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**PAKISTAN**

# USAID/PAKISTAN: ENERGY POLICY PROJECT

QUARTERLY PERFORMANCE REPORT - I  
JAN – MARCH 2010

**APR. 2010**

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(JANUARY – MARCH 2010)

Contract: EPP-I-00-03-00004-00, Task Order 08

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## **DISCLAIMER**

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# ACRONYMS

ADB	Asian Development Bank
ADS	Automated Directives System
AOTR	Agreement Officer's Technical Representative
AR	Annual Report
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CRISP	Community Rehabilitation and Infrastructure Project
CSF	Competitiveness Support Fund
DQA	Data Quality Assessment
DSM	Demand Side Management
EEC	Energy Efficiency and Capacity
EG	Economic Growth
EP	Energy Policy
ESCOs	Energy Service Companies
F	Firms
FDI	Foreign Direct Investment
FSN	Foreign Service National
FY	Fiscal Year
GDP	Gross Domestic Product
GIS	Geographical Information System
GOP	Government of Pakistan
IMF	International Monetary Fund
IP	Implementing Partner
IR	Intermediate Result
IT	Information Technology
J	Jobs
LB	Livelihoods Baluchistan
M&E	Monitoring and Evaluation
MFI	Micro-Finance Institution
MSE	Micro and Small Enterprises
MSI	Management Systems International
N/A	Non-Applicable
NGO	Non-Governmental Organization
P	Performance
PC	Program Component
RFP	Request for Proposal
ROZ	Reconstruction Opportunity Zone
SO	Strategic Objective

SOW	Scope of Work
T	Trade
TBD	To Be Determined
US	United States
USAID	United States Agency for International Development
USG	United States Government
WB	World Bank

# PROJECT OVERVIEW

## PROJECT BACKGROUND

The on-going economic and energy crisis requires both immediate and long term measures to overcome the pressing energy shortage. The lack of an integrated energy policy and implementation plan has resulted in the lack of new significant generation additions since 2000. As a result Pakistan cannot meet its energy power requirements. The shortage of power, estimated to be around 4,000 MWs has resulted in regular major load shedding and rolling blackouts. These negatively affect the industrial sector and balance of payments, and curtail electric supply to critical services such as hospitals and schools. The loss of manufacturing also transcends into lost income and lower living standards. Many industries and larger businesses, as a result of poor power sector performance and lost revenues, have installed their own back-up generation capacity using fossil fuels which has increased fuel consumption and product cost. The above have resulted in lower income and enhanced expenditure at the household level.

The causes of Pakistan's energy shortage have been identified as a lack of cohesive and integrated energy policy and resource planning, a lack of effective regulations and the need to rationalize energy and electricity tariffs.

To restore confidence of domestic and foreign investors in participating in the development of the essential power sector, and to address the policy weaknesses, USAID will provide technical assistance to help Pakistan develop an integrated energy policy and develop consensus on the implementation of such a policy.

USAID's Energy Policy (EP) Project complements the ADB, World Bank and other significant donor efforts, while directly addressing areas highlighted by the GOP as requiring significant contributions.

To address the immediate power generation shortfall the project is also assisting the USAID Mission in identifying measures to quickly enhance generation performance of existing hydro and thermal power facilities. EP now is expected to promote sustainability of these enhancements through efforts to improve operational maintenance and assist the Mission and GOP in evaluating promising new larger term and longer time-frame projects. This should help in providing more long term and cost effective solutions to Pakistan's energy sector needs.

## PROJECT TASK CHANGES SUMMARY

New tasks related to identifying "Phase II" assistance projects, plus more analysis than originally envisaged on the four Repair & Maintenance (R&M) generating plants, have necessitated a delay in initiating the final design and roll out of the R&M training to public sector managers in thermal and hydro power plants and in power transmission and dispatch areas. Actually the delay in commencing these training efforts is desirable since training should not precede our R&M efforts too much. Here, it should be noted that the R&M generation projects, for a variety of reason unrelated to EP Project performance, have been delayed for several months.

**Confidential information redacted**

**Confidential information redacted**

# PROJECT HIGHLIGHTS

## NATIONAL HIGHLIGHTS

- EP held meetings in January 2010 with the Chief Engineer, Tarbela, and subsequently submitted to the Mission technical recommendations on specifications of key equipment proposed in the context of Repair and Maintenance (R&M) of Tarbela hydro power plant.
- To provide technical support to areas related to 'circular debt' EP prepared and shared with the Mission a chart detailing power sector's 'Flow of Funds'. EP also regularly updated and shared with the Mission the data on 'circular debt'.
- National Electric Power Regulatory Authority (NEPRA) formally approved the Terms of Reference for EP's second phase of technical support. The key activities under the approved TORs include 'benchmarking', replication of select elements of the Cost of Service Study (CoSS) conducted for Lahore Electric Supply Company (LESCO) in other priority DISCOs, completion of a regulatory Chart of Accounts and support for regional and international training for NEPRA staff.
- Related to the above, EP made a detailed presentation to senior management of NEPRA covering technical elements and details of the process proposed to replicate LESCO COSS in select other DISCOs.
- At the request of NEPRA EP reviewed the existing standard tariff petition forms used by the Authority. The forms now contain key elements resulting from LESCO CoSS. EP reviewed the forms and shared technical recommendations for further simplifying and streamlining the data grids in the forms.
- EP hired and seconded five short term energy experts to the Energy Wing of the Planning Commission (PC). This was done in response to a request made by the Member Energy, PC, to provide technical resources to help his team in their work on developing the energy component of GOP's upcoming Five Year Development Plan.
- Working closely with the COTR and USAID engineers, EP provided key technical inputs to the Scopes of Work (SOWs) for the R&M works for Jamshoro, Guddu and Muzaffargarh thermal plants (TPs). EP also continued to provide a number of technical recommendations to the Mission relating to the R&M of the three TPs. In the same context, EP reviewed, updated and submitted back to the Mission the 'Amplified Program Description' for the R&M works of the three above mentioned TPs and initiated work on four Fixed Amount Reimbursement Agreements (FARAs) for the Mission.
- At the request of the Mission, EP prepared a detailed Executive Summary on the process and outcome of the CoSS conducted for Lahore Electric Supply Company. The Summary also provided detailed information on each of the reporting formats developed as part of the Study.
- EP provided extensive technical support to the Alternative Energy Development Board (AEDB) in the development and finalization of the new medium term Alternative and Renewable Energy Policy. The support included the EP team playing a lead role in conducting a series of stakeholder consultations at the provincial (Lahore, Karachi and Quetta) and the Federal levels. Key stakeholders, from both the public and private sector, participated in the series of consultation sessions. Subsequently the EP team worked closely with the senior management of AEDB to incorporate the key outcomes and recommendations from the stakeholder consultations in the final draft of the Policy.
- At AEDB's request, EP completed the work on Bio-diesel policy, which is a sub-component of the new Medium Term Alternative and Renewable Energy Policy. In addition, EP also started its technical support in the development of Environmental Impact Assessment guidelines for various renewable energy technologies. The first set of guidelines is being finalized for wind energy. In this process EP is collaborating with the Environmental Protection Agency (GOP), with support from the AEDB.
- The EP team held detailed discussions with the team of USAID engineers in Multan, during which proposal submitted by the GOP for 'Repowering' of Guddu thermal power plants was reviewed in

detail. Based on significant technical inputs from EP, significant revisions were made in the specifications of equipment and parts, as well as budget estimates, for the works planned under R&M of Guddu TP.

- The EP team provided extensive technical input to the USAID team in the process of development of Fixed Amount Reimbursement Agreements (FARAs) for the R&M works of Tarbela hydro and Jamshoro, Guddu and Muzaffargarh thermal power plants. This involved preparations of a number of working drafts of the FARAs, and revisions after incorporating inputs from the USAID team.
- At the invitation of NEPRA, the EP team attended tariff hearings in Islamabad conducted for the Peshawar Electric Supply Company (PESCO), Quetta Electric Supply Company (QESCO), Hyderabad Electric Supply Company (HESCO), Multan Electric Power Company (MEPCO), Lahore Electric Supply Company (LESCO) and Faisalabad Electric Supply Company (FESCO). Subsequently, EP put forward to NEPRA recommendations to improve the tariff hearing process. These included increasing transparency of the process by making the hearing proceedings open to the public through media or other appropriate channels. The recommendations are under review by NEPRA.
- EP team members made two presentations to forums organized by 'Women In Energy', a national NGO. Both sessions were held on February 24, 2010. The first session focused on gender and energy issues, with EP making a presentation on its experience of conducting focus group discussions for female customers from DISCO's domestic customer category. The sessions were conducted by EP at the request of LESCO. Members from civil society organizations, public sector stakeholders, academia and USAID's Energy Efficiency and Capacity project participated in the session. The second session was for a group of parliamentarians. EP made a presentation on 'Renewable Energy Opportunities and Benefits for Pakistan'. The session was very interactive and parliamentarians showed a keen interest in technical elements related to renewable energy resources/technologies.
- At the request of the USAID Mission, an EP team visited Tarbela hydro power plant on March 3, 2010. Extensive discussions were held with plant managers on technical issues related to R&M work, including clarifications on SCADA, training modalities and equipment installation schedules. Reports on the visit with outcome and recommendations were shared with the Mission for review and consideration.
- After arriving on February 20, 2010, as a STTA, EP's "Senior Energy Specialist" and Long-Term staff member was approved on March 29, 2010. The focus of EP team member will be to move forward the four R&M power projects, which are demanding an ever increasing project focus, and help to develop for the Mission a follow-on "Phase II" of energy project development and implementation. "Phase II" effort, initiated in mid February, is a new, significant Mission tasking which is also demanding an increasingly large amount of project time.
- EP participated in a meeting between USAID and GOP counterparts (i.e. Water and Power Development Authority and Pakistan Electric Power Company) to discuss the possible range of phase two 'Signature Projects' for USG support. Subsequently, EP updated, and in some instances prepared documents outlining details of the proposed projects believed to be most attractive for Embassy/USAID consideration.
- An EP team member accompanied the COTR, USAID, to a meeting in Lahore between the Mission and PEPCO to discuss and finalize the FARAs for R&M work of Tarbela hydro power plant. The meetings were held on March 24, 2010.
- EP team obtained and submitted to the Mission initial additional information needed to better assess two GOP hydro power plant projects shortlisted by the Mission for support, i.e., Gomal Zam in South Waziristan and Satpara in Skardu. Final reports for these power projects will be shared after EP team visit both sites in early April 2010.
- EP conducted two sessions of donors' Energy Policy Roundtable. The first session was held on February 17, 2010. The highlight of that event was a presentation made by a delegation from the Lahore Chamber of Commerce and Industry on "Business Sector Perspective on Energy Issues in Pakistan". The presentation was well received by the Roundtable members and was followed by highly interactive discussions. The second session of the Roundtable took place on March 31, 2010, and a presentation by the Country Director, Agence Francaise De Development (AFD) on his

agency's 'Energy Portfolio in Pakistan' was the focus of the event.

- In March EP contracted and seconded a very senior energy policy expert to the Task Force on Energy set up to support the high profile Friends of Democratic Pakistan (FODP) initiative. The EP member is providing input and support to the Task Force on behalf of USAID/USG.

## PROVINCIAL HIGHLIGHTS – NWFP

### DISTRICT: SWABI

- EP technical support to the steps involved in the R&M of Tarbela hydro power plant. The process is continuing in close collaboration with the teams from the Mission (for details see bullet nos. 1, 12, 15 & 17 above)

## PROVINCIAL HIGHLIGHTS – PUNJAB

### DISTRICT: LAHORE

- EP's technical support to AEDB in conducting provincial level Stakeholder Consultation session in Lahore (for details see bullet no. 9 above)

### DISTRICT: MUZAFFARGARH

- EP technical support to the steps involved in the R&M of Muzaffargarh thermal power plant. The process is continuing in close collaboration with the teams from the Mission (for details see bullet nos. 7 and 12 above)

## PROVINCIAL HIGHLIGHTS – SIND

### **DISTRICT: KARACHI**

- EP's technical support to AEDB in conducting provincial level Stakeholder Consultation session in Lahore (for details see bullet no. 9 above)

### **DISTRICT: KASHMORE**

- EP technical support to the steps involved in the R&M of Muzaffargarh thermal power plant. The process is continuing in close collaboration with the teams from the Mission (for details see bullet nos. 7, 11 and 12 above)

### **DISTRICT: JAMSHORO**

- EP technical support to the steps involved in the R&M of Muzaffargarh thermal power plant. The process is continuing in close collaboration with the teams from the Mission (for details see bullet nos. 7 and 12 above)

Key Personnel

**Confidential information redacted**

# PROJECT STAFFING

## A- LONG TERM STAFF

Region	Planned (Total)	Progress During This Quarter					Overall Progress				
		Filled Positions			Percentages		Filled Positions			Percentages	
		Male	Female	Total	% of Total Filled	% Female of Total Filled	Male	Female	Total	% of Total Filled	% Female of Total Filled
<b>Management Positions</b>											
FEDERAL	2	2	0	2	100%	0%			2	100%	0%
NWFP											
PUNJAB											
SIND											
BALUCHISTAN											
<b>Sub Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>100%</b>	<b>0%</b>			<b>2</b>	<b>100%</b>	<b>0%</b>
<b>Professional Positions</b>											
FEDERAL	3	2	1	3	100%	33%			3	100%	33%
NWFP											
PUNJAB	1	1	0	1	100%	0%			1	100%	0%
SIND											
BALUCHISTAN											
<b>Sub Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>100%</b>	<b>25%</b>			<b>4</b>	<b>100%</b>	<b>25%</b>
<b>Support Staff Positions</b>											
FEDERAL	2	1	1	2	100%	50%			2	100%	50%
NWFP											
PUNJAB											
SIND											
BALUCHISTAN											
<b>Sub Total</b>											
<b>TOTAL</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>100%</b>	<b>25%</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>100%</b>	<b>25%</b>

## B- SHORT TERM TECHNICAL STAFF

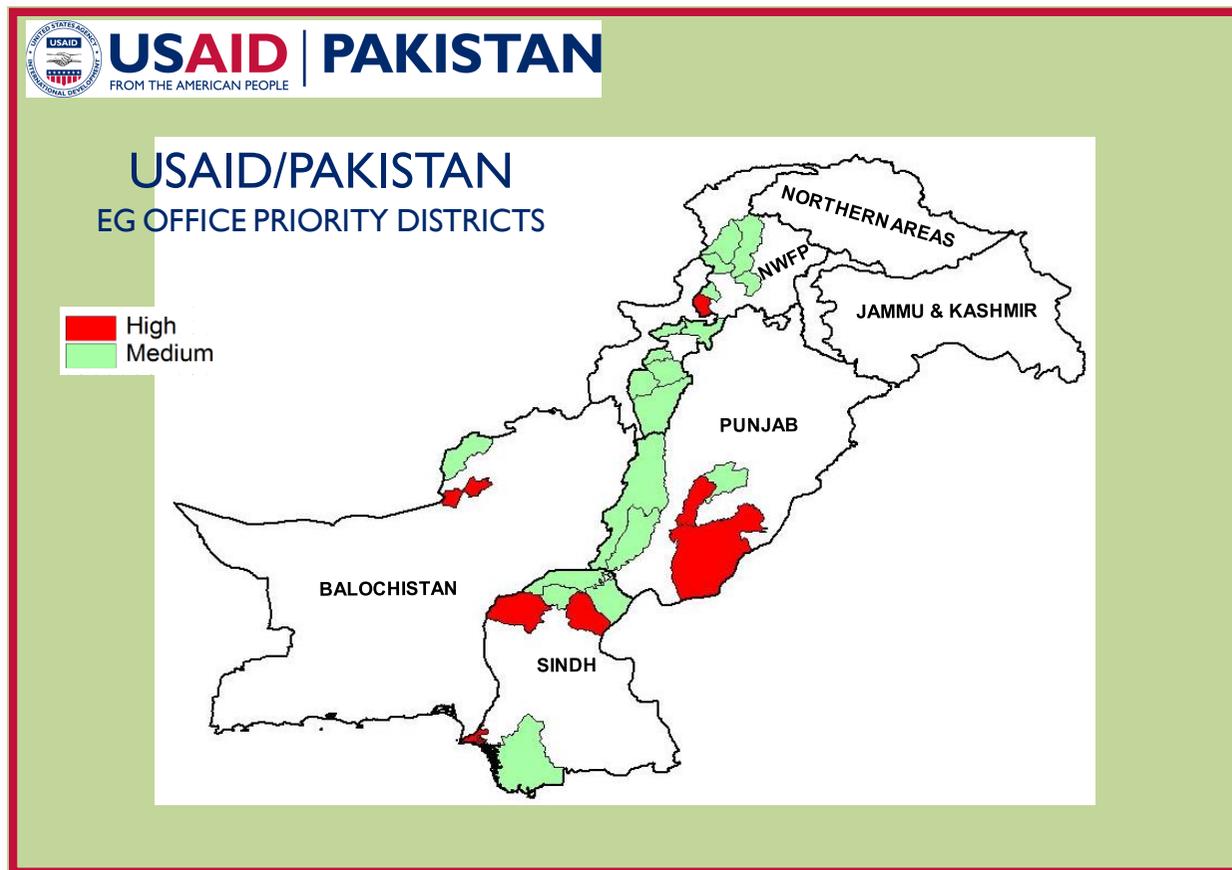
Region	Planned (Total)	Progress During This Quarter					Overall Progress				
		Filled Positions			Percentages		Filled Positions			Percentages	
		Male	Female	Total	% of Total Filled	% Female of Total Filled	Male	Female	Total	% of Total Filled	% Female of Total Filled
FEDERAL	6	5	1	6	100%	20%	5	1	6	100%	20%
NWFP											
PUNJAB	1		1	1	100%	100%		1	1	100%	100%

PROJECT STAFFING

SIND											
BALUCHISTAN											
<b>TOTAL</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>100%</b>	<b>28.5%</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>100%</b>	<b>28.5%</b>

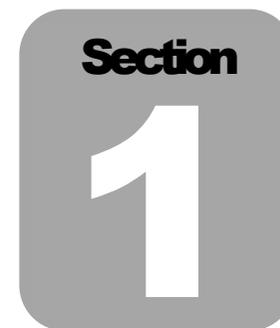
# GEOGRAPHIC COVERAGE

Insert a map like below which shows geographic area of your program activities. Perhaps you should provide color coding to indicate percentage of project funds spent in each province, <5%, 5% - 10%, 11% - 15%, 16% +.



# PROGRESS AND ACCOMPLISHMENTS

## PROGRESS AND ACCOMPLISHMENT – NATIONAL

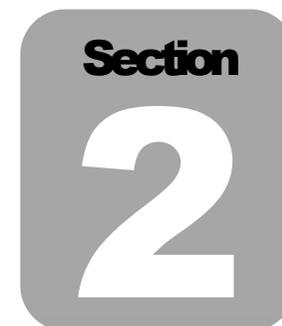


### ACTIVITIES

Activity Ref.#	Activity	Description	Descriptive Results	Impact Achieved
1.1	Power sector policy development and implementation	The number of public/private professionals provided with USG supported training (formal coursework, on-the-job, seminars) on issues concerning energy policy and regulation.	Technical support provided to NEPRA and LESCO in areas related to unified chart of accounts and other key elements of 'Regulatory Accounting'. Support provided to NEPRA in areas of 'benchmarking'.	Improved guidelines shared for maintaining charts of accounts for more transparent and standardized financial governance of tariff determination methodology and reporting.
2.1	Improvement of existing policies and institutional capacities	The number of energy and concerned agencies, utilities, etc, where USG programs have directly supported assessment of institutional capabilities in order to develop plans to enhance them.	Further to EP's earlier capacity and gaps analysis of NEPRA and after in-depth consultation with the senior management of the Authority, Terms of Reference for the next phase of assistance formally approved.	Improved guidelines for institutional capacity for improving tariff determination and follow through, and institutionalized guidelines for tariff determination. 'Benchmarking' will increase credibility and effectiveness in NEPRA's performance.
3.1	Support to energy entities in institutional capability development	The number of energy and concerned agencies, utilities etc. where USG programs are directly supporting strengthening of institutional capabilities.	Support to Planning Commission (PC) through hiring and seconding five senior energy experts to help in the development of energy component of GOP's upcoming Five Year Development Plan. Extensive technical support to AEDB in development of Medium Term Renewable Energy Policy.	Development of integrated energy strategy as part of the Five Year Development Plan for improving sector performance and efficiency. Comprehensive Medium Term Renewable Energy developed and adopted for promoting renewable energy resources and to attract investment.
4.1	Analysis of current GOP energy sector measures and reforms	The number of reforms/regulations/administrative procedures analyzed to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance	Review of existing tariff determination methodologies and recommendations to institutionalized standardized systems and procedures. Review of results of Cost of Service study conducted for LESCO to define elements of replication in other priority DISCOs	More enabling policies and regulations to increase sector efficiency, attract investment and enhance sustainability.

Activity Ref.#	Activity	Description	Descriptive Results	Impact Achieved
5.1	Draft and present policy reforms/regulations and administrative procedures for submission to appropriate GOP stakeholders.	The number of reform measures, regulations, rules and procedures etc. that have been analyzed as part of the USG program with the objective of improving overall sector governance, the enabling environment, private sector investment and management, competition within the sector etc.	Draft and submission to AEDB a draft of Medium term Renewable Energy Policy and its supporting policy instruments. Tools and forms for facilitating full cost recovery tariffs shared with NEPRA.	Develop and encourage more meaningful sector reforms and improve performance
6.1	Secure full, formal approval of reform measures, rules and procedures etc.	The number of reform measures, regulations, rules and procedures etc. that have been enacted/adopted/approved as part of USG program with the objective of improving overall sector governance, the enabling environment, private sector investment and management, competition within the sector etc.	Drafts of various reform tools are at varying levels of review and approval by the concerned stakeholders.	Adoption of critical policy/procedures for sector efficiency and improved performance

# QUARTERLY PROJECT INDICATORS UPDATE



## QUARTERLY PROJECT INDICATOR UPDATE – NATIONAL

Ind. Ref. #	Result Indicator	Activity Ref. # <sup>2</sup>	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2010)
<b>Component 1:</b>						
1.1	Number of people trained in energy related policy and regulation practices.	1.1	25	25	Increase in number is based on on-the-job training for NEPRA and LESCO in areas related to 'Regulatory Accounting'. The number also reflects technical mentoring provided to AEDB in the context of development of Medium Term Renewable Energy Policy.  The reported number also includes technical, 'on-the-job' support provided to personnel located in hydro (Tarbela) and thermal (Jamshoro, Muzaffargarh and Guddu) power plants.	75
<b>Component 2:</b>						
2.1	Number of energy agencies, regulatory bodies, utilities and civil society organizations undertaking capacity assessment.	2.1	1	2	Number based on technical support extended to WAPDA and PEPCO in the context of Repair & Maintenance (R&M) work.	2
<b>Component 3:</b>						

<sup>2</sup> Include activity reference number from the previous section.

Ind. Ref. #	Result Indicator	Activity Ref. # <sup>2</sup>	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2010)
3.1	Number of energy and concerned agencies, utilities etc. where USG programs are directly supporting strengthening of institutional capabilities.	3.1	1	2	New phase of technical assistance to NEPRA involved assessment of existing regularly practices, identification of areas requiring improvement and defining measures to strengthen these. Extensive technical support to AEDB in the process of development of Medium Term Renewable Energy Policy and its supporting policy instruments was also geared towards building institutional capabilities and capacities.	3
<b>Component 4:</b>						
4.1	Number of policy reforms/regulations , administrative procedures analyzed to enhance sector governance and/or facilitate private sector participation and competitive markets.	4.1	-	3	Review and recommendations on the 'Regulatory Accounting' systems and procedures. Review and analysis of Ninth Five Year Energy Security Plan and ADB Report on Rental Power Plants. This work was carried out as part of technical support to PC for development of energy component of Tenth Five Year Development Plan.	4
<b>Component 5:</b>						
5.1	Number of policy reforms/regulations/administrative procedures drafted and presented for public stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets.	5.1	-	1	Draft of Medium Term Renewable Energy Policy drafted and submitted to AEDB for review. Draft of PC-1 for Replacement of gas water heaters with solar water heaters in final stage of review, and with approval likely.	3
<b>Component 6:</b>						
6.1	Number of reform measures, regulations, rules and procedures etc. that have been enacted/adopted/approved with the objective of	6.1	1	1	Drafts of other reform tools are at varying levels of stakeholders' review and consideration. Favorable	2

Ind. Ref. #	Result Indicator	Activity Ref. # <sup>2</sup>	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2010)
	improving overall sector governance, the enabling environment, private sector investment and management, competition within the sector etc.				responses received from the public sector policy makers indicate likelihood of approval.	

## QUARTERLY PROJECT INDICATOR UPDATE – NWFP

### DISTRICT – I

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.2						
1.3						
<b>Component 2:</b>						
2.2						
2.3						
<b>Component 3:</b>						
3.2						
3.3						
<b>Component 4:</b>						
4.2						
4.3						
<b>Component 5:</b>						
5.1						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
5.2						

**DISTRICT - 2**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT - 3**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
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Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

## QUARTERLY PROJECT INDICATOR UPDATE – PUNJAB

### DISTRICT – I

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1	See first activity under Federal above	1.1			See first activity under Federal above	
1.2						
<b>Component 2:</b>						
2.1						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT - 2**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT - 3**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

## QUARTERLY PROJECT INDICATOR UPDATE – SIND

### DISTRICT – I

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

### DISTRICT – 2

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT - 3**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

## QUARTERLY PROJECT INDICATOR UPDATE – BALUCHISTAN

### DISTRICT – I

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT – 2**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

**DISTRICT – 3**

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component1:</b>						
1.1						
1.2						
<b>Component 2:</b>						
2.1						
2.2						

Ind. Ref. #	Result Indicator	Activity Ref. #	Target results for the reporting quarter	Actual results for the reporting quarter	Comments	Cumulative Total (2009)
<b>Component 3:</b>						
3.1						
3.2						
<b>Component 4:</b>						
4.1						
4.2						
<b>Component 5:</b>						
5.1						
5.2						

# KEY EVENTS AND MEETINGS

Section

3

## TRAININGS AND MENTORING

### TRAININGS AND MENTORING – NATIONAL

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

### TRAININGS AND MENTORING – NWFP

#### DISTRICT 1

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

#### DISTRICT 2

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

#### DISTRICT 3

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

### TRAININGS AND MENTORING – PUNJAB

#### DISTRICT 1

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

#### DISTRICT 2

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

#### DISTRICT 3

TITLE	DATE	Participants	Outcome/Result

		Male	Female	Total	

**TRAININGS AND MENTORING – SIND**

**DISTRICT 1**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**DISTRICT 2**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**DISTRICT 3**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**TRAININGS AND MENTORING – BALUCHISTAN**

**DISTRICT 1**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**DISTRICT 2**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**DISTRICT 3**

TITLE	DATE	Participants			Outcome/Result
		Male	Female	Total	

**MEETINGS<sup>3</sup>****MEETINGS – NATIONAL**

<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>
MD, PEPCO	5-01-2010	The meeting focused on three core areas i.e., training, pilot of tube wells and media & communications. Areas of EP providing technical support to PEPCO in select media activities were discussed.	It was agreed that PEPCO will submit a concept note for the consideration of the COTR and EP team. It was also agreed that the existing training institutions being run under the supervision of PEPCO and WAPDA be strengthened/upgraded in terms of equipments and curriculum.
Chief Engineer, Tarbela, and engineers from the Mission	04-01-2010	To discuss Repair and Maintenance work for Tarbela hydro power plant.	EP developed and shared with the Mission recommendations on specifications of digital governors, relief/by pass seals, stator windings' replacement and SCADA system.
Member Energy, Planning Commission and senior officials of his team	08-01-2010	To finalize details on hiring of five local energy experts to provide technical support in the development of energy component of the next Five Year Development Plan. These local energy experts will be hired by EP for a period of four months and seconded to the Energy Wing, PC.	Agreement reached on hiring the local energy experts by EP for a period of four months. These experts will be located within the PC.
USAID Energy team	08-01-2010	To review the Scope of Work, cost benefits analysis and feasibility of six hydro and two canal projects submitted by WAPDA.	Subsequently EP prepared a report incorporating key joint conclusions and recommendations for further review and consideration of USAID/Embassy.
AEDB	08-01-2010	To discuss the proposed areas of future technical assistance required fro finalizing the draft of the medium Term Renewable Energy Policy.	AEDB requested EP to technically review the draft of the Policy for the last time, as well as provide extensive assistance to the round of stakeholder consultation sessions planned to be held by GOP on the final draft of the Policy.
Director General (Technical), NEPRA	01-02-2010	To discuss a possible MOU between NEPRA and their counterparts in the US.	An official at California Public Utility Commission was contacted, who is open to collaboration, and he referred the EP team to an official in charge of international relations at NARUC (National Association of Regulatory Commissioners).
GOP/WAPDA/PEPCO	15-03-2010	To discuss possible Phase Two "Signature Projects".	An official at California Public Utility Commission was contacted, who is open to collaboration, and he referred the EP team to an official in charge of international relations at NARUC (National Association of Regulatory Commissioners).
Member (Power), WAPDA	18-03-2010	To indicate that Satpara Dam	The EP team requested WAPDA to

<sup>3</sup> Include only high level meetings involving people in important or powerful positions from government or donor agencies at a more extreme or advanced level than usual.

		and Gomal Zam Dam as well as the “Wind Mill Projects” were under active consideration of USAID.	provide Environmental Study as well as the Feasibility Study carried out for both these dams. These studies were provided by WAPDA within the next few days.
Director General (Technical), NEPRA	19-03-2010	To address the need to have a data base for Tariff orders and to further refine the Cost of Service (CoS) Study.	It was apprised by NEPRA that their Tariff Group is developing 'Formats' for Tariff Petition submissions. It was decided that NEPRA will be providing these formats to AEAI consultants for their comments.
Energy Economist, KFW	19-03-2010	To discuss the SWOT (strengths, weaknesses, opportunities, threats) analysis of regulatory framework, developing recommendations, action plan, and investment plan with conditionalities.	Agreed to share benchmarking and cost of service analysis, with which she agreed in principle and was willing to cooperate.
MD, PEPCO	24-03-2010	To discuss and finalize the “Fixed Amount Reimbursement Agreement (FARA)” for repair and maintenance of Tarbela hydro power plant.	Continue work on drafting FARAs.
Senior ADB staff	26-03-2010	Accompanied by Mission staff, introduced Senior Energy Policy Expert to ADB staff.	As the USG contribution on energy issues to multilateral FODP initiative, the Senior Energy Policy Expert immediately initiated work for FODP multinational Energy Task Force on developing recommendations and action plan for donor assistance to Pakistan’s energy sector.
Senior Officials, PEPCO	31-03-2010	To discuss the second draft of the Fixed Amount Reimbursement Agreement (FARA) for repair and upgrading of three GENCO power plants.	Continue work on drafting FARAs for thermal power plants.

## MEETINGS – NWFP

### DISTRICT I

Meeting with	DATE	Purpose	Outcome/Result
Chief engineer Tarbela, and engineers from the mission.	04-01-2010	TO discuss “Repair & Maintenance” work for Tarbela hydro power plant.	EP developed and shared with the Mission recommendations on specifications of digital governors, Relief/by pass seals, stator windings” replacement and SCADA system.
MD, PEPCO	24-03-2010	To discuss and finalize the “Fixed Amount Reimbursement Agreement (FARA)” for repair and maintenance of Tarbela hydro power plant.	Continue work on drafting FARA.

**DISTRICT 2**

Meeting with	DATE	Purpose	Outcome/Result

**DISTRICT 3**

Meeting with	DATE	Purpose	Outcome/Result

**MEETINGS – PUNJAB****DISTRICT 1**

Meeting with	DATE	Purpose	Outcome/Result
Member (Power), WAPDA	18-03-2010	To indicate that Satpara Dam and Gomal Zam Dam as well as a wind farm project in Sindh were under active consideration of USAID.	The EP team requested WAPDA to provide environmental study as well as the feasibility study carried out for both these dams. These studies were provided by WAPDA within the next few days.
Senior officials, PEPCO	31-03-2010	To discuss the second draft of the Fixed Amount Reimbursement Agreement (FARA) for repair and upgrading of three GENCO power plants.	Continue work on drafting FARAs for thermal power plants.

**DISTRICT 2**

Meeting with	DATE	Purpose	Outcome/Result

**DISTRICT 3**

Meeting with	DATE	Purpose	Outcome/Result

**MEETINGS – SIND****DISTRICT 1**

Meeting with	DATE	Purpose	Outcome/Result

<b>DISTRICT 2</b>			
<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>

<b>DISTRICT 3</b>			
<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>

**MEETINGS – BALUCHISTAN**

<b>DISTRICT 1</b>			
<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>

<b>DISTRICT 2</b>			
<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>

<b>DISTRICT 3</b>			
<b>Meeting with</b>	<b>DATE</b>	<b>Purpose</b>	<b>Outcome/Result</b>

# SUCCESS STORY



**(Success Story titled ‘Gearing into Action’ attached with the Report. The USAID approved format for ‘Success Stories’ cannot be pasted in the template for the Quarterly Progress Report (QPR) and therefore is attached with the QPR.**

# PROBLEMS AND OBSTACLES

## FEDERAL LEVEL

Problems/Obstacles/Issues	Steps Taken to Remedy Them
Issues related to poor Repair and Maintenance (R&M) of GOP power facilities are long standing. As the USG embarks on the proposed significant R&M effort it must ensure that the GOP stakeholders “buy-in” into much improved R&M practices so that USG assistance proves sustainable.	EP Project plans to complement R&M efforts with training of both technical and management staff to promote sustainable good practices.
The Project is expected to perform ‘due diligence’ in its role of evaluating promising ‘greenfield’ or projects already underway submitted by the GOP for USAID and other donors’ consideration. There are difficulties in obtaining accurate, up-to-date information in this regard. Data obtained is often contradictory, incomplete, in a variety of formats and not easily secured from one source. Proposed projects often are located in difficult to reach places and visits by non-Pakistanis are discouraged.	The Project has established an ‘Energy Policy Resources Base’ in its office, which compiles all information obtained on specific projects and in most cases in an improved, user-friendly format. In addition to being used by EP staff this resource is available to USAID and other donors as well.  EP has enlisted high level GOP support in obtaining permission to visit these sites and as a general policy limits travel to these locations to Pakistani nationals to minimize site visit clearance issues, GOP travel approval requirements and security considerations.
The National Power Regulatory Authority (NEPRA) has serious problems relating to political interference and training & retention of a sufficient number of capable technical staff.	To ensure that our Technical Assistance (TA) and training interventions are optimally applied, we have focused a significant portion of our efforts on promoting a more transparent data submission process in determining and adjudicating power tariff determinations, as well as initiated ‘Benchmarks’ to assist NEPRA to assess its performance in a number of areas.

## PROVINCIAL LEVEL

Problems/Obstacles/Issues	Steps Taken to Remedy Them

## DISTRICT LEVEL

Problems/Obstacles/Issues	Steps Taken to Remedy Them

## ADMINISTRATIVE ISSUES

Problems/Obstacles/Issues	Steps Taken to Remedy Them
Engaging qualified technical consultants is made more difficult by the existing Mission TCN policies.	We have encouraged the Mission to adopt a more flexible TCN policy as relates to TCN remuneration as a number of other USAID missions (such as Mission Kabul) have done.

PROBLEMS AND OBSTACLES

# SECURITY RISKS

## FEDERAL LEVEL

Security Risks	Steps Taken to Overcome Them
<p>Worsening security situation requires a heavy emphasis on office and expat residential security.</p>	<p>EP moved into a previously identified, suitable, low profile combination office/expat residence in mid November 2009. Premises' security enhancements already had been carried out by the previous renter. But EP added other security measures during the quarter Jan-March (e.g. height of concertina wire around the perimeter of residence further raised and wire placed around the balcony).</p>
<p>IN EP's new role as a project evaluator for USAID, both local and expat staff often is at increased risk. Travel anywhere outside of Islamabad heightens the risk but particularly more so when staff needs to visit project sites located in inhospitable, dangerous and hard to reach areas. Obtaining necessary logistical support and protection from security authorities is a time consuming and tedious process.</p>	<p>As noted under 'Problems and Obstacles', EP as a policy tries to use to the fullest degree possible Pakistani national to undertake these site visits. This low profile policy facilitates access to sensitive sites and reduces to an extent the burden on local security agencies.</p>

## PROVINCIAL LEVEL

Security Risks	Steps Taken to Overcome Them

## DISTRICT LEVEL

Security Risks	Steps Taken to Overcome Them

# PROJECT SNAPSHOT

## NEXT 90 DAYS (APRIL – JUNE 2010)

### NATIONAL

#### ACTIVITIES

Ind. Ref. #	Result Indicator	Activity Description	Tentative Completion Date
1.1	Number of people trained in energy related policy and regulation practices.	Design and roll out of training to public sector managers located at thermal power plants.	Jan-Oct 2010
1.1	Number of people trained in energy related policy and regulation practices.	Design and roll out of training to public sector managers located at hydro power plants.	Jan-Oct 2010
1.1	Number of people trained in energy related policy and regulation practices.	Design and roll out of training to public sector managers on areas related to economic dispatch.	Jan-Oct 2010
1.1	Number of people trained in energy related policy and regulation practices.	Elements of LESCO Cost of Service Study replicated through 'hands-on' training in other DISCOs, i.e., Quetta (Baluchistan) and Peshawar (NWFP).	Jan-Oct 2010
2.1	Improvement of existing policies and institutional capacities.	Institutional capacity assessment of NEPRA to identify key areas for conducting 'Benchmarking'.	Jan-Oct 2010
3.1	Support to energy entities in institutional capability development.	Manage and monitor Repair & Maintenance (R&M) of selected hydro and thermal power plants.	Jan-Oct 2010
3.1	Support to energy entities in institutional capability development.	Sort and medium term measures for adding generation in PESCO covered areas.	TBD
3.1	Support to energy entities in institutional capability development.	Support to Planning Commission to develop and improve the energy component of Pakistan's tenth Five-Year Plan.	Jan-May 2010
3.1	Support to energy entities in institutional capability development.	Further technical assistance to Alternative Energy Development Board (AEDB) in developing Public-Private Partnership for a pilot wind energy project	Apr-Oct 2010
3.1	Support to energy entities in institutional capability development.	Providing GOP entities (such as Ministry of Water & Power, WAPDA, PEPCO) technical assistance in developing and/or completing/rehabilitating power generation facilities	Jan-Oct 2010
4.1	Analysis of current GOP energy sector measures and reforms.	Technical support for grid and Distribution codes for renewables.	Jan-June 2010
4.1	Analysis of current GOP energy sector measures and reforms.	'Benchmarking', comparisons, metrics, disclosure,, data acquisition and strengthening operational capacity of NEPRA as well as the Planning Commission (PC)	Jan-Oct 2010
4.1	Analysis of current GOP energy sector measures and reforms.	Set-up Uniform System of Accounts, time-sheets, model tariff application, regularize forms and procedures.	Jan-Oct 2010
5.1	Draft and present policy reforms/regulations and administrative procedures for submission to appropriate GOP stakeholders.	Draft and submit recommendations to NEPRA for tariff rebalance and rationalization in line with international 'good practices'.	Jan-Oct 2010
5.1	Draft and present policy reforms/regulations and administrative procedures for submission to appropriate GOP stakeholders.	If required and requested by the GOP, additional policy instruments to support Medium Term Renewable Energy Policy drafted and submitted to AEDB.	Jan-June 2010
5.1	Draft and present policy reforms/regulations and administrative procedures for submission to appropriate GOP stakeholders.	Draft and submit Environment Impact Assessment guidelines for select renewable energy resources to Environmental Protection Agency (EPA), Ministry of Environment.	Apr-June 2010

Ind. Ref. #	Result Indicator	Activity Description	Tentative Completion Date
5.1	Secure full, formal approval of reform measures, rules and procedures etc.	Drafts of Medium Term Renewable Energy Policy approved by the GOP stakeholders. PC-1 for replacement of gas water heaters with solar water heaters approved by relevant GOP entity.	TBD

**TRAININGS**

Ind. Ref. #	Result Indicator	Training Title and Description <i>(Also add details about type and number of expected participants)</i>	Tentative Completion Date

**OTHERS (INCLUDE MEETING & EVENTS OTHER THAN TRAINING)**

Ind. Ref. #	Result Indicator	Description	Tentative Completion Date

**NWFP****ACTIVITIES**

Ind. Ref. #	Result Indicator	Activity Description	Tentative Completion Date
1.1	See first activity under 1.1 under Federal above		

**TRAININGS**

Ind. Ref. #	Result Indicator	Training Title and Description <i>(Also add details about type and number of expected participants)</i>	Tentative Completion Date

**OTHERS (INCLUDE MEETING & EVENTS OTHER THAN TRAINING)**

Ind. Ref. #	Result Indicator	Description	Tentative Completion Date

**PUNJAB****ACTIVITIES**

Ind. Ref. #	Result Indicator	Activity Description	Tentative Completion Date
	See first activity under 1.1 at the Federal above		

**TRAININGS**

Ind. Ref. #	Result Indicator	Training Title and Description <i>(Also add details about type and number of expected participants)</i>	Tentative Completion Date

**OTHERS (INCLUDE MEETING & EVENTS OTHER THAN TRAINING)**

Ind. Ref. #	Result Indicator	Description	Tentative Completion Date

**SIND****ACTIVITIES**

Ind. Ref. #	Result Indicator	Activity Description	Tentative Completion Date

**TRAININGS**

Ind. Ref. #	Result Indicator	Training Title and Description <i>(Also add details about type and number of expected participants)</i>	Tentative Completion Date

**OTHERS (INCLUDE MEETING & EVENTS OTHER THAN TRAINING)**

Ind. Ref. #	Result Indicator	Description	Tentative Completion Date

**BALUCHISTAN****ACTIVITIES**

<b>Ind. Ref. #</b>	<b>Result Indicator</b>	<b>Activity Description</b>	<b>Tentative Completion Date</b>

**TRAININGS**

<b>Ind. Ref. #</b>	<b>Result Indicator</b>	<b>Training Title and Description</b> <i>(Also add details about type and number of expected participants)</i>	<b>Tentative Completion Date</b>

**OTHERS (INCLUDE MEETING & EVENTS OTHER THAN TRAINING)**

<b>Ind. Ref. #</b>	<b>Result Indicator</b>	<b>Description</b>	<b>Tentative Completion Date</b>



## ANNEX – B: LIST OF SUCCESS STORIES

Success Story Title	Component	Project Year	Release Date	Comments
"Gearing Into Action"	Based on EP team's follow-up visit to Tarbela hydro power plant in the context of repair and maintenance efforts being supported by the Mission.	2010		Being provided with this QPR.

## ANNEX – C: LIST OF COMPLETED DELIVERABLES

Title	Completion Date
<b>Component 1:</b>	
<b>Component 2:</b>	
<b>Component 3:</b>	
<b>Component 4:</b>	
<b>Component 5:</b>	



## ANNEX – E: GANNT CHART FOR NEXT QUARTER

