

PROJECT EVALUATION SUMMARY (PES) - PART I

1. PROJECT TITLE SMALL HYDROELECTRIC PLANTS DEVELOPMENT			2. PROJECT NUMBER 527-0226	3. MISSION/AID/W OFFICE USAID/Peru
6. KEY PROJECT IMPLEMENTATION DATES			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Con., Fiscal Year, Serial No., beginning with No. 1 each FY) <u>527-2</u>	
A. First PRO-AG or Equivalent FY <u>80</u>	B. Final Obligation Expected FY <u>84</u>	C. Final Input Delivery FY <u>88</u>	5. REGULAR EVALUATION <input checked="" type="checkbox"/> SPECIAL EVALUATION <input type="checkbox"/>	
6. ESTIMATED PROJECT FUNDING			7. PERIOD COVERED BY EVALUATION	
A. Total \$ <u>16,106,000</u>			From (month/yr.) <u>November 80</u>	
B. U.S. \$ <u>9,750,000</u>			To (month/yr.) <u>October 86</u>	
			Date of Evaluation Review <u>November 12, 1986</u>	

B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., program, SPAR, PIC, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. Mission has authorized ELECTROPERU to use Grant funds to purchase short wave radios, personal computers, and to rent vehicles to improve construction inspection.	A. Larrabure	March 31, 1987
2. A letter expressing AID's concern about ELECTROPERU's failure to complete some subprojects before the PACD has been sent to ELECTROPERU's President. This letter lists main issues affecting implementation and requests a meeting between ELECTROPERU's President and the Mission Director to discuss the progress of ELECTROPERU's corrective actions to overcome the implementation problems.	A. Larrabure	March 15, 1987
3. Based on previous actions, Mission will consider a 6 month extension of the PACD to November 19, 1987 to ensure completion of all subprojects, if ELECTROPERU demonstrates its commitment to implement recommendations in the evaluation to improve management and contract administration.	A. Larrabure	April 15, 1987

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT		
<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input checked="" type="checkbox"/> Other (Specify) <u>PIL to extend PACD</u>	A. <input type="checkbox"/> Continue Project Without Change		
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or		
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Change Implementation Plan		
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project		

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)		12. Mission/AID/W Office Director Approval	
Alfredo Larrabure, AID Project Coordinator Oswaldo Morán, ELECTROPERU Electrification Manager Penjamín Ibarra, ELECTROPERU Project Coordinator		Signature <u>Donor M. Lion</u>	
		Typed Name <u>Donor M. Lion</u>	
		Date <u>3/25/87</u>	

(PES) - PART II

A. BACKGROUND

This project was obligated in November of 1980 and originally escheduled for completion in November of 1985. The current PACD, after two extensions, is May 19, 1987. The Mission does not contemplate providing additional assistance beyond this Project to Peru for hydroelectric development. As the evaluation points out, there have been repeated delays in completing the subprojects. As a result, all activities cannot be completed before the PACD. On a positive note, demand for electricity generated by the Project is expected to exceed original estimates. For example, the demand for electricity generated by the Chongos Altos subproject has almost reached projections for the fifth year after only a year of operations, as a result of new communities being added to the system. EP is considering expanding the plant's capacity to meet the additional demand. In this context, the Mission is very interested in successfully completing this Project and installing in EP the capacity to carry out similar projects in the future.

B. THE CONTRACTOR'S REPORT

The Mission believes that the contractor performed adequately and complied with the scope of work (copy attached) included in the contract. The Executive Summary, included as Chapter 1 of the Evaluation, presents an overview of the findings and recommendations. Phase II of the evaluation consisted of a compilation of information and development of a framework that will be useful to EP for the preparation of a loan proposal if it chooses to seek additional resources for small hydroelectric development from a multidonor bank or other source. The Mission would have preferred that the contractor contact high-level officials in EP and other GOP agencies, such as the Ministry of Energy and Mines and the National Planning Institute, to ascertain the priority that the GOP assigns to small hydroelectric development. However, this was not explicitly required in the scope of work, and there was insufficient time for additional work. The evaluation has identified areas of improvement for ELECTROPERU which will hopefully strengthen overall management and improve the development of studies and selection of subprojects.

C. RECOMMENDATIONS

This Mission agrees with the majority of the recommendations made by the Contractor and is taking steps along with EP to implement them. The Mission takes exception to the recommendation made in Section 1.8 (a) of the Executive Summary to contract a rural development expert for promotion activities. Given the nearness of the PACD and the time required to contract such a person, it would not be practical to follow this recommendation. As an alternative, Project grant resources have been earmarked to assist EP in the promotion of productive uses of electricity with local specialists. Also, EP's recently created Electricity Promotion Service is developing a promotion plan that it will soon submit to A.I.D. for approval.

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EVALUATION COST DATA

USAID/ PERU or Bureau/Officer _____

Form completed by Alfredo Larrabure ENGINEERING March 17, 1987
Typed Name Office Date

1. No. and Title of Project/Activity: 527-0226 Small Hydroelectric Plants Development.
(or Title of Evaluation Report) _____

2. Date of Evaluation Report: November 12, 1986
Date of PES (if different): March 17, 1987

3. Mission Staff Person Days involved in this Evaluation (estimated):
- Professional Staff 15 Person Days
- Support Staff 8 Person Days

4. AID/W Direct-Hire or IPA TDY support funded by Mission (or office) for this evaluation:

<u>Name</u>	<u>Period of TDY (Person-Days)</u>	<u>Dollar Cost: (Travel, Per Diem, etc)</u>	<u>Source of Funds*</u>
	N/A		

5. Contractor Support, if any, for this evaluation:**

<u>Name of Contractor</u>	<u>Contract #</u>	<u>Dollar Amount of Contract</u>	<u>Source of Funds*</u>
Arthur D. Little, Inc.	527-0226-C- 00-6775-00	\$ 99,955	Project Grant 527-0226

*Indicate Project Budget, PD&S, Mission O.E. or Central/Regional Bureau funds

**IQC, RSSA, PASA, PSC, Purchase Order, Institutional Contract, Cooperative Agreement, etc.

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