
International Programs Division

Cooperative Development Program

Second Progress Report

December 1, 1997 – June 30, 1998

Cooperative Agreement
No. FAO-A-00-97-000012-00



National Rural Electric
Cooperative Association

1800 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Cooperative Development Program

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COOPERATIVE DEVELOPMENT PROGRAM

SECOND SEMI-ANNUAL PROGRESS REPORT

Name of Organization: National Rural Electric Cooperative Association

Cooperative Agreement Number: FAO-A-00-97-000012-00

Period: 12/1/97 - 6/30/98

A. PROGRAM PURPOSE	PROGRAM RESULTS
<p>To support the development of cooperative systems overseas</p> <p>1. Design and develop innovative approaches to encourage development and growth of cooperative systems overseas.</p> <p>El Salvador</p> <ul style="list-style-type: none"> The NRECA CDP's first-year effort will concentrate on creating opportunities to demonstrate cooperatively-based electric service companies as a model for local, decentralized electric service areas in Salvadoran rural municipalities. NRECA's CDP will establish a permanent NGO with full capacity to develop and sustain cooperative rural electrification support program. This will be housed in NRECA's office in San Salvador and will be capable of receiving grants and other monetary and non-monetary resources to be used in executing projects through a variety of financial mechanisms. 	<p><i>No action was completed on the planned funding agreements for municipal development, and were still pending at the end of the period. NRECA began negotiations with two new private power companies to initiate rural electrification extensions on a private-sector basis, which could lead to cooperative development. NRECA continued to develop proposals to secure new funding.</i></p> <p><i>NRECA continued to develop FUNRECA, its local partner, including shipping equipment to El Salvador for its program use.</i></p>

Peru

- The CDP will establish a set of sustainable counterpart relationships to enable NRECA to provide long-term support of government and NGO sponsored rural electrification development in the country.

India

- NRECA will seek an opportunity to demonstrate the electric cooperative format for privatization of electric utility service, working with one of several candidate cooperatives and cooperative-based groups, including the National Dairy Development Board (NDDB).
- The CDP will strengthen the competitive base of electric cooperatives to survive and expand under power sector restructuring.

Guatemala

- The CDP will foster a permanent NGO-based rural electrification development program working with communities and municipalities to develop community-based electrification projects, including in USAID's geographical focus areas relating to the national Peace Plan.

Kyrgyz Republic

- The CDP will initiate pilot project to demonstrate the electric cooperative model for privatizing local utilities.

NRECA staff from the Bolivia office took three trips to Peru. A proposal was prepared to the Ministry of Energy and Mines to help reorganize the Project Execution Directory. Also a team from USAID and the government's Alternative Development agency visited NRECA Bolivia to see NRECA rural electrification project. NRECA and USAID are discussing the development of a similar project.

NRECA fielded a team in Harayana in March to make a proposal to the state electricity board, the World Bank, and USAID to assist the SEB in training staff and contractors as part of a distribution improvements project. The SEB accepted a 2-year, \$1.5 million training plan, although no funding was clearly identified to implement the project. NRECA prepared an efficiency/rural electric cooperative development proposal for consideration by the World Bank.

The new Indian government (BJP) has expressed an interest in considering cooperative options for privatizing state electricity assets. NRECA is preparing a new proposal for consideration by the state government in West Bengal to test this policy interest.

NRECA continued progress toward setting up a private rural electrification program based on the REA revolving fund model. Over 100 additional community electrification studies were carried out. NRECA also began a major rural electrification program design project using NRECA personnel based in El Salvador and Guatemala under World Bank financing in Panama which could provide a model system for all of the Central American countries, including Guatemala and El Salvador.

Start up for this activity is planned for the second year. NRECA received a delegation of rural development leaders from the Kyrgyz Republic and made a presentation on NRECA's proposed cooperative pilot project. The delegation offered their support in carrying out the initiative.

Philippines

- The CDP will establish an on-going, self-sustainable cooperative assistance program aimed at strengthening the Filipino electric cooperatives in terms of energy efficiency, power supply, and capital financing.

NRECA established two self-funded programs with the Filipino electric cooperatives in training and technical assistance. An initiative was also launched with the International Finance Corporation (World Bank) to establish a new electric cooperative finance corporation modeled on the CFC. A preliminary field assessment is planned for July.

2. Amount of technical assistance, training and advisory services delivered to host-country partners.

El Salvador

- On-going support will be provided to an in-country team of three rural electrification specialists and local personnel, including a rural electrification engineer, a construction/procurement specialist, and a training specialist.

- NRECA staff will travel to El Salvador to participate in discussions with USAID and other potential sponsors, provide downstream monitoring and direction.

Peru

- A program development team will visit Peru to explore options for counterpart relationships and funding and develop a strategic plan for implementing the program purpose. In particular, discussions are to be held with USAID/Lima and the GOP on developing an alternative development project similar to the project NRECA established in Bolivia.

PROGRAM RESULTS

NRECA has maintained its office in El Salvador despite delays in new funding. NRECA continued to monetize equipment to raise funds to maintain project activity. In an effort to trim costs, the procurement specialist departed the staff for a new position in Guatemala.

NRECA fielded a team to visit several Central American countries as part of an effort to create a new funding base involving USDA commodity grant under Sec. 416, Food for Progress. This involved high-level meetings with local government personnel, USDA, and IDB.

NRECA visited Peru twice during this period to evaluate the rural electrification program status and provide suggestions to the Ministry of Energy and USAID on improving the overall program design and implementation capacity of the designated Ministry office.

- Two follow-up visits will be made by NRECA staff in order to begin implementation.

India

- A visit will be made by a team consisting of an energy supply specialist and a electric utility policy specialist to conduct meetings with rural electric cooperatives and other cooperative organizations on designing an on-going assistance program with support from NRECA's office in Bangladesh.

- A follow-up visit will be made by NRECA staff to implement plan.

Guatemala

- On-going support will be provided to an in-country team including a rural electrification engineer and a rural energy planning specialist/economist.
- NRECA staff will travel to Guatemala will be taken to assist in designing the financial structure of the program and to assist in proposal development with donors.

No action during this period.

NRECA fielded a team to India to follow-up on the request from the SEB in Harayana and the team also discussed possibilities for cooperative development support from the World Bank and USAID. Prospects are in doubt until U.S. policy toward India clarifies.

No action during this period.

NRECA continued direct support to NRECA's in-country team under the CDP grant.

A special loan fund for rural electrification was negotiated with a local bank. The trust fund model will be ready to develop when equity funding system can be completed. NRECA's proposal to USDA is to provide the equity needed.

Kyrgyz Republic

- NRECA will make a visit to re-evaluate two sites (Karaoisk and Kantsk) and to develop an operating agreement the the national electric utility holding company to carry out the project.
- An NRECA team including two volunteers with make a follow-up visit to prepare a staged implementation plan and present same in a workshop.

No action during this period.

No action during this period.

Philippines

- NRECA will develop agreements with participating cooperatives on uses of NRECA-provided equipment to extend electric service, increase operating efficiency, expand facilities possibly including power supply facilities, and related capital financing development, and begin implementation.
- NRECA staff will travel to Philippines to conduct meetings with the national electric cooperative association, PHILRECA, national government agencies, and participating cooperatives regarding the CDP project activities, and to begin implementation.

NRECA continued to develop the programs in energy efficiency, technology upgrades, rural electrification, and training. A number of Filipino electric co-op personnel attended NRECA's annual meeting to work with NRECA staff on this program.

NRECA staff visited Philippines in March for this purpose and planned two more visits in summer of 1998.

3. Income-generating business linkages and methodologies introduced to ensure sustainability of local organizations and their programs.

El Salvador

- NRECA will continue to increase its training and consulting service programs in lineman safety, staking and design, and other functional areas for personnel in local utilities in the region to increase its revenue base.
- Proposals will be developed for creating rural electrification and local electric cooperative support service agreements with rural infrastructure sponsoring organizations, including the Fondo Inversion Social, SETEFE, and potentially others.
- Mechanisms will be established to enable the use of electric utility materials in projects with income-producing potential, including metering service contracts and other energy efficiency service contracts with local utilities.

Peru

- None are planned in the first year. Future consideration will be given as part of developing long-term support strategy.

PROGRAM RESULTS

NRECA continue its technical training programs in El Salvador. NRECA also negotiated a new metering technology enhancement program with an innovative meter developer, Hunt Technologies, based in Minnesota. A demonstration system was installed and will be used to market this technology to distribution utilities in El Salvador and the Caribbean Basin region.

A proposal was negotiated with a recently privatized distribution utility to contract to carry out rural electrification development and construction on a turn-key basis.

NRECA continued to monetize commodities for funding to continue operations in El Salvador.

No action during this period.

India

- Priority will be given to developing a utility management contract proposal in an appropriate location to assist a local state government to create a model consumer-owned privatization scheme, where NRECA's role is to provide management and operational oversight in a fee-based contract, while developing a grass-roots member/ownership base to take over the system as part of the scope of work.

Guatemala

- Future contracting directly with local municipalities, village organizations, and agricultural associations to design and construct rural electric systems will be expanded.
- Materials acquired by NRECA will be used in executing small private rural electrification projects and to augment program resources.
- NRECA will coordinate the establishment of a rural electrification fund or trust, with the participation of the government, commercial financial institutions, and international donor organizations to provide capital support for local cooperative electrification investment. This will provide a reliable source of financing to maintain and expand the project development portfolio.

A proposal was developed for the Harayana State Electricity Board that could lead to the development of rural electric cooperatives as part of a distribution system improvements/management contract..

NRECA continued to develop a portfolio of projects for construction under the fund arrangement that NRECA is developing with local banks.

Materials and equipment, including two utility service trucks, were shipped to Guatemala as part of an agreement signed with INDE in the fall of 1997 to collaborate on rural electric development.

A fund was under establishment with a local bank.

<p>Kyrgyz Republic</p> <ul style="list-style-type: none"> NRECA will explore the development of a new type of performance contract to carry out a privatization program with the Kyrgyz electric power holding company. <p>Philippines</p> <ul style="list-style-type: none"> NRECA will offer cooperatives fee-based training and technical services linked with technology-based operational improvements (e.g. meter, automatic reclosers, etc.) that will be provided to participating cooperatives. 	<p><i>No action during this period.</i></p> <p><i>NRECA developed a full training curriculum and enrolled a number of Filipino cooperatives for the first presentation of the training package in the fall of 1998. A former NRECA co-op manager was retained to manage this program.</i></p>
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<p>4. Number of long-term partnerships established with local cooperative partners to strengthen their capacities and sustainability.</p> <p>El Salvador</p> <ul style="list-style-type: none"> A relationship will be established with a municipal association under which NRECA will provide long-term assistance in forming local cooperatively-managed electric utility systems. A local NRECA-sponsored foundation, FUNRECA, will be formally launched to carry out rural electrification projects. 	<p style="text-align: center;">PROGRAM RESULTS</p> <p><i>NRECA's plans with COMURES and ISDEM to provide on-going support for municipal rural electric distribution systems were completed and were awaiting funding to begin work. NRECA also negotiated an agreement with a consortium of industrial energy users to develop a 16 MW power plant involving a turbine-generator that was received by the NRECA International foundation.</i></p> <p><i>NRECA's local NGO partner, FUNRECA, will become operational once equity funds are secured and deposited in the foundation's bank.</i></p>
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- Long-term support agreements will be developed with two electric cooperatives previously established by NRECA. These agreements will be implemented with the help of an in-country volunteer.

Peru

- To be developed in future-year activities.

India

- Partnership agreement(s) will be pursued with the National Dairy Development Board (NDDB) and/or other cooperative(s) with the objective of developing a model cooperative electric utility under India's privatization policy.

Guatemala

- A new rural electrification association (the National Rural Electrification Association) will be established in collaboration with municipalities and independent village groups.
- Discussions with local foundations (e.g. FUNDAP, Solar Foundation) and rural agricultural associations (e.g. ANACAFE) will be carried out to form a broad collaborative plan to create long-term rural electrification support system, including design assistance, construction supervision, institutional (cooperative) development, and financing.

No action during this period, pending identification of capital funding.

No action during this period.

NRECA contact NDDB, which is still considering whether to pursue this project. No specific action otherwise was taken.

Association membership grew by approx. 100 communities during the period.

A World Bank grant proposal to work with ANACAFE and other local counterparts on a rural electrification investment plan was approved and funded. The project is scheduled to get underway in the second half of 1998:

<p>Kyrgyz Republic</p> <ul style="list-style-type: none"> NRECA will attempt to create new, long-term counterparts with the pilot electric cooperatives that are the object of the planned activity. <p>Philippines</p> <ul style="list-style-type: none"> NRECA will maintain close working relationships with PHILRECA and its affiliated organizations, and with electric cooperatives that participate in NRECA's CDP activities. 	<p><i>No action during this period.</i></p> <p><i>NRECA maintained its local representative, who worked closely with several counterpart organizations on the various NRECA initiatives underway.</i></p>
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<p>5. Support of program development activities and services of indigenous cooperatives to meet the needs of local beneficiaries.</p> <p>El Salvador</p> <ul style="list-style-type: none"> On-going assistance relationships will be established between the new local foundation (FUNRECA) and Salvadoran electric cooperatives including new electric cooperatives and established cooperatives in Morazan and Meanguera, to expand electric service and improve operating standards. A collaborative agreement will be established between NRECA and locally-owned utility in Usulután, to include modifying the utility's ownership structure under a cooperative format, in order to create opportunity for direct participation by consumers. 	<p style="text-align: center;">PROGRAM RESULTS</p> <p><i>No action during this period.</i></p> <p><i>A proposal to covert the distribution utility DEUSEM into a fully private company was approved and implemented. A Venezuelan company, however, purchased a majority stake and plans to form a cooperative were defeated, due to a lack of third-party financing.</i></p>
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Peru

- To be developed as part of future-year activities.

India

- NRECA will establish a technical assistance program with one or more counterpart electric cooperative based on a management/operational assessment to identify ways of improving the quality of electric service and other member needs.

Guatemala

- Support will be provided through NRECA's direct assistance program to villages and municipalities in designing rural electrification projects and forming local cooperative management systems in order to increase access to electricity under the new Peace Initiative.

Kyrgyz Republic

- To be developed as follow-on support program after pilot is successfully established.

Philippines

- NRECA's assistance to Filipino electric cooperatives will provide the basis for improved service at a lower cost, increased access to electricity, and more stable power supply.

No action during this period.

No action during this period; a proposal was developed which could lead to an NRECA assistance program in the future.

Community electrification development field work was continued by NRECA's local team.

No action during this period.

Proposals for funding assistance from different sources to support energy efficiency improvement programs and a new capital finance corporation for the electric cooperatives in the Philippines were initiated.

6. Contacts made in host countries to implement policy changes and the development of a more positive climate for cooperative systems.

El Salvador

- Assistance will be given to two municipal associations, COMURES and ISDEM, in devising cooperative format for local electric service systems.
- NRECA will maintain a dialogue with national government and CEL on expanding the cooperative ownership option for rural electric service in northern areas as part of the national electric power sector privatization program.

Peru

- NRECA will work with Ministry of Energy and Mines on developing an institutional support policy to assist the government in its aggressive push to provide decentralized power plants nationwide, looking to role of cooperatives to provide a local management/ownership base.

India

- A proposal to be made to the state authority (State government and State Electricity Board) to develop a model consumer-ownership project.
- NRECA will work with the Rural Electrification Corporation on a plan to strengthen the role of electric cooperatives in the power sector.

PROGRAM RESULTS

Implementation still awaiting funding arrangements.

No action during this period.

A proposal to the Ministry of Energy, Project Execution Office, was developed.

A proposal was developed for the Harayana State Electricity Board, and exploratory contacts were initiated with other SEBs.

No action during this period.

Guatemala

- NRECA will collaborate with Ministry of Energy to reform rural electrification policy from state-operated to local grass-roots driven system, including development of cooperative systems.
- Work with Peace Plan donors, including USAID, on developing funding program for local rural electrification efforts.

Kyrgyz Republic

- NRECA will work with the government, in particular the State Energy Holding Company of the Kyrgyz Republic (Kyrgyzenergo) to create a new policy and regulatory framework that is suitable for the successful development of electric cooperatives under power sector reform.

Philippines

- NRECA will work with the national government (Ministry of Finance; National Electrification Administration) to develop a supportive policy toward cooperatives under the sector restructuring and privatization that is taking place.

See above. NRECA's proposed trust fund system was developed and ready to start operations, pending funding.

NRECA continued contact with various potential funding participants, and initiated a proposal for a commodity monetization grant from USDA.

No action during this period.

No action during this period; a new government was elected in the spring of 1998. Plans were made for travel to the Philippines in July and August.

7. Contacts made with USAID Representatives/Missions.

El Salvador

- On-going contact with the USAID Mission on a routine basis by NRECA's local personnel.
- Formal proposals will be developed to USAID to support the municipal electric service program.

Peru

- Re-open discussion with USAID/Lima on developing an electrification/alternative development program based on small decentralized rural power systems, with follow-up proposal anticipated. NRECA will maintain regular contact with the Mission staff.

India

- Entry-stage visit with USAID/Delhi will be made to review target areas and cooperatives for developing energy efficiency projects. Follow up contacts will be made to define role for possible Mission follow-up funding. NRECA will keep USAID informed of activities thereafter.

Guatemala

- On-going contact with the USAID Mission on a regular basis by NRECA's local personnel.

PROGRAM RESULTS

NRECA requested USAID approval to maintain official bilateral program status for NRECA's on-going program and ex-pat team in El Salvador. This request was still pending.

Two proposals to USAID were still pending.

NRECA staff met several times with USAID Alternative Development program personnel, and hosted a USAID team in Bolivia to study NRECA's program under USAID/Bolivia funding.

NRECA met with USAID staff in Delhi, who were not encouraging about providing funding for NRECA's effort. NRECA will continue to develop its strategy with counterpart agencies and will submit a formal proposal to USAID at the appropriate time.

Periodic contacts were made with USAID/G-CAP. The Mission has decided not to fund a separate energy project, but will provide support for electrification of "development centers" in the Peace Zones. NRECA will pursue these plans.

<ul style="list-style-type: none">• NRECA will present proposals to USAID/GCAP for funding to develop locally-managed rural electrification projects in concert with municipalities rural electrification association under Peace Plan. <p>Kyrgyz Republic</p> <ul style="list-style-type: none">• NRECA will maintain contact with the USAID Mission throughout the activity. <p>Philippines</p> <ul style="list-style-type: none">• NRECA will maintain contact with the USAID Mission throughout the activity.	<p><i>See above.</i></p> <p><i>No action during this period.</i></p> <p><i>Several contacts were made with USAID/Manila, which indicated it would consider an unsolicited proposal from NRECA to support energy efficiency and institutional strengthening for the Filipino electric cooperatives.</i></p>
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SUBGRANT	PROGRAM RESULTS
<p data-bbox="92 236 520 268">A. PROGRAM PURPOSE</p> <p data-bbox="92 331 659 402">To support the development of cooperative systems overseas</p> <p data-bbox="92 475 642 545">1. Subgrantee's implementation of innovative activities overseas.</p> <p data-bbox="92 593 277 625">Bangladesh</p> <ul data-bbox="92 635 764 1110" style="list-style-type: none"> • Using NRECA data, characterize distributed generation pilot projects (including the electric cooperative, its industrial member and plant vendor); document financial feasibility parameters of projects and cooperatives. • Identify potential source of vendor, bank, multilateral agency, etc. financing and support NRECA in cultivation of those sources. • Support NRECA and cooperatives in structuring and negotiation of first financing. <p data-bbox="92 1158 197 1190">Bolivia</p> <ul data-bbox="92 1200 781 1471" style="list-style-type: none"> • Support NRECA and local cooperatives' legal counsel in assessing, from a financing standpoint, appropriate utility structures where NRECA is involved in cooperative restructuring under Bolivian law, in order to support continued development of rural power investments in alternative development zones. 	<p data-bbox="812 635 1997 833"><i>NRECA personnel met with senior management in the Bangladeshi rural electrification program (REB Chairman and Board) and with USAID to discuss prospects for establishing a CFC-type institution. There was considerable interest. REB will focus on establishing a government revolving fund as a first step. NRECA will continue to pursue this strategy at the appropriate time in the future.</i></p> <p data-bbox="812 874 1997 992"><i>The International Finance Corporation, NRECA, and CFC met to discuss setting up CFC-type capital funds in the Philippines and Bangladesh. The IFC expressed interest in both countries.</i></p> <p data-bbox="812 1034 1213 1072"><i>No action during this period.</i></p> <p data-bbox="812 1193 1213 1232"><i>No action during this period.</i></p>

- Consider future financing needs of consolidated utilities, the role of the Fundacion Energetica Boliviana (FEB) in supporting project financing, and recommend financial planning goals and reporting practices.

- With NRECA and consolidated utilities, assess their need for and the feasibility of forming a private rural electric power financing corporation modeled on the CFC, including general action plans.

India

- Research Indian financial reporting practices for electric utilities and, with participating Indian cooperatives, develop financial pro forma projections and recommend planning goals for proposed investments/ privatizations/ expansions.

2. Subgrantee's initiation and strengthening of field partnerships.

CFC expects to work with the following groups (either directly, through NRECA or via long-distance communications):

Bangladesh

- Selected electric cooperatives that participate in small power investment program.

No action during this period.

See above. NRECA initiated two privately financed solar electrification projects with municipalities in conjunction with a private financing group based in Bolivia. This program may be expanded in the future if it proves successful.

No action during this period. This will stay on hold pending changes in USAID's restrictions on funding activities in India.

No action by CFC during this period. NRECA initiated a "micro-credit" program assessment starting with a market analysis to determine the appropriateness of becoming involved in this field. The results of the study were very promising. A \$10,000 grant from the NRECA International Foundation will be made to a Bangladeshi co-op (Tangail PBS) if the project proceeds to a pilot phase. See below regarding power supply.

<ul style="list-style-type: none">• Rural Electrification Board and Rural Power Corporation. <p>Bolivia</p> <ul style="list-style-type: none">• Cooperativa Rural de Electrificación (CRE) and other participating electric cooperatives. <p>India</p> <ul style="list-style-type: none">• National Dairy Development Board and/or other participating electric cooperatives and utilities in privatization projects (subject to result of prefeasibility analyses).	<p><i>NRECA launched a major private power supply program through the REB that will result in 3 10-MW distributed power projects (gas fired) using private power producers in a BOO/BOT format.</i></p> <p><i>No action during this period.</i></p> <p><i>See above. No action during this period.</i></p>
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PROGRAM PURPOSE	PROGRAM RESULTS
<p data-bbox="176 185 781 331">To strengthen the capabilities of U.S. cooperative development organizations (CDOs) to support international development on a sustainable basis</p> <ol data-bbox="100 357 787 938" style="list-style-type: none"><li data-bbox="100 357 787 504">1. Professionalizing management systems and technical capacity of U.S. CDOs to support cooperative development activities internationally.<li data-bbox="100 544 787 659">• Develop NRECA's capacity to establish long-term, self-sustaining rural electrification programs overseas.<li data-bbox="100 699 787 813">• Develop new financing mechanisms and sources to promote NRECA's underlying international programs strategy and efforts.<li data-bbox="100 853 787 938">• Recruit and train new program staff, as required.	<p data-bbox="816 357 2007 536"><i>NRECA continued to improve its internal operating systems including the selection of a new multi-purpose accounting system that will link overseas offices directly, with on-line access, to NRECA's central accounting system. NRECA also revised its overhead rate structure to allow more reliable cost recovery and ensure program sustainability.</i></p> <p data-bbox="816 560 1961 632"><i>NRECA continued to develop new innovative mechanisms that will allow greater financial independence in the future.</i></p> <p data-bbox="816 655 1961 687"><i>A part-time international training programs director was added during the period.</i></p>

2. Building organizational commitment of U.S. CDOs and their membership to support international cooperative development activities.

NRECA will carry out the following on an on-going basis:

- Create overseas project opportunities overseas for participation of NRECA member and associate member in project implementation.
- Establish project opportunities for involvement of NRECA Youth Tour in raising financial support and participating in overseas electrification programs.
- Expand uses of surplus equipment donated by NRECA members in project activities.

NRECA continued to expand the number of member systems participating in the donated materials program and the youth tour program, the latter scheduled to field a group of high school graduates to assist in implementing a solar electrification project with a co-op in Costa Rica. Other initiatives will be presented before the end of the year.

3. Number of volunteers engaged in support of program delivery in the field.

NRECA's first-year plan will involve the following volunteer activities:

- Recruit long-term volunteer to support cooperative development in El Salvador.
- Recruit 2 volunteers to participate in project definitional team to Kyrgyz Republic.
- Recruit and support volunteer to strengthen sister cooperatives program.
- Recruit member cooperatives to provide training sites for foreign visitors.
- Recruit and maintain in-house voluntary support for donated materials program.

NRECA continued to develop volunteer links with member systems, including two institutional arrangements with NRECA member systems in North Carolina and Kentucky. These are aimed at strengthening the materials acquisition and management system under the NRECA International Foundation.

4. Efforts made to broaden the development resource funding base of U.S.CDOs, and to enhance long-term sustainability of cooperative development activities overseas.

NRECA will:

- Develop project opportunities for application of materials acquired from member cooperatives in income-producing activities.
 - Develop new income-producing training and consulting services such as cooperative utility benchmarking analysis and remedial intervention.
5. Project partnerships implemented with other U.S. CDOs.
- Explore project opportunities to participate in multi-sector country projects in NIS and other countries with consortia of CDOs.
6. Monitoring and evaluation activities undertaken to document impact of program on host-country beneficiaries.

Progress in materials and training programs are reported above.

No action during the period. NRECA continues to be a member of OCDC and is exploring the development of collaborative activities with other CDOs.

Internal program development and planning meetings. A system of developing an internal electronic newsletter on NRECA programs was established.

NRECA will:

- Carry out an evaluation of electric power reform movements in the Newly Independent States to determine the opportunities and obstacles for introducing cooperative electric utility management as part of local privatization efforts in such areas.
- Conduct semi-annual program evaluation and planning meetings.

A proposal was submitted to USAID to initiate work in the Republic of Georgia however this was not approved. Another proposal for work in Georgia was accepted by the Eurasia Foundation. NRECA will continue to pursue opportunities to penetrate the NIS.

A semi-annual staff-wide meetings was held in March 1998 at NRECA's annual meeting involving participation by all of NRECA overseas team leaders.

7. Outreach made to Cooperative community and U.S. public, to increase awareness about cooperative development overseas.

NRECA will:

- Develop new Website page for international cooperative support program activities.
- Continue outreach through regular NRECA publications and special newsletters.
- Attend NRECA annual meeting and other official NRECA meetings to present current activities and raise awareness of the benefits of increased member support.

International activities reporting began appearing in NRECA's website (www.nreca.org). Several articles were published in NRECA's Electric Co-op Today International Programs staff also participated in the NRECA annual meeting in Nashville in March 1998 and conducted several meetings with NRECA member systems.

8. Follow-up contacts made with overseas Cooperative partners to strengthen organizational capacities to ensure their sustainability.
- NRECA field personnel (e.g. based in El Salvador, Guatemala, Bangladesh, Bolivia) will have on-going contact with counterpart cooperatives in target countries.
 - NRECA routinely makes contact with overseas electric cooperatives for purposes of inviting representatives to NRECA meetings, sending announcements on new training and other services.

See above.

SUBGRANT B. PROGRAM PURPOSE To strengthen the capabilities of U.S. cooperative development organizations (CDOs) to support international development on a sustainable basis	PROGRAM RESULTS
<p>1. Strengthening Subgrantee's management systems and international technical capabilities to meet needs to support cooperative development activities overseas.</p> <p>NRECA will guide CFC in acquiring an understanding of the operating rules and environment for international programs activities, including how to comply with USAID regulations and work as a team with USAID professionals, how to collaborate with international development organizations and how to arrange financing for electric cooperatives outside the United States.</p>	<p><i>Meetings continued for CFC staff with personnel at the World Bank, Inter-American Bank and elsewhere to acquire information on international financing issues. NRECA coordinated the development of a proposal to CFC for a series of seminars to be held by IFC staff with CFC in the fall of 1998 to give CFC staff orientation on a range of issues in international project financing.</i></p>

2. Subgrantee's own staff and resources mobilized to implement the program.

CFC has a total staff of approximately 160. CFC will draw on individuals from this pool with an interest in international work and who have the skills to support the specific functions of NRECA's CDP identified for CFC's assistance. Participation with NRECA in this undertaking has strong support from senior management and the board of directors. In the first year, participation is expected by CFC's Director of Research & Development, two to four Senior Financial Consultants and an Operations Consultant and Administrative Assistants as needed.

CFC continued development of an internal working group who will share in implementing CFC's new international program effort.