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PROJECT APPRAISAL REPORT (PAR)

Reference Center
Room 1656 NS

1. PROJECT NO. 492-11-220-248	2. PAR FOR PERIOD: 3/15/71 TO 3/15/72	3. COUNTRY Philippines	4. PAR SERIAL NO. 72-8 6p
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5. PROJECT TITLE

Rural Electrification

PD-AAD-516-A1

6. PROJECT DURATION: Began FY 1971 Ends FY 1976	7. DATE LATEST PROP 2/18/72	8. DATE LATEST PIP	9. DATE PRIOR PAR
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$	b. Current FY Estimated Budget: \$	c. Estimated Budget to completion After Current FY: \$
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11. KEY ACTION AGENTS (Contractor, Participant Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
National Rural Electric Cooperative Assn	AID/csd 1504
National Economic Council, GOP	72-05

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
	X		Approve PROP and Development loan so that project will not encounter any further delays.	Immediate
		X	Approve the plan (personnel & funding) for upgrading the NEA organization as proposed by NEA to NRC on January 17, 1972, as an interim measure until the enactment of legislation which is scheduled for FY 1973.	Immediate
X		X	Finalize PL 480 agreement and provide other local currency to defray current costs of the cooperatives' staff, A & E services, issuance of IPB's, NEA salaries and expenses; general training and in-country commodity procurement such as poles.	June 1972

D. REPLANNING REQUIRES	REVISOR OR NEW: <input type="checkbox"/> PROP <input checked="" type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P	E. DATE OF MISSION REVIEW April 4, 1972
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PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Harrison L. Baker:	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE Thomas C. Niblocky
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Controller _____ Deputy Program Officer/Evaluation _____

~~CONFIDENTIAL~~

PROJECT NO. 492-11-220-248	SUBMISSION <input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> REVISION _____	(Number)	DATE	PAGE 2a of 4 PAGE
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An NRECA team has been providing technical assistance since 1967 to the National Electrification Administration and to rural electric cooperatives being constructed under the joint US-GOP development program. In 1969 a second NRECA team was set up under a contract financed by the Feasibility Study Loan (Contract SA-90). This team was to prepare 12 or more feasibility studies for electric cooperative systems and specifically train NEA personnel in this activity. The Washington office of NRECA provided assistance in recruitment and administration of the NRECA/AID contracts.

Both of these activities have been successful. The pilot projects at NURECO and VRECO are in full operation and many employees of the cooperatives and NEA have been trained in such fields as cooperative organization, management, accounting and contract administration. The feasibility study team completed 22 studies and assisted NEA in developing its employees in the field of economics and engineering, in preparation of operating policies and in cooperative site selection. All personnel chosen for these teams have proven fully competent in their various fields and they have developed an excellent relationship with the people of the Philippines with whom they were associated. All assignments were completed on time where specific timetables were established.

The only significant difficulty developed when two separate NRECA teams were established for what has proven to be closely related fields of activity. This problem has been eliminated with the conclusion of the feasibility study contract. All future AID/NRECA activities in the Philippines will be under a single team leader.

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II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS OF MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY <u>73</u>	FY <u>74</u>	
			TO DATE	TO END			
Feas. Studies Completed	PLANNED	8	18	24	4	0	36
	ACTUAL PERFORM- ANCE	8	14				
	REPLANNED			24	4	0	36
Cooperatives Organized	PLANNED	4	13	20	12	0	36
	ACTUAL PERFORM- ANCE	4	14				
	REPLANNED			20	12	0	36
Loan Agreements signed	PLANNED	0	15	21	15	0	36
	ACTUAL PERFORM- ANCE	0	11				
	REPLANNED			21	15		36
A & E Contracts (see continuation sheet)	PLANNED	0	8	12	24	0	36
	ACTUAL PERFORM- ANCE	0	8				
	REPLANNED			12	24	0	36
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	Expand capability of NEA staff.	Some expansion in NEA staff has occurred in such fields as engineering and cooperative organization and training. Further expansion is required to handle pro- curement, loan administration, warehousing, power use promotion, training, and program monitoring.					
2.		COMMENT:					
3.		COMMENT:					

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II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY <u>73</u>	FY <u>74</u>	END OF PROJECT
			TO DATE	TO END			
Construction Contracts	PLANNED	0	3	7	23	6	36
	ACTUAL PERFORM- ANCE	0	0				
	REPLANNED			7	23	6	36
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.							
2.		COMMENT:					
3.		COMMENT:					

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. **The purpose of the project is to assist the GOP in launching and completing within 3 years the initial phase of the program which has the ultimate goal of total electrification of the Philippines. The key concepts of the purpose are: (A) 36 viable electric cooperatives geographically dispersed throughout the Philippines providing reliable electric service for all purposes to areas inhabited by 5 million people at a cost of P600 M and accomplished by FY1976, and concurrently an NEA fully developed to administer and augment the program; (B) that there exists a national goal of total electrification and that the immediate concern of the project is the initial phase of a plan for total electrification for the Philippines**

2. Same as in PROP: YES NO

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. Existence of 36 economically, administratively and technically viable rural electric cooperatives geographically dispersed throughout the Philippines.	See Section III above.
2. Adequate administrative expertise and funding of NEA.	Plans for remedial legislative action in FY 1973 supported by President Marcos.

V. PROGRAMMING GOAL

A. Statement of Programming Goal **The goal of the project is to further the welfare of the people in the rural areas and to increase their income and employment opportunities by making electric service available at reasonable rates for both household amenities and increased production. This goal is among the highest priorities of USAID/Manila and of the Government of the Philippines as evinced by declarations made by President Marcos in his FY1971 State-of-the-Nation address and by other public pronouncements.**

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

The program will provide electric service to an estimated 360,000 customers or over 2 million people. Experience has shown that reliable electric service will increase the number of industries and electrically related innovations in agriculture, increase tax revenues, increase appliance sales and improve employment.