ) with a capacity of 840 MW. The assistance could be purely technical in finding a professional world class project developer.
- The WB has officially expressed interest in providing debt financing of up to US\$ 600 million with Lead Arranger role for the IFC.
- The WB was interested to ultimately lead financing for run-of-the-river hydro-project at Dasu with capacity of about 4,000 MW and estimated project cost of approximately US\$10 billion. Consultant for conducting detailed feasibility studies has been selected by the Bank and work should proceed shortly.
- Of particular interest to the Bank was the prospect of PPPs in GENCOs, currently being considered for O&M contracts by GOP.
- The meeting ended on a positive note. GTIP team feels that WB could be a potential partner, depending on direction given by USAID post submission of GTIP's PPP paper.

# Administration/Management Support to GTIP

## Key Personnel:

- Dan Vincent, Administration and Management
- Anjum Sarfaraz, Administration and Procurement
- Syed Hussain Al Azeem, Finance
- Muhammad Awais Shabir, IT

Administration is structured to support on-going and planned project activities while ensuring contractual compliance. Administration encompasses the following functions: Accounting/Finance, Human Resources, Procurement, Contracts, Logistics and Communications. In implementing these functions, processes and policies are developed to ensure uniformity of efforts.

**Accounting/Finance:** Miscellaneous payments have been made to the vendors during this month. Payroll and financial reconciliations completed. Accounting/finance policy is being revised.

**Human Resources:** One support staff member was added during the month. Recruiting process for a communication specialist is completed who will be joining GTIP in October.

**Procurement:** Purchase Orders placed to support operations, for example, office equipment/supplies and technical services. Request for proposals issued for security services. Procurement policy is being revised.

**Logistics:** 15 Trips (arrangements, Per Diem & documentation), evaluated potential guesthouses for staff. Arranged international travel for employees. Obtaining visa extensions for the international staff is in process. Surveys of other firms to compare employee benefits have been completed. Negotiated reduced lodging rates in Lahore. Security protocols and resources are being evaluated. Exterior improvements being developed.

**Communications:** Trouble shooting IT equipment in office and for operations at ministries; all related matters have been solved during this month. Developing a library for the office. Developing report writing aids for technical staff. IT policy is being revised.

**General Support:** Briefings prepared to support USAID for PAKINFO, Energy Summit between USG & GOP and Tarbela. Investigating energy efficiency measures for the office.

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