

LONG TERM EXPATRIATE END-OF-TOUR REPORT

Name : Donn W. Ruotolo *Donn W. Ruotolo*

Titles: Acting General Manager : July 13, 1984 to August 1, 1984
 General Manager : August 2, 1984 to April 30, 1987
 Advisor on Selected Assignments : May 1, 1987 to May 27, 1987

First Assignment TDY : July 13, 1984 to August 2, 1984

Long Term : September 2, 1984 to May 27, 1987

OPENING COMMENTS

The Contract calls for this Report to summarize and compare assignments and achievements. In the case of a Chief of Party, there are generally few tangible specific outputs which can be compared and analyzed quantitatively, however, there are a number of specific duties and responsibilities which can be evaluated qualitatively and I have attempted to do this objectively in this report.

The role of the Joint Venture/PTAT General Manager went through a series of changes in response to changes in project requirements. Some of these changes were natural and logical to take advantage of specific abilities and skills, some were out of necessity to make up for shortages in skills or resources in other areas within the PTAT, and others were mandated by USAID or USAID/WAPDA.

In framing this Report, I have attempted to segregate the time periods consistent with various phases of the Project in order to recreate, in summary fashion, the different requirements and demands placed upon the Management of the Project.

The report is structured as follows;

- . Background July 1984 - May 1987
- . Basic Guidance
- . Assignments/Responsibilities of the General Manager
- . Lessons Learned
- . Closing Comments
- . Copies of all referenced correspondence

BACKGROUND JULY 1984 THROUGH MAY 1987

My association with the Project began in early July 1984. I left New York the evening of July 11 and flew straight through to Pakistan, arriving in Islamabad at approximately 3:45 AM local time on Friday, July 13 and I met with Mr. Moseley at his residence later that same morning for my interview. At the close of the discussion, Mr. Moseley advised that I appeared to be satisfactory but that he would make a final determination following his return from R&R. I assumed the position of Acting General Manager and returned to Lahore later that day.

1. July 15 - August 2, 1984 (Sorting out Administrative Arrangements)

On my first full day at the office, I met with each of the expatriates and reviewed a series of unanswered USAID letters which required immediate action. There were great number of open items which needed to be addressed promptly and an action item list was prepared which included;

- . Project Personnel Recruitment/Compensation;
- . Project Communications and Coordination;
- . Project Financing (working capital);
- . Project Accounting-Invoicing;
- . Establishment of Subcontractor Overhead Rates;
- . Obtaining additional office space; and
- . Logistic Support - Local Procurement

I immediately initiated action to develop proper **Position Descriptions** for all FSN positions, using USAID guidance documents as a model, (all personnel recruitment was halted pending completion of this task). Salary histories and bio-data were assembled for all existing staff and these were later submitted for USAID review. (Following a series of USAID reviews, all salary adjustments and reclassifications were completed in October 1984). I prepared and issued (August 2, 1984) a formal procedure outlining all the necessary steps for preparing position descriptions, obtaining USAID position classifications, notification to Subcontractors (3) to submit bio-data and/or advertise for candidates, in-house review of bio-data and selection for interviews, candidate interviews and tentative selection, review of salary history of preferred candidate, salary offer to preferred candidate, and provisional appointment. This resolved our personnel recruitment problems completely.

Project Communications and Coordination were addressed by weekly progress review meetings, attended by the Senior Pakistani Consultants (Dr. Fikri and Mr. Masood Hasan), held in the General Manager's Office. These meetings resulted in open discussions of problems and sharing of ideas and information and also provided all parties with a frequent opportunity to express concerns, discuss possible solutions, and integrate work efforts where such opportunities were present. Separate meetings were scheduled with the 3 subcontractors to discuss and review their specific concerns, (This was later regularized as a monthly meeting).

Project financing was addressed by securing additional contributions from each of the three Joint Venture Companies which were processed through USAID for conversion to local currency.

Project Accounting - Invoice documentation, preparation, and submittal procedures were sorted out with USAID. The Trip Expense Procedure (Local Travel) was also amended to comply fully with USAID guidance in this regard.

The initial preparations for review of the **Subcontractor overhead rates** were started. Discussions were held with OFM (Mr. Khalil Ahmed) and Handbook 11 Chapter 4 was submitted to each Subcontractor as guidance in the determination of allowable costs.

Discussions were held with the LDA for the **acquisition of office space** in the LDA Plaza and the USAID standard lease agreement and office rental justification requirements were reviewed with the EXO (Mr. L.S. Hunsaker).

Logistic support problems were determined to be due to USAID Lahore being ill equipped to handle frequent small value procurements and larger procurements (i.e. office furniture) handled through USAID Islamabad took a great deal of lead time. Accordingly, it was agreed that the PTAT would make arrangements to acquire these goods (normally supplied by USAID) as "non-contract" procurements.

Following Mr. Moseley's return and after his discussions with his staff and Member Power (Mr. M. Ayub Sadozai) on August 1, 1984, I was notified that I had been approved as the General Manager. I was requested to proceed with arrangements to relocate to Pakistan as soon as possible. I left written instructions designating others to act on my behalf during my absence from Lahore and departed Pakistan on August 2, 1984.

2. August 3 - September 1, 1984 (Preparations for return)

I returned and immediately commenced arrangements to relocate to Pakistan and to properly close-out/turn-over assignments at Princeton Plasma Physics Laboratory. I was in contact with the PTAT at least once each week via telephone/telex through Ebasco New York to discuss work activities and actions requiring approval of the General Manager (and guidance was provided in this regard). I entered into a Standard 2 Year Contract with Ebasco Overseas Corporation and departed for Pakistan on September 1, 1984.

3. September 3 - January 28, 1985 (Problem Identification/
Program Design Approach)

This period focussed on the preparation of basic Project Implementation documents such as;

- . Comprehensive Distribution Function Training Plan
- . Energy Loss Reduction Program
- . Master Plan for Rural Electrification
- . Institutional Improvement Plan

The development of the Training Plan was being impeded by the lack of any published WAPDA reference plan, absence of current population data by skill category (necessary to develop criteria for numbers of classes/instructors/facilities required), and absence of Training Organization to work with. The Training Component energetically closed the information gaps and had its first draft ready for review in December 1984.

The Energy Loss Reduction Program was impeded by the absence of feeder maps, absence of firm data by which to assess and segregate technical from "administrative" losses in the Distribution System, and the absence of the requisite WAPDA Distribution Staff to train/perform basic tasks necessary to support the design and subsequent implementation of the program. A small pilot program was launched to fill in some of these information gaps. The program included the mapping of selected high loss feeders, collection of feeder data and analysis of the technical losses which could be identified (the difference between the total losses and the technical losses would be the estimated "net administrative losses"). These circuits were analyzed off-shore (at AEP) and the results were presented during December. The report of this analysis recommended a criteria for identification of candidate feeders for mapping/analysis. Ideally, all feeders would be mapped and necessary data collected for analyses, however, the mapping effort was then estimated to take 5-7 years to accomplish (approximately 95,000 miles of feeders) and we couldn't wait for this to happen. Accordingly, the focus and emphasis was to go after high loss feeders. WAPDA also initiated a "Crash Energy Loss Reduction Program" in December 1984.

The Master Plan for Rural Electrification was in difficulty due to the delay in receipt of District Master Plans, out of date/incomplete District Master Plan Maps (1:50,000 scale), incomplete data with respect to village distances from the Grid (11 kV), and problems with respect to the definition of "village". The Terms of Reference for the District Master Plan development were seriously flawed in that not all villages were located on the map sheets (only about 60% of the villages from the 1972 census listing were selected by the local contractors in accordance with criteria for population and distance from the Grid), individual distances from the Grid were not provided for each village, the name of feeder to be extended was not provided, and the bills of materials were summarized. Further, some of these local firms had gone out of business and would not be available to participate in closing these information gaps. During November, USAID provided guidance with respect to the re-orientation of the document into a "Macro level" planning/criteria document. This document later evolved into the "Technical Paper" which included both rehabilitation and expansion components.

The study of the existing procedures and methods of working had been largely completed during April - September 1984, from the standpoint of identification of problems to be addressed. The institutional problems identified were far more **extensive than been anticipated**, a piece-meal "Study and Improvement of existing procedures" would not be adequate to solve these problems. While not specifically called for in our Contract, it became clear that an **Institutional Improvement Paper** needed to be prepared as an approval document. We received extensive comments/guidance on the development of the outline in November 1984 and the first internal draft was circulated for review in January 1985.

It was decided that a major presentation would be held at the end of January to present initial findings, proposals for proceeding with detailed development and decisions required (from WAPDA) to continue. The presentation was held on **January 28, 1985** at WAPDA House, 7th Floor Committee Room. The presentation included a discussion on existing problems, recommendations on the proposed approach to address these problems, and asked that specific approvals be given in order to proceed. We had anticipated receiving dates for follow-on incremental approvals as a major reorganization of Distribution had been recommended, however, we received an **unqualified approval to proceed** directly from the Chairman at the close of the meeting. In retrospect, we were perhaps too successful at this presentation as the difficult part of the effort (detailed program design) had yet to start.

During this period, in addition to my regular duties and responsibilities, I performed the following tasks;

1. Sorting out the balance of the Project Personnel Procedures and salary reviews;
2. Negotiation and preparation of the Lease Agreement with the LDA and other Sponsors, with assistance and guidance provided by the USAID RLA and USAID EXO;
3. Development of facility office space requirements by group and layout of the LDA facility partitioning; evaluation of proposals and for partitioning systems and recommendation for purchase; development of the subcontract for partitioning; daily inspection visits to the site to assess construction progress and resolve problems (use of outside elevator, lighting, electricity, etc.);
4. Development of JV Staffhouse operation and accounting procedures and recruitment of personnel to operate a safe and hygenic facility; and
5. Development of JV Contingency Plan, with guidance from the US Consulate Admin/Security Officer, to complement the Consulate Contingency (emergency communications and evacuation) Plan.

Efforts were also initiated to obtain a Short Term Expatriate to assist in the development of JV Procurement Procedures which would comply with the (then) recently published Federal Acquisition Regulation.

4. February 1985 - May 1986 (Detailed Program Design)

The minutes of the January 28, 1985 meeting were distributed in early February. The Ministry of Water and Power received copies of these minutes and provided favorable comments, except that we had not gone far enough, the Plan should provide for a detachable Distribution Authority. It became clear that additional technical assistance would be required particularly in the following areas;

1. Management Services
2. Purchasing and Inventory Control
3. Administration (Personnel and General Services)
4. Generation/Transmission Coordination

The first 3 functions had been part of the General Consultant's duties and responsibilities, supported by Short Term Expatriates and a few Pakistani advisors. This was far too much for one individual to handle, particularly in view of the major changes anticipated and full time counterpart working relationships necessary for the program design to proceed as planned. The last function became necessary to look after the other "siamese twin" (the balance of WAPDA) and to develop a logical series of evolutionary changes which would enable the separation of Distribution to occur at some point in the future.

WAPDA appointed a Deputy Managing Director (Distribution) establishing the Distribution Wing in April 1985 as agreed. It was intended that his primary duties and responsibilities were to oversee the detailed development of the Institutional Improvement Program, however, he soon became involved with other work related to Supplier's claims and was only available on a part time basis. In May 1985, the Ministry of Water and Power reminded WAPDA that all changes in the organization involving officers of Chief Engineer or equivalent were subject to prior "consultation with" (read "approval of") the Ministry of Water and Power. This seemed to cause the momentum to slow down.

Also in May 1985, USAID directed the Joint Venture to provide additional Expatriate Chief Consultants to provide counterparts for each functional area, (this was the correct decision), and the JV immediately proceeded with recruitment to fill these positions. This basically resulted in a 45-55% expansion of the PTAT staff as indicated in the conceptual estimate submitted to USAID for advance information during June 1985 (Ref PTAT/AID-85-06-28L of June 26, 1985). We felt uncomfortable about preparing a firm new estimate for Level of Effort without the benefit of the review by the Chief

Consultants who would be charged with the responsibility to implement the program. We started development of the PTAT LOE estimates for all functions where a Chief Consultant was on site. At this point, the basic program requirements were reassessed and it was determined (jointly with USAID) that the organization and staffing of the PTAT required changes to remain responsive to these changing requirements. A Deputy General Manager position was approved (and filled by Dr. Andrews) and the Manager of Utility Operations Position was approved (and later filled by A.W. Huseby following his interviews with USAID and WAPDA). The Deputy General Manager was established as the Line Officer for program management and the Manager Utility Operations as a Staff Officer to provide technical coordination and technical guidance for the Consultancy Groups.

The new organization came together between August and September 1985, except for the Chief Consultant Administration position which was filled on a temporary basis by Mr. P.F. Carl (previous General Consultant). By the end of August 1985, the detailed organization charts had been developed for Distribution Wing Headquarters, Area Electricity Boards, Divisions and Subdivisions. The charts included the numbers of staff by BPS (Basic Pay Scale) category and their administrative (line) reporting channels. Position Descriptions were also developed for each officer/junior officer position. Progress was impeded by the absence of full-time WAPDA counterparts, with the sole notable exception of the Chief of Training.

During September, USAID coordinated and hosted the first Donor's Conference held in Pakistan. The PTAT was invited to attend and give a short presentation. One primary objective was to advertise that GOP/WAPDA needed more financing for its Distribution System Rehabilitation and Expansion Program and to show when such funds were required. The Asian Development Bank and World Bank both indicated an intense interest in participating in the System Rehabilitation and Load Management Programs.

During November 1985, presentations were made to WAPDA on the Technical Paper and Model Division Reorganization Study Proposal. WAPDA agreed to review and comment on the Technical Paper and authorized the PTAT to proceed with the Study of the Sheikhpura and Muridke Divisions of the Gujranwala AEB.

Numerous other activities were proceeding well, albeit at a somewhat slower pace than we had hoped. USAID and WAPDA both seemed pleased with the overall progress. Mr. Moseley's letter of December 15, 1985 (E&E/PD/L-3734/12/85) was viewed as a very positive indication that our efforts were well received. Unfortunately, our revised estimate was submitted in late December after a great deal of discussion with the Home Office and a Management Committee Meeting (attended by me) to resolve the outstanding issues. This estimate (very high) included numerous other activities and commodities requested by WAPDA and was substantially higher in cost from our earlier conceptual estimates.

In early January 1986, I was requested by Member Power to prepare brief summary of the accomplishments to date and preview of what was planned for the future. I completed the materials and had the text for slides to Ebasco NY within 3 days of Mr. Sadozai's review. These slides were hand-carried back to Pakistan and arrived on February 2 (Mr. Sadozai made the presentation to the Authority and selected Senior WAPDA Staff on March 4). Also in January, work commenced on a revised "bottoms up" estimate (all extra work to be deleted) and Dr. Gellerson of USAID-Washington came to Pakistan to review the TOR for the Loadshedding Study.

During February, crash programs were launched to generate an Accelerated Village Electrification Plan (in response to the Prime Minister's 5 Points Program of December 1985) and a Study on the split of Distribution from WAPDA as a separate Distribution Authority. Both of these efforts were implemented on the basis of small teams working 7 days per week and both documents were completed and submitted during February as requested.

During March, the analysis bids for the survey work for the Loadshedding Study was completed and the Task Order and recommendations for survey contractors and Technical Advisor were forwarded to USAID for approval. USAID approved the Task Order and the subcontracts for the survey work and Technical Advisor were completed and signed. Meetings were held on the Financial Analysis for the Institutional Improvement Program. At the end of March (March 23), WAPDA requested a Summary of the Institutional Paper be prepared to serve as an approval document for the Authority and the GOP, (a tentative due date was established of April 17, 1986). Efforts were also made to prepare for the Mid-term Project Evaluation.

In early April, I relieved A.W. Huseby of his responsibilities with respect to the Institutional Summary Paper (as his progress was not satisfactory) and took on the task myself, with part time support (editing and proof-reading) from various PTAT staff. The first draft was issued on April 17, 1986 as promised and was well received (Ref E&E/GM/L-1141/4/86 of April 23, 1986). (The next revision was issued on May 12 and while it was by no means entirely complete, it provided a solid case to proceed with the reorganization of the Distribution Wing and it later formed part of the review package which was used to obtain GOP approval of the Institutional Improvement Program). At the end of April, the Mid-term Evaluation Team arrived to commence its review of the Project.

During May, USAID held a series of meetings with WAPDA and reached agreement to have the new GM's in position by 01 July 1986. The Evaluation Team completed its data collection efforts and the Loadshedding survey contractors were aggressively performing in the work. All seemed to be going according to Plan.

A summary of the additional duties and responsibilities performed or assumed during this period is listed below;

1. Procurement Officer for large value procurements made in country by the JV.

2. Team Leader on the Study of the Financial and Economic Impact of Power Interruptions and Loadshedding including; development/revision of the TOR, major participation in development of survey instrument (questionnaires), preparation of the "Instruction Manual for Surveyors", evaluation of bids and recommendation for awards of contracts for survey work, preparation of contracts for survey work and Technical Advisor, and conducting periodic meetings to review the status of survey field work.
3. Member of small team assembled to prepare a paper for the Ministry of Water and Power with regard to options for how and where to separate Distribution from WAPDA. I became aware of the basic requirement on February 3, 1986 and the PTAT agreed to put together a briefing document at that time. One week later, I relieved Mr. Huseby of the Team Leader position (due to unsatisfactory progress) and I organized a 7 day per week effort which was completed on February 22 and delivered to the Ministry of Water and Power on February 23, 1986 as agreed.
4. Principal author of the Institutional Summary Paper, Draft of April 17, 1986 and May 12, 1986 Revision. I also prepared the Financial Analysis for both the Summary and the Institutional Improvement Program Papers. The Institutional Summary Paper received special recognition from the Mid-Term Evaluation Team as being concise, well written, and accessible to the outside reader (See Attachment 6).
5. June 1986 - April 1987 (Implementation Attempted/Started)

In early June (June 2) 1986, the Authority held a meeting at which time the General Manager Administration was actioned to prepare the paperwork to create the new General Manager positions for the Distribution Wing (as had been agreed with Mr. Moseley and Dr. R. Ichord on May 5, 1986). Unfortunately, before this effort was completed, references came from the Ministry of Water and Power (June 30) and from within WAPDA (June 29) calling for a new round of reviews (the Ministry of Water and Power had apparently learned that WAPDA was preparing a case for "expost-facto" approval of the Ministry after the positions had been created and officers posted). The Chairman's term expired on June 30, and no new orders were received for several days after his term had expired (technically there was no Chairman during this interim period). The scope statements for the new PTAT Work Plan were finalized and approved by WAPDA and USAID.

During July, a new series of reviews took place within WAPDA, but not much real action took place. The Joint Venture submitted a formal request to USAID (Ref PTAT/AID-86-07-41L of July 31, 1986) asking for permission to extend my contract (with Ebasco Overseas Corporation) by one year and for permission for me to proceed on an AID reimbursed Home Leave. (We received no official response until September Ref E&E/PD/L-2596/9/86 dated September 7, 1986).

During August, USAID made arrangements for a meeting with the Ministry of Water and Power (August 6). An action item from this discussion was the preparation of a 3 volume document package for the Ministry which was delivered to USAID on August 10. Later in the month, materials for a comprehensive presentations were organized, under Member Power's direction, for briefing the Secretary of Water and Power on August 27, 1986. The briefing was held as planned, however, it appeared that the Secretary was not aware how much work had been done and had not been kept informed.

During early September (September 1) I was advised that the Chairman had authorized the Member Power to proceed with the reference to the Ministry (and this was done on September 30, 1986). On September 8, we received USAID's letter advising that as I was included on the Key Personnel List my contract (with Ebasco) was not relevant and I could proceed on Home Leave as planned. The tone of this letter came as a surprise. I felt that I had clearly earned my Home Leave entitlement and I was not about to be pressed into extending for two years or making a commitment to stay until the end of the Project (discussions at that time suggested that the duration of our support to WAPDA might be extended into the 1990's). Though there is a specific provision in our Contract for the Mission Director to approve Home Leave after completion of two full years, providing the contractor employee agrees to return to an overseas post for a period of not less than one year, I was advised that USAID employees on 3 year tours-of-duty were entitled to 2 R&Rs and no Home Leave. While I had made no firm decision to leave after 3 years, I considered it prudent to proceed on R&R and give up my Home Leave entitlement (30 calendar days in the United States not charged to Annual Leave) in order to retain this flexibility, without exposing the Joint Venture to possible subsequent disallowance of these costs in the event that I did not choose to stay for at least 4 years. Rest assured, however, that this action by USAID was a key factor in my later decision to inform the Management Committee in December 1986 to consider other candidates for General Manager, as I did not wish to stay beyond 3 years.

During October, I returned from my trip in the United States (which included participation in the Management Committee Meeting on September 23 and meetings with Dr. Gellerson and Dr. Pasha in Washington D.C. on September 25 and 26). USAID approved the contract for the partitioning of the temporary headquarters facility of the WAPDA Distribution Training Institute in Lahore and this contract was immediately awarded. In late October (October 27) USAID notified the PTAT to be prepared to make a major presentation on the Project on November 13 (This date was subsequently delayed twice and held on December 11, 1986).

During November, our efforts were concentrated on preparations for the presentation and several changes were made, at USAID's request, to the presentation outline, presentation sequence, list of presenters, and key issues to be highlighted. The changes continued to be made until the evening before the presentation. Also during this time, a Committee had been established by the GOP chaired by

Mr. A.G.N. Kazi (Deputy Chairman Planning Commission) to review the proposal to reorganize the Distribution Wing. A meeting was held on December 2, at which Mr. Sadozai was assigned the action to prepare a documentation package for consideration of the Committee. This documentation package was to consist of;

1. A concise executive summary of key points and issues (not to exceed 3 to 4 pages);
2. Comments of each Member of the Authority including any "Notes of Dissent";
3. Member Power's comments on any dissenting views or opinions; and
4. Selected supporting documents.

Parts 1 and 4 were completed on Saturday December 6 and subsequently circulated for review as agreed. On December 14, I was asked to assist the Member Power to prepare comments on the (then) Member Finance's "Note of Dissent", this effort was completed at 11:30 AM on December 15. Mr. Sadozai submitted the complete package to the Chairman later that day requesting the Chairman's approval and permission to draft the transmittal letter to the Committee submitting the document package. Mr. Sadozai was away on official business until the evening of December 27. On December 28 I was asked to assist Mr. S.M. Kazim (Principal Staff Officer to the Member Power) to prepare the transmittal letter. This effort was completed on December 29, 1986 and the letter was delivered to Mr. Sadozai's residence later that afternoon. (Mr. Sadozai delivered the document packages on January 1, 1987 and the Committee approved the proposal to reorganize the Distribution Wing, with minor adjustments, on January 12, 1987).

Also in late December, USAID requested WAPDA to prepare its Implementation Work Plan (Ref E&E/PD/L-3637/12/86 dated December 24, 1986). As it was clear that the technical assistance requirements were likely to extend beyond January 1989, WAPDA were advised that the ~~timeframe~~ should not be constrained by the end of the JV Contract with USAID.

During January and February we focussed our efforts on providing data to WAPDA on the development of their Work Plan and providing data to USAID for development of the Project Paper Amendment. Discussions were also held relative to the adding of funds obligated under the Contract and adding funds to the Local Subcontracts. Advance copies of the WAPDA Implementation Work Plan were also sent to the JV Home Offices which, in turn, expressed considerable concern about the extended durations of the support efforts.

USAID agreed to have one senior representative of the Joint Venture to travel to Pakistan to review and comment on WAPDA's Implementation Work Plan. Closed door discussions were held regarding PTAT staffing and the proposed timing for a contract negotiation (scheduled to occur after approval of the Project Paper Amendment). Mr. McAlister advised that Ebasco had an assignment for me which was expected to open during May, 1987. Mr. Moseley advised that USAID would not object to my reassignment, and indicated that Dr. J.E. Andrews would be an acceptable replacement.

During March, WAPDA completed the preparation of the Work Plan and formally submitted it to USAID on March 16, 1987 (A series of meetings were held between WAPDA and USAID during March). Also late in the period, a presentation was made to present the findings and analysis Methodology on the Loadshedding Study and field questions of interested reviewers, (a new more complete Summary Paper was also drafted and made available). I participated in the development of the presentation materials, review and analysis of possible questions (in preparation for the question and answer session). Dr. Pasha made the presentation and fielded most of the questions.

During April, USAID and WAPDA continued their discussions and while USAID letters suggested that progress was being made, (See E&E/GM/L-891/4/87 dated April 8, 1987) we have no written record of any final agreements reached between these two parties with respect to the Joint Venture Contract or PTAT staffing. All of the selected correspondence we have seen has been from USAID to WAPDA or USAID to the Joint Venture Management Committee or PTAT. In response to USAID's notice to proceed with USAID's recommendations, I issued a memo on behalf of the Joint Venture confirming Dr. J.E. Andrews as General Manager with effect from the close of business on April 30, 1987 and made plans to wrap-up open activities and leave Pakistan at the end of May.

6. May 2 to May 27, 1987

During this period, I have focussed my efforts on completing a series of open activities including;

1. Updates of procedures;
2. preparing documentation on open activities and recommendations for resolution/completion; and
3. preparing a series of notes (extracted from my personal journals) to record various actions, activities, and events which are not completely covered in official project correspondence or meeting minutes.

Work on the Study of Financial and Economic Impact of Power Interruptions and Loadshedding has been delayed due to the non-availability of the principal programmer, Mr. Fawad Usman, (who was on medical disability).

BASIC GUIDANCE

The basic advice given to every Project Manager or Chief of Party generally includes the following;

1. Understand the Contract
2. Know your Client, Maintain Communications, Remain Responsive to their Needs
3. Know Your People (Project staff)
4. Establish and Maintain a Record of Lessons Learned (included separately, starting on Page 18)

1. Understand the Contract

Our Contract includes some 34 specific item descriptions, some of which have multiple elements. It is specified in a manner such that most activities which involve WAPDA Distribution can be interpreted as being included in the Contract Scope of Work. Contract Item 34, coordination with other technical assistance programs of other donors, provides further flexibility in this regard. I also became conversant with the various provisions and regulations included in the Contract and other rules/regulations incorporated by reference.

Be that as it may, the depth and breadth of our support in the area of Institutional Improvement took on new dimensions in mid 1985 and continued to grow, following receipt of USAID's guidance to include proposals for WAPDA's long term organizational changes which would take place following the initial consolidation of the Distribution Wing. This necessitated a thorough understanding of the demands (growth targets etc., mandated by the GOP) to be placed on WAPDA and the human resources and the political constraints to financial resources necessary/available to deal with these changing requirements. The latter element has been particularly difficult to get a handle on as we are dealing with a dynamic situation. I must admit that I did not fully appreciate the magnitude of this task until I became actively involved with writing of the Summary Institutional Improvement Paper and learned of WAPDA's efforts to find suitable candidates for key positions within the Distribution Wing (and suitable replacements for these officers for their previous positions). This is a major undertaking which involves thousands of WAPDA employees and also implications on other WAPDA organizations, especially the balance of the Power Wing.

2. Know your Client, Maintain Communications, Remain Responsive to their Needs

My first order of business was to learn what USAID expected of the PTAT. I kept in frequent contact (telephone, telex, and meetings) with USAID (July 1984 - February 1987) normally at least once each workday (also sometimes on weekends and holidays) to keep them well informed, solicit or discuss guidance, and review new requirements/developments. We were given high marks from the Project Evaluation Team for our timely responses to changes in guidance and flexibility in performing additional tasks at the request of USAID (and WAPDA). My personal opinion is that we accomplished this objective throughout most of my tenure as General Manager.

In our role as Consultants to WAPDA, we have a special relationship which is quite similar to a normal Client-Consultant relationship. It was also important for us to know and understand what WAPDA needed and to establish and maintain close communications to assure coordination of work efforts. My initial point of contact was WAPDA's Project Director (the General Manager Distribution) who, at that time, seemed preoccupied with his other duties and responsibilities. USAID advised that I should make a concerted effort to enlist the support of the Member Power, as active Top Management support was essential to the success of the program, (the Member Power had once commented that "this new General Manager seems to be shy"). I proceeded to accomplish this objective by providing Mr. Sadozai with oral briefings on the project and personally following up approvals required from his Office. I also made a concerted effort to get to know all of the WAPDA counterpart staff and I made efforts to assure that any PTAT commitments made during meetings were met within the agreed timeframe (or if there were compelling reasons why it could not be done, that WAPDA were advised prior to the due date). The PTAT and WAPDA came to understand and trust one another and generally attempted to work closely with one another, with a few notable exceptions (which have been dealt with separately from time to time).

When it became clear that USAID and WAPDA had different views on how to approach the approval process and the contents of the approval package, I recommended that USAID and WAPDA sort out their differences together (we did not want to be caught in the middle between USAID and WAPDA or between WAPDA and the Ministry of Water and Power).

3. Know your People

A good manager must get to know his people in order to;

- . establish and maintain good communications with all staff;
- . accurately assess strengths and weaknesses (or limitations);
- . establish reasonable performance goals and objectives;
- . evaluate performance; and
- . establish a relationship of trust, confidence and loyalty.

I have made a conscious effort to get to know all of the expatriate staff, all of the senior Pakistani staff, and most junior Pakistani staff. I believe that our internal communications have generally been quite good. Our USAID approved Project Personnel Evaluation Procedure provides a solid basis to establish reasonable performance goals/objectives for each position and objective evaluation criteria. As General Manager, I personally reviewed each and every evaluation report in order to; verify compliance to the approved procedure, keep abreast of the professional development of each member of the team, understand the strengths and weaknesses of each member of the team to

insure proper deployment and/or actions necessary to improve performance. In cases of disagreements, I was available to any member of the team for personal discussions/consultation and I believe this "open door" policy has been effective in developing an environment of trust, confidence and loyalty. Each and every request that I have made for PTAT staff to work late, work weekends, or work holidays has been agreed to without complaint, in spite of the fact that, in most cases, we cannot compensate them for these additional hours invested in the project (overtime is voluntary). I consider this to be solid evidence of a high degree of personal dedication and loyalty to the project and this indicates that I was successful in getting the PTAT staff to "internalize the project as their own." This is perhaps my single most important achievement during my tour-of-duty. The Mission Director also indicated (during a conversation with Mr. D.J. McAlister held during February 1987) that "Your Team has done an excellent job under very difficult conditions." Such performance is only possible with a solid team effort.

ASSIGNMENTS/RESPONSIBILITIES OF THE GENERAL MANAGER

1. Manage the execution of the JV Contract.
 2. Formal representation of the PTAT before USAID, WAPDA and JV Home Offices.
 3. Serve as Counterpart to the Member Power.
 4. Monitor the execution of the JV Work Plan.
 5. Manage all PTAT Administrative matters (Personnel, General Services, Finance/Accounts).
 6. Manage JV Subcontracts.
 7. Manage the preparation and issue of Monthly and Special Reports.
 8. Interface and coordination as directed with technical assistance efforts financed by other donors.
1. Manage the execution of the JV Contract.

This is an extremely difficult task, given the broad definition of work scope and fluid time frame. PTAT Senior Management received special recognition for its performance by the Project Evaluation Team as was documented in the Project Evaluation Report. We also received special recognition from the Technical Office for our persistence and dedication in pursuing approvals from USAID and WAPDA which were keeping us from performing our work.

We have, admittedly, had problems in filling Expatriate positions in a timely manner, in spite of our best efforts from the site.

2. **Formal representation of the PTAT before USAID, WAPDA and JV Home Offices.**

I assumed this role on my first day of my assignment in Pakistan and continued to do so throughout my tenure as General manager.

3. **Serve as a Counterpart to the Member Power. Later in the program (November 1986), the term "Counterpart" was changed to "General Program Advisor".**

I assumed the counterpart role in late 1984. I approached this role cautiously at first because I felt certain that Mr. Sadozai had a better understanding of the needs of WAPDA than I did (this of course was true). However, I initiated contact with him by personally following-up approvals required from his Office and providing him with frequent oral reports of project developments, including problems and constraints. Prior to all such discussions, I had reviewed the problems and constraints with the Cognizant Component Managers (at that time, later with the Cognizant Chief Consultants) so that I had a solid understanding of the particular issue and had also carefully considered the various alternative approaches to solving the problems. Mr. Sadozai appreciated good staff work as it saved him time in making decisions. I was also able, from time to time, to provide suggestions with respect to general management (i.e; coaching new subordinate staff, tailoring presentations to a particular audience and following-up presentations with additional data with regard to specific questions or issues which were raised at these presentations, and advance planning). I also gave Mr. Sadozai an open invitation to contact me at any time he wished to see or speak to me. Mr. Sadozai took me on this invitation frequently, often after office hours or on weekends.

4. **Monitor the execution of the JV Work Plan.**

This task was accomplished by frequent progress review meetings and monthly status updates of all active Work Plan activities. Action items were addressed separately by frequent meetings with WAPDA and joint WAPDA-USAID-PTAT progress/status meetings.

We have also had difficulties with respect to the development and approval of Work Plans and Estimates of JV Contract Costs. There were extenuating circumstances which significantly contributed to these difficulties.

5. **Manage all PTAT Administrative matters.**

- . **Personnel**
- . **General Services**
- . **Finance/Accounting**

The Personnel Functions were put in order during July-October 1984 and has continued to function extremely well, as evidenced by USAID-EXO-PO audits which continued to confirm our compliance with all USAID guidance and policies.

The General Services Functions, local procurement, transport, office maintenance, office communications, etc., have also performed extremely well. We have also provided transport and local procurement support to USAID throughout the project and we have received special recognition for these efforts.

The Finance/Accounts Functions have continued to perform well throughout the period, as evidenced by periodic audits by USAID-OFM and those performed off-shore by auditors arranged by USAID and AID-Washington.

6. Manage JV Subcontracts.

This function involved frequent meetings with the three (3) Subcontractors (which involved 100 employees at its peak) to establish common personnel procedures and policies, invoicing and records, and establishment of overhead rates. In support of these activities, guidance was also provided with respect to the development of "Business Plans." Periodic audits by USAID-OFM have been highly favorable with respect to our performance in this area.

7. Manage the preparation and issue of Monthly and Special Reports.

This particular function was somewhat informal at first, consisting part of the time as quarterly and weekly reports supplemented by frequent meetings etc. The requirements were later regularized in Contract Amendment 1 in June 1985. From that point forward, monthly reports were issued following each month. The format and content has been subject to frequent revision/refinement to address a broader audience (in accordance with guidance supplied by the USAID Technical Office). Special reports have also been prepared on an "as requested" basis.

We have, admittedly, had a great deal of difficulty in getting the monthly off-shore cost data, due to difficulties with the capturing and consolidation of the data from 3 JV Companies (and 8 AEP Operating Companies).

8. Interface and coordination with technical assistance efforts financed by other donors.

This has been broadly interpreted to include interface with all other USAID projects, in addition to those financed by GTZ, CIDA and others.

Whenever requested by USAID, we supplied data, local transportation, copies of our USAID approved procedures, guidance or briefings on our work to visiting teams or other technical assistance teams working in Pakistan. We have received considerable praise for our efforts both as a team and individually.

LESSONS LEARNED

The observations which follow have the benefit of hindsight and are intended only to highlight decisions or actions which may be considered on this or other future programs to avoid problems. My observations relate to;

Contract Discussions

- . Company Personnel Policies
- . Compensation of Local Staff
- . Project Procurement Procedures

WAPDA Counterpart Arrangements

- . Selection of the Project Director/Support Staff
- . Appointment Counterparts

Project Monitoring and Evaluation Plan

- . Periodic review of the Goals, Objectives and Targets in the Logical Framework
- . Project Monitoring

Decisions and Approval Process

- . Out-of-Country Training

Contract Discussions

a) Company Personnel Policies

During contract negotiations, there should be a clear understanding on company personnel policies and how they coincide or differ from US Government policies and procedures. While most of these issues were discussed at the time of contract negotiations, it was apparently not made clear that individual employee contracts and commitments are relevant and must be considered.

In contracts where the duration of a given position is known or expected to exceed 3 years, this consideration should be addressed in early discussions. In the first instance, it is very difficult to recruit professional staff for firm 4 or 5 year terms in Third World Countries. Second, as the project moves from one phase to another, the project organization and staffing must also be reassessed and modified as necessary to remain responsive to changes in needs or emphasis. It must be recognized that each employee has a particular set of abilities, skills, qualities, and limitations which should be evaluated objectively against changing requirements of a particular position. The Contractor/Consultant is responsible

for staffing the project with capable qualified staff and changing staff, without prejudice to the employee, if the new requirements of a position dictate the need for someone with different abilities and skills or if the employee wishes to be reassigned following completion of his/her current contractual commitment.

b) Compensation of Local Staff

Early in the Project it was decided that USAID FSN Compensation Policies/Plans would be used as guidance in establishing the upper limits of starting salaries and annual adjustments. The intent was to insure that salaries were in line with local market conditions (neither too high, which might cause local staff to leave USAID or other projects, nor too low, which might result in high turnover rates thus poor continuity of positions and higher personnel recruitment costs). It was also intended to levelize the numerous USAID contracts so that one contractor was not paying more (or less) than another contractor for personnel doing the same work.

Unfortunately, this agreement was later interpreted to mean that the USAID FSN Compensation Plan and Step Increase Procedure would be followed to the letter and timed in accordance with the release of each new FSN Compensation Plan. This caused considerable difficulties due to following reasons;

Cost-of-Living/Market Adjustment was the largest component and merit increase nominal, providing little incentive for outstanding performance.

The Plan was always late, generally by several months.

There is an opportunity cost to the employees associated with the delay in the receipt of full salary/compensation entitlements as these funds are unavailable for investment and no interest or income is earned during the delay period. Second, it necessitated numerous accounting adjustments to accurately reflect the retroactive changes in our project records and those of our Subcontractors (including company financial statements and tax returns). Third, it upset future cost estimates needed for Work Plan budgeting and projections of working capital requirements. Fourth, we needed to establish provisional salaries for employees coming on board after the previous Plan was expected to have expired.

In hindsight, the agreement should have been to utilize USAID guidelines as a ceiling, with flexibility given or permitted to place employees in between steps to provide more weight for merit increases. Second, preliminary guidance should be provided each year so that provisional salary adjustments could be made to offset some of the impact of the delayed release on new Compensation Plans.

c) Project Procurement Procedures

Given the large commodity budget, included in our Contract late in the negotiations, the Joint Venture should have immediately submitted its purchasing procedures manual for review (following modifications as necessary to comply with the procurement regulations identified in the Contract) and insisted on a review and approval of the Procurement System. Changes in US Government procurement guidelines and regulations could be incorporated by later revisions as and when necessary.

The failure to do so early permitted the Contracts Office to question each and every procurement and open, close, open, and close the discussion on the applicability of the Federal Acquisition Regulation. This delayed a number of key procurements (including microcomputers for application software development, CADPAD, and microcomputers for Training).

WAPDA Counterpart Arrangements

a) Selection of the Project Director/Support Staff

The position of Project Director was given to the General Manager Distribution as part of his existing duties and responsibilities. This decision seemed very sound at the time as the GMD was the chief operating officer of Distribution. However, it was recognized early in the project that the GMD was already overloaded and had very little, if any, free time to become actively involved with the design and implementation of the program. This problem was identified early (July 1984) and, as an interim arrangement, a Convener (Mr. Malik Ashraf) was appointed, supported by a few BPS-18 officers to assist in the monitoring of the Project. This Convener and support staff were reassigned in April 1985, following the appointment of the Deputy Managing Director Distribution (who was not provided any full time professional support staff).

In hindsight, a full time Project Director, (not burdened by any other duties and responsibilities) supported by at least 2 BPS-19 or BPS-18 officers would have been preferable. This Project Director could have functioned as a Staff Officer to the GMD or DMD.

b) Appointments of Counterparts

WAPDA had agreed to select and appoint counterparts, however, no agreement had been reached on the amount of time which would be available for active participation in the program. All but one of the numerous counterparts which have been associated with the program, from time to time, had other duties and responsibilities and little free time to devote to the program.

It is recognized that part time participation of counterparts may be entirely satisfactory for some phases of the program development. However, these requirements should be established in some formal manner indicating the percentage of time and provisions made (i.e. addition of other support staff as necessary) to assure that the cognizant officer has this time to devote to the program. The requirements should be reviewed periodically to remain responsive to changes in program needs.

Project Monitoring and Evaluation Plan

a) **Periodic Review of the Goals, Objectives and Targets in the Logical Framework**

The Logical Framework (LOGFRAME) is a primary reference document for all USAID project evaluations. It is a useful tool in the development of projects defining the goals, purpose, inputs (technical assistance, commodities, construction, etc.), outputs (targets for people trained, facilities designed and placed into operation, etc.), assumptions and objectively verifiable indicators of achievement. It should have been used to establish target dates for decisions and as a point reference for all changes in program direction. It should also have been used to establish requirements for obtaining hard "baseline data" and methods of carefully segregating improvements made under the project from those caused to be outside influences so that project achievements could be objectively verified.

This was our first USAID project and the significance of the LOGFRAME and collection of requisite baseline data did not become clear to us until our participation in the USAID Workshop held in Tunisia in September/October 1985. Upon my return from this Workshop, we immediately began preparations for the Mid-Term Evaluation, fortunately most of the requisite baseline data was easy to collect and methods of segregating project accomplishments from independent accomplishments were not very difficult to develop. It became clear that there had been some changes in focus which were somewhat at variance with the original plan, although most specific inputs and outputs had been or were being addressed as originally conceived and, of course, the goal and purpose remained unchanged. At the time when the LOGFRAME was developed, the schedule for the project as a whole and individual component elements was very much "up in the air". Periodic review and filling in target dates, as and when possible, would have helped us to establish schedule timeframes (and milestone dates) and decision points for specific actions or inputs required from USAID and the GOP/WAPDA.

One major criticism of the Evaluation Team was the change in the focus of the Rural Electrification Master Plan. There were compelling reasons for this change in focus (largely information and data gaps) and the document did achieve most of its primary objectives. In hindsight, we should have carefully documented the reasons for the change in focus and asked USAID to obtain agreement from WAPDA on how and when these information gaps would be closed so that the original plan (maps indicating the existing grid stations and existing primary distribution network; all villages; the "Plan of Service" to supply power to all unelectrified villages; bills of materials and timeframe for each Plan of Service; load forecast by village, feeder, grid station, and district) could be completed at some later, mutually acceptable, date.

b) Project Monitoring

The project monitoring arrangements went through a long series of revisions and changes in response to increasing demands for control and monitoring purposes. While the basic concepts remained fixed, the updates to the Work Plan and long review approval cycle associated with the review of these Plans created havoc with the various accounting departments charged with the responsibility of carefully capturing labor costs and various other expenses by Task or Task Order.

In the future, a controlled process or procedure should be established to permit review and approval of changes in the statement of work, schedule or budget at the task level as and when changes in requirements are identified, (similar to the Task Order Procedure for short term support and the SUE program). Also there should be a small Management Reserve Budget (perhaps 5% over and above the sum total of budgets authorized in the approved WAPDA Implementation Work Plan) placed under the control of the Technical Office so that small changes in task budgets can be accommodated without separate individual references to the Contracting Officer (except for cases involving changes in scope, end date of the Contract or total Contract value). The Department of Defense and Department of Energy both make use of Management Reserve accounts to simplify and speed up the review and approval of changes.

Decisions and Approval Process

a) Out-of-Country Training

The Comprehensive Power Distribution Function Training Plan was well conceived, professionally documented, approved by WAPDA and approved by the GOP. The approval of all out-of-country training participants within this Plan was the joint responsibility of WAPDA and the WAPDA-PTAT Training Team (the PTAT verified that all recommended participants complied with the approved selection criteria). With this GOP approval of the Plan, and the approval cycles included therein, we should

have been able to eliminate the time consuming process of review by the various Ministries. Unfortunately, part of the Out-of-Country Training was financed under a separate Project Agreement which included the full review of the various Ministries. As a result, several programs were delayed and on at least one occasion delay/cancellation charges were paid.

In hindsight, we should have pressed USAID to amend the other Project Agreement to grant a special waiver to project 391-0473 training participants following receipt of GOP approval of the Plan. This would have eliminated this source of future delays and also would have established a precedent which could benefit other projects with Out-of-Country Training components.

CLOSING COMMENTS

The position of the Chief of Party of a large technical assistance team, staffed with a heavy concentration of Utility Personnel with little or no consulting experience and no overseas work experience, located in a foreign country, involved in a multi-faceted program with "soft deliverables", with numerous reporting and professional working relationships, and changing staff (Home Office, PTAT, USAID, WAPDA, US Consulate, etc.) is both highly complex and highly demanding. This was my first assignment in such a position and I owe a great deal to several people who provided guidance and support so that I could grow into the position without having to learn the hard way, on the basis of mistakes. I would like to make special mention of the following key individuals; Mr. M. Charles Moseley, who provided timely guidance and set an exemplary example through his hard work, dedication and attention to detail; Mr. Kenneth P. Lue Phang, who provided timely guidance and his steady composure in dealing with difficult problems (especially GOP and USAID approvals); Mr. Dean Pratt, who provided prompt definitive guidance and support with respect to determinations of allowable cost, procedures, and processing of invoices; Mr. Terence T. D'Souza, who provided us with prompt responses to our letters and requests for information and gentle reminders of open PTAT action items that had been communicated in casual discussions but not documented in meeting minutes, official correspondence, or formal requests; Mr. M. Ayub Sadozai, who provided useful insights, advice in dealing with various WAPDA staff, and always found time within his busy work schedule to meet with USAID and the PTAT to resolve problems requiring his personal attention/input, (Mr. Sadozai also provided an exemplary example of dedication to service which influenced me, personally, and various key WAPDA staff); Dr. John Andrews, who provided objective views on various problems and opportunities requiring discussion and who made himself available for discussions or performing necessary project work 24 hours per day; Mr. G.P. Gorman, who provided the PTAT with excellent communications/support from the Home Offices and Management Committee during his association with the project and also provided me with expert assistance in dealing with a wide variety of problems; Mr. Masood Hasan, Masudur Rehman Chaudhry and Dr. Fikri, who provided me with useful insights on working in Pakistan and dealing with Pakistanis, useful insights on dealing with

WAPDA, and an unusually high level of support in recruiting qualified local staff to meet project staffing requirements; Mr. S.M. Kazim for his attention to detail, insights into the form and process of various WAPDA approvals, and objective review of various documents; and last, but not least, Larry Heatherly, who worked extraordinary hours in order to provide me with admin/secretarial support so that I could meet deadlines in the completion and issue of project documents and various communications (letters, telexes, telephone calls, etc.).

As I mentioned earlier, we had a large number of experienced Utility personnel who had no previous foreign work experience. On my previous foreign work assignments, I had seen a significant number of people experience "culture shock" which had rendered them ineffective in their assigned positions. I had anticipated that we would have some failures in this regard, but to my knowledge, we have not had a single failure as of this date, (we had, however, tried to minimize the risk by establishing a comfortable and secure staffhouse, arranging for social activities after hours, and keeping them informed of news from home). This success record also speaks well of the Home Office recruitment efforts with regard to carefully screening candidates prior to recommendation for selection.

The decision to proceed with a major reorganization of Distribution was, in my opinion, the correct course of action. The reassessment and reorganization recognizing the needs of the present and foreseeable future needs had been long neglected, hence, a major reorganization was clearly required. While it was also undeniably necessary to look far ahead to future changes, in order to avoid taking any near term actions which might complicate the natural evolutionary development of WAPDA/Distribution, placing such long term plans/alternatives in the basic approval document significantly complicated the review and approval process. In hindsight, a strategy of incremental approvals might have been equally effective and almost certainly would have permitted the review and approval process to proceed more expeditiously.

From the beginning of my association with the project (July 1984) throughout the end of my association with the PTAT site staff (May 1987), I dedicated myself towards the achievement of the project goals and objectives. I made a conscious effort to; exercise continuously attentive control of options and actions necessary to proceed, maintain composure in dealing with problems/personalities, and resolve problems as and when they occurred. While I did my best to manage my time and work efforts efficiently, I normally found that I needed to work 50-80 hours a week to keep up with the requirements of the Project (only the first 40 hours of each full work week were billed, all of the excess hours were considered a donation from me to the Project).

Looking back over the past 3 years, with the full benefit of hindsight, I find that there are some decisions or actions which I might have approached differently. I have attempted to carefully record these observations. It must be noted, however, that timely decisions are required to prevent major delays and, in some cases, decisions must be based on preliminary or otherwise incomplete information. While this may, at times, result in a sub-optimal decision, as opposed to the best

decision, it is still preferable to taking no decision when time is of the essence (as was frequently the case on this Project). While I feel that my personal accomplishments and contributions could have been greater, I believe that I did the best that I was capable of doing under very difficult conditions. I hope that reviewers of this report, knowledgeable of the history of the Project and my personal efforts, will come to this same conclusion.

In closing, I would like to confirm that I have enjoyed my assignment (apart from a few brief periods) and feel that I have learned a great deal and benefitted from this experience. If future opportunities should become available for me to contribute further, I would be pleased to do so, on a part time or short term basis. In any event, I wish the Project continuing success and I shall make an effort to check on the status from time to time to keep abreast of the developments and accomplishments. I am leaving Pakistan with fond memories of my working/social relationships with many members of the USAID-WAPDA-PTAT Team and I hope that I shall have the opportunity to work with many of these dedicated men/women again on future assignments.

LISTING OF ATTACHMENTS

1. PTAT/AID-85-06-28L dated June 26, 1985
2. E&E/PD/L-3734/12/85 dated December 15, 1985
3. E&E/GM/L-1141/4/86 dated April 23, 1986
4. PTAT/AID-86-07-41L dated July 31, 1986
5. E&E/PD/L-2596/9/86 dated September 7, 1986
6. E&E/PD/L-3226/11/86 dated November 10, 1986
7. E&E/PD/L-3637/12.86 dated December 24, 1986
8. E&E/GM/L-891/4/87 dated April 8, 1987

WAPDA · USAID POWER DISTRIBUTION PROGRAM
EBASCO · AEPES · ITECO
JOINT VENTURE

Ref No: PTAT/AID-85-06-28L

June 26, 1985
391-0473-C-00-4003-00
Project # 391-0473

Mr. Brendon J. Gannon
Contracting Officer
Office of
Project Development & Monitoring
USAID - P.O. BOX 1028
18 Sixth Avenue, Ramna-5
Islamabad.

Dear Mr. Gannon:

Subject: Rural Electrification Project
Changes in Long Term Expatriate Staff
Ref E&E-1480/85 Telex date May 30, 1985

This letter is in response to Mr. James P. Politte's referenced telex to Mr. C.F. Whitehead, Chairman of the Joint Venture Management Committee.

The Joint Venture Management Committee held a special meeting on June 19, 1985 to discuss the changes requested by Mr. Politte. The Management Committee is in complete agreement that the Long Term Expatriate Staff must be expanded in order to provide complete coverage of the functional organization for distribution approved by WAPDA. We also recognize that it will be necessary to accelerate our implementation in order to meet the proposed time frame for the establishment of a separate Distribution Wing and, later, a separate Distribution Authority.

The Joint Venture suggested that one additional position, Manager, Utility Operations be approved to insure proper integration and smooth transition during the implementation phase of the program. This recommendation was reviewed and approved by WAPDA and USAID subsequent to the receipt of the referenced telex and has been incorporated in the recent contract amendment. This results in an increase in the Long Term Expatriate Staff from twelve (12) to seventeen (17), as indicated in Article IV paragraph A.

As was pointed out by Mr. Politte this increase in staffing can be accommodated by accelerated use of the level of effort as included in our contract. However, this would result in shorter duration for the Project.

As you know, we are actively engaged in assisting WAPDA in its Crash Energy Loss Reduction Program, distribution feeder mapping program, Grid Station Planning and Operation, and a large number of short term studies including the study of Economic Regions for Area Electricity Boards for Power Distribution. At the request of Mr. Lion, we are also assisting WAPDA with its Crash Program to Reduce Load Shedding. All of these activities are within the scope of work of our contract but were not anticipated and consequently were not budgeted in our approved Work Plan.

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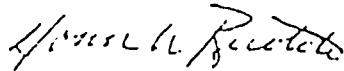
It is our opinion that the PTAT must be present to assist WAPDA throughout the implementation period and for some reasonable time period afterwards to insure that the changes in structure, policy and procedures are institutionalized. Accordingly, we consider it imprudent to plan on a shorter duration for the project at this time.

We have been working on a detailed "bottoms up" estimate to establish a basis for a discussion with USAID on increases in the estimated level of effort. We will be able to complete this activity once the magnitude and schedule of the high-priority Crash Program to Reduce Load Shedding has been decided by WAPDA and the GOP. We have, however, prepared rough estimates on the level of effort required to complete the activities which have been identified thus far, including the recommended support until the original project completion date. The impact on expatriate support has been attached. The details on local Pakistani support are still being developed.

At the present time, we anticipate that the total estimated level of effort (both expatriate and local support combined) will need to be increased by approximately 45-55% in order to insure the successful completion of project goals. A significant portion of this anticipated increase can be funded by redistribution of budgets from other line accounts.

I shall contact you directly once the scope of our activities in the Crash Program to Reduce Load Shedding has been established and our detailed estimates have been completed for your review. In the interim period, it is requested that the 15% restriction (Article 5b, as amended) in the contract level of effort be lifted to permit us to bring on short term support that is immediately required.

Very truly yours



Donn W. Ruotolo
General Manager

Encl:a.a.

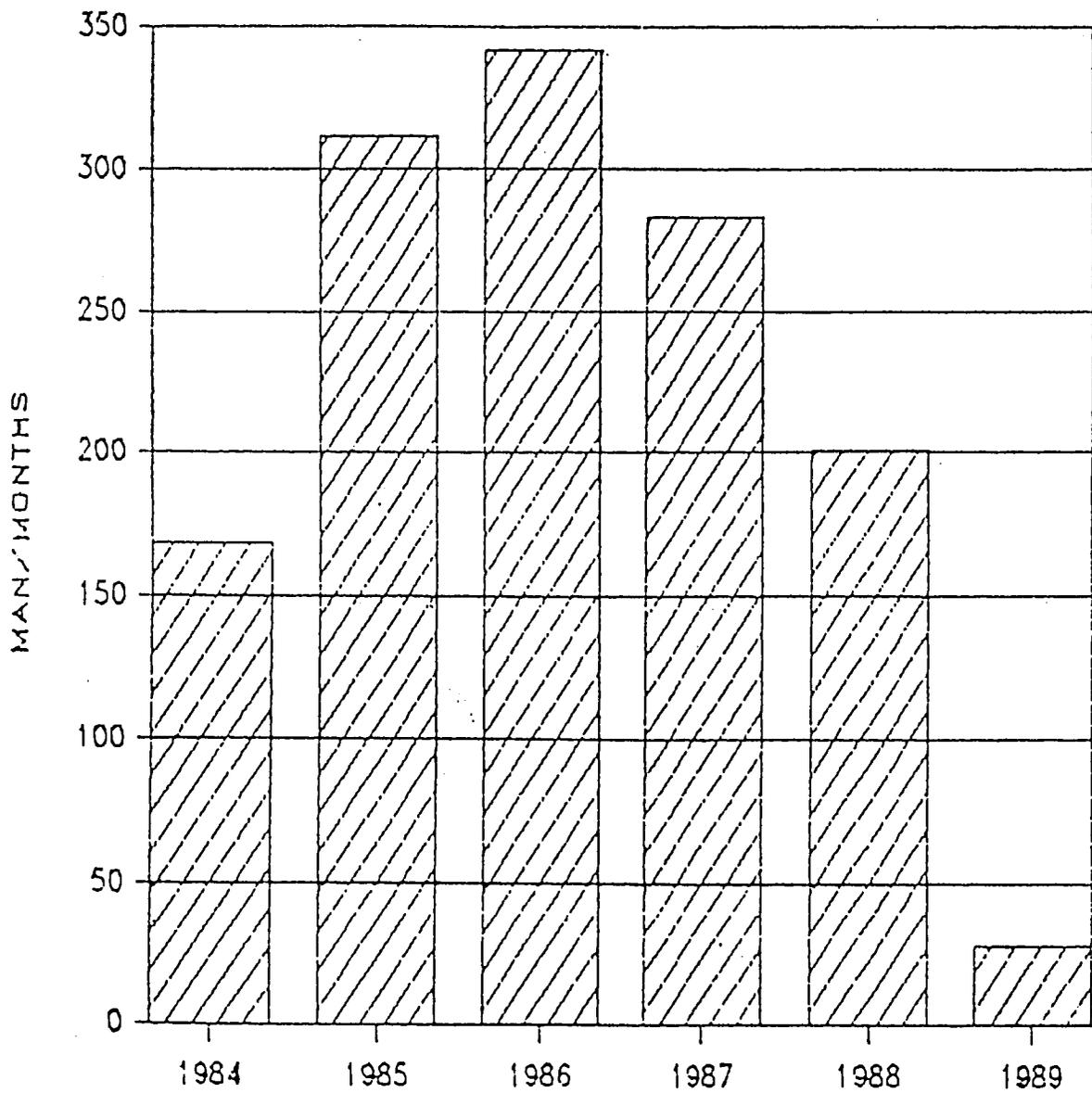
cc: M. Charles Moseley, Chief E&E, USAID Islamabad
J.E. Andrews
G.P. Gorman
D. Chouinard
K. Lee
D. Dick



DIVISION	CONSULTANT CATEGORY	(PROJECTED M/M BY YEAR)					TOTAL PRO. M/M	TOTAL C. EST	DIFF	
		1984	1985	1986	1987	1988				
PROJECT MANAGEMENT										
10	LT EXPATRIATE	18	31	36	36	36	6	163	120	43
20	ST EXPATRIATE							0	0	0
TRAINING										
110	LT EXPATRIATE	27	60	85	63	29	6	270	204	66
120	ST EXPATRIATE		6	12				18	30	-12
ADMINISTRATION										
210	LT EXPATRIATE		4	12	12	12	2	42	0	12
220	ST EXPATRIATE		10	8	4	4		26	4	22
DIST. PLANNING & ENGINEERING										
310	LT EXPATRIATE	10	12	12	12	12	2	60	60	0
320	ST EXPATRIATE	6	3	3	3			15	11	4
CONSTR., OPERATION & MAINT.										
410	LT EXPATRIATE	10	12	12	12	12	2	60	60	0
420	ST EXPATRIATE	5	14	9	9			37	20	17
MATERIALS & STORES										
510	LT EXPATRIATE		5	12	12	12	2	43	0	43
520	ST EXPATRIATE	3	5					8	6	2
CUSTOMER SERVICES (COMM.)										
610	LT EXPATRIATE	9	12	12	12	12	2	59	48	11
620	ST EXPATRIATE		8	3	3			14	3	11
TECHNICAL										
710	LT EXPATRIATE	9	12	12	12	12		57	48	9
720	ST EXPATRIATE		15	2	8			25	10	15
MANAGEMENT SERVICES (MIS)										
810	LT EXPATRIATE		1	12	12	12		37	0	37
820	ST EXPATRIATE	6	21	12				39	36	3
GENERATION & TRANS. COOD.										
910	LT EXPATRIATE		5	12	7			24	0	24
920	ST EXPATRIATE							0	0	0
GENERAL OFFICE SUPPORT										
951	EBESCO	20	24	24	18	12	2	100	60	40
952	REP	30	34	34	30	24	2	151	24	130
953	TTECO	15	18	18	18	12	2	83	46	37
		168	312	342	283	201	28	1334	790	544

OPERATIVE TOTAL:	1984	1985	1986	1987	1988	1989
	168	490	822	1105	1306	1331

ANNUAL PROJECTED M/M



SUMMARY OF RECOMMENDED ADDITIONS

Project Management

Under the amended contract, there are three (3) long term expatriate positions under this category. All of these positions will be required for life of the project, including one position for 2-3 months at the end of the program for project close-out activities. The level of effort must be increased from 120 to 163 man months.

Training

WAPDA has requested that the PTAT prepare models of training facilities for AEB's and Circles, (These models will include physical layouts and construction budgets). WAPDA has also requested the PTAT to design instructional programs to facilitate training in remote areas and training programs that would provide access to technical skills that are not widely used (mobile training units). A higher concentration of implementation staff will be required due to the late operational status of the Distribution Training Institute (DTI) and the large number of programs which will become operational towards the end of the project. Estimated additional man months for these activities is 54 man months. These additions have been included in the Training Paper which has been approved by WAPDA. The level of effort must be increased from 234 to 288 man months.

Administration

The Personnel and General Services functions were not covered adequately within our team or within WAPDA. It has been recognized that a great deal of effort will be required, particularly in the area of safety. One long term position has been added and a number of short term assignments have been recommended to establish and implement new personnel policies, procedures, and guidelines and to establish and monitor a Safety Program. The level of effort for expatriate support must be increased from 4 to 66 man months.

Distribution Planning and Engineering

No substantial changes are required for on site expatriate personnel. However, off-site distribution circuit analysis training (two 4 month courses to train WAPDA personnel) have been factored into our projections for Home Office Support.

It is anticipated that some additional short term assistance will be required to support the Crash Program to Reduce Load Shedding.

Construction, Operations and Maintenance

The proposed increase includes support to the Crash Energy Loss Reduction Program, feeder mapping program, grid station operation, system protection, and distribution system maintenance practices. Estimated expatriate support must be increased from 80 to 97 man months.

Purchasing and Stores

The WAPDA Purchasing and Inventory Control functions are in desperate need of procedural revision and reorganization. A long term expatriate has been added for the duration of the project. Also, a short assignment was used to visit and help WAPDA make better use of existing storage facilities. The estimated level of effort for expatriate support must be increased from 6 to 51 man months.

Customer Services

WAPDA's existing "Customer Services" function consists solely of customer accounting. It does not include energy conservation and customer education. Significant changes were also found to be required in customer accounting procedures so as to provide basic customer service, monitor for unauthorized use of electricity and improve turn-around time in issuing bills. The estimated expatriate support must be increased from 51 to 73 man months.

Finance

The accounting and financial records of WAPDA were found to be substantially inconsistent and major work efforts are active to confirm the actual current assets, current liabilities, value of inventory, and capital assets. This will make it possible for an accurate cost of service study to be made. Major changes in accounting procedures and financial reporting systems will also be required. The estimated expatriate support must be increased from 51 to 73 man months.

Management Services (MIS)

At the request of WAPDA and USAID, a long term expatriate position was added to orchestrate the development and implementation of a large number of computerized management information and reporting systems, (it is planned that WAPDA's existing staff will play an active role in the applications development, programming and implementation). The long term Computer Systems Plan has been presented and approved by WAPDA. The estimated expatriate support must be increased from 36 to 76 man months.

Generation and Transmission Coordination

As discussed with Messrs Lion and Moseley, this activity is required as a direct result of the separation of Distribution from the rest of the Power Wing. The estimated expatriate support for this position 24 man months.

Home Office Support

Increased activities as identified in this report, the tour and presentations to the WAPDA/USAID delegation in the fall of 1984, and task orders for short term expatriate positions not included in the Work Plan estimates have all contributed to a significant increase in Home Office Support. In addition, AEP has provided extensive computer and engineering support not anticipated initially. Additional man months: EBASCO 40, AEP 130 and ITECO 37.



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD
E&E/PD/L-3734/12/85
December 15, 1985

Mr. Donn W. Ruotolo
General Manager
EBASCO/AEPES/ITECO Joint Venture
7th Floor, LDA Plaza
Egerton Road
Lahore

Subject: Rural Electrification Project 391-0473

Dear Mr. Ruotolo:

As the end of the year approaches, I want to express my most sincere personal gratitude to you and members of the Joint Venture and staff for your commitment and hard work. I believe that you, the Joint Venture and staff have ample reasons to chalk up 1985 as a successful year and to be proud of your individual and group accomplishments.

I am proud to have such dedicated people on the USAID/Pakistan's Energy Sector Team and to be associated with your work. Thanks again and best wishes for the coming year.

Sincerely,

M. Charles Moseley
Chief, Office of
Energy & Environment

cc:-Mr. Carl Whitehead
Senior Vice President
EBASCO Overseas Corporation
Two World Trade Center, New York 10048

- Mr. Hal. N. Scherer Jr.
Vice President
American Electric Power (AEP)
1 Riverside Plaza, P.O. Box 16631 Columbus, Ohio.
- Mr. W. Em. Fluhr
Vice President
International Training and Education Company (ITECO)
Point West Center, Five Speen St. Framingham
MA 0170

NAME	info
D.W. Ruotolo	✓
J.E. Andrews	✓
A.W. Huseby	✓
F.K. Faulkner	✓
R.E. Snyder	✓
S.W. Hayden	✓
A.H. Stuhlmann	✓
R.W. Young	✓
J.W. Whitmyer	✓
J.F. Womack	✓
Z. Fikri	✓
M. Hassan	✓
M. Ur Rehman Ch.	✓
E. Nathaniel	✓

Pls pass
on to your
staff



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD
E&E/GM/L-1141/4/86
April 23, 1986

Mr. Donn W. Ruotolo
General Manager
EBASCO/AEPES/ITECO Joint Venture
7th Floor, LDA Plaza
Egerton Road
Lahore.

Subject: Comments on Draft Institutional Improvement Program Summary Paper dated April 16, 1986.

Dear Mr. Ruotolo:

As I indicated during our meeting with Ken Lue Phang last Thursday in Lahore, I am impressed by the quick action on the Executive Summary of the Institutional Paper since you became personally involved only a few days earlier. Keep up the good work.

The paper you provided us is a good first draft. The attached comments and suggestions about it confirm and complement the verbal comments I provided during our meeting. Some of the comments are item specific, others are general because of time constraints or the nature of the subject. In all cases I would expect you to apply the comments throughout the draft to the extent they are relevant.

I confirm I will be in Lahore on Sunday, the 27th, for the meeting with Member Power and other key WAPDA Officers to review these comments and those they undoubtedly have. Maybe by the time of the meeting I will have a few more comments, if I find time between now and then to give more thoughts to the matter.

Date	APR 24	Time	Att
Name			
D. W. [unclear]			✓
J. E. [unclear]			✓
A. W. [unclear]			✓
F. H. [unclear]			
R. E. Snyder			
S. W. Hayden			
M. H. Stutzmann			
B. W. Ernst			
J. W. Whitmyer			
J. F. Womack			
M. H. MacLennan			
G. P. German			✓
H. N. Scherer			

Sincerely

M. Charles Moseley

M. Charles Moseley
Chief,
Office of Energy & Environment

Attachment: a/s

P.S: Please provide Messers-Saizai and Raja Saeed Akhtar a copy of this letter and attachment.

WAPDA · USAID POWER DISTRIBUTION PROGRAM

EBASCO · AEPES · ITECO

JOINT VENTURE

Ref No. PTAT/AID-86-07-41L

July 31, 1986

391-0473-C-00-4003-00

Project # 391-0473

Mr. Kenneth P. Lue Phang
Chief Power Division
USAID
2 Sundar Das Road
Lahore.

Dear Mr. Lue Phang:

Subject: RURAL ELECTRIFICATION PROJECT
REQUEST FOR APPROVAL CONTRACT EXTENSION
D W RUOTOLO

This is to request USAID approval to extend the contract of D.W. Ruotolo from 2 years to 3 years (1 year extension). The proposed extension is within the contract budget for this position.

It is our interpretation of Article 2, Paragraph (C)(2) of the ADDITIONAL GENERAL PROVISIONS - COST REIMBURSEMENT TYPE CONTRACT that up to 15 calendar days of Home Leave (for use in the United States, Puerto Rico or in possessions of the United States) may be granted for each year of overseas service and that the Home Leave Entitlement days are over and above the normal annual leave described in Article 2, paragraph (a).

If you concur with the proposed extension, please request approval of the Mission Director to authorize Home Leave as required by paragraph (C)(2) of Article 2 and provide written confirmation of USAID approval and authorized Home Leave Entitlement.

Very truly yours


John E. Andrews
Deputy General Manager

cc: G P Gorman



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD

E&E/PD/L-2596/9/86

Mr. Donn W. Ruotolo
General Manager
EBASCO/AEPES/ITECO Joint Venture
7th Floor, LDA Plaza
Lahore

Subject: Power Distribution Program: 391-0473

Ref: (A) PTAT/AID-86-07-41L of July 31, 1986
(B) Contract No. 391-0473-00-C-4003-03

NAME	Info	Act
D.W. Ruotolo		
J. E. Andrews	✓	
F.K. Faulkner		
R. E. Snyder		
S. W. Hayden		
A.H. Stuhlmann		
R. W. Erasting		
J.W. Whitmyer	✓	
J. F. Wotnack		
M.H. Mackenzie		
<i>C.P. German</i>		✓

Dear Mr. Ruotolo:

This is in response to John E. Andrews letter Ref (A).

As per Ref (B) as amended you are listed as a key person for the duration of the Contract. Consequently your request for a one year extension is not relevant.

You have completed two years in Pakistan and thus are entitled to home leave. See Clause 2(C) 2 of the Additional General Provisions of Ref (B) for details. We understand you intend to depart on home leave on or about September 10, 1986. This departure date is acceptable to us.

Sincerely,

Terence T. Souza
Terence T. Souza
Program Manager
Power Distribution Program/LD
Office of Energy & Environment

cc: - Mr. Kenneth P. Luc Phang, Chief, E&E/LD, USAID/Lahore



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD
E&E/PD/L-3226/11/86
November 10, 1986

Mr. Donn W. Ruotolo
General Manager
EBASCO/AEPES/ITECO Joint Venture
7th Floor, LDA Plaza
Egerton Road
Lahore

Subject: Rural Electrification Project: 391-0473
Mid-Term Project Evaluation

Dear Mr. Ruotolo:

Attached for your information and review is a copy of the recently received report on the Mid-Term Evaluation of the Rural Electrification Project. The Evaluation was carried out during the period April 29, 1986 to August 22, 1986 by an independent seven-member team assembled by AID/Washington.

We are currently reviewing the Report and the recommendations therein. Please note that these recommendations do not necessarily reflect USAID's views.

We hope the joint GOP/WAPDA/USAID meeting proposed in our telex of Oct. 27, 1986, will provide an opportunity to review and reach a consensus on the recommendations of the Report and other matters regarding the future of the Project. We understand that this GOP-WAPDA-USAID meeting is being rescheduled for a date later than we requested.

Sincerely,

M. Charles Moseley

M. Charles Moseley
Chief, Office of
Energy & Environment

Encl: a/s

cc: Mr. Kenneth P. Lue Phang (w/o att)
Chief, E&E/LD, USAID/Lahore

* EXTRACTS FROM
FINAL REPORT

NAME	Info	Act
Date: Nov 17		
D. W. Ruotolo		
J. E. Andrews		
<i>E. W. Hermanson</i>	✓	
F. K. Faulkner	✓	
R. E. Snyder	✓	
S. W. Hayden	✓	
A. H. Stuhlmann	✓	
R. W. Ernsting	✓	
J. W. Whitmyer	✓	
J. F. Womack	✓	
M. H. Mackenzie	✓	
<i>A. N. Scherer</i>	✓	
<i>D. Chaurain</i>	✓	
<i>S. Karoly</i>	✓	

PD-ADU-842

MID-TERM EVALUATION OF
THE PAKISTAN RURAL ELECTRIFICATION
PROJECT (Project #391-0473)

August 22, 1986

Prepared for the
Office of Energy & Environment
U.S. Agency For International Development
Islamabad, Pakistan

problems will be beyond the ability of the organization to control, but they should still be carefully defined and described, since they affect the institution's performance. Alternative solutions to each problem should be carefully set forth, including a description of the expected benefits and the costs in terms not only of financial resources but also other scarce commodities (skilled manpower, computer facilities, etc).

Once the diagnostic phase is complete and decisions made by senior policy-makers on the options offered, then the remedial phase can begin. Tasks that need to be reformed are broken up in their constituent parts, and analyzed to see how procedures and existing practices can be reformed to bring them up to currently acceptable practices. While far more routine and exacting than the diagnosis phase, the remedial stage is every bit as vital to insuring long-term institutional change.

6.3.1 Strengths of the Institutional Plan

The overall institutional plan draft developed by the PTAT provides a fair blueprint for steps that could be undertaken in the second or remedial stage. While it makes no case for why the areas undertaken are at the highest level of priority, the evaluation team does find that the activities outlined briefly in the institutional plan are reasonable. The diagnosis of line and support functions, particularly at the headquarters level, that will be required in a new and separate Distribution Wing seems complete and well thought out.

The Institutional Plan summary is a far superior document and can serve as the basis for the revision and completion that will be required in the overall Institutional Plan. It does go through a logical process of defining many institutional problems and weaknesses (although some of the most obvious ones are not addressed), and then provides a justification for why certain remedial steps were initiated. Moreover, the summary has the great advantage of being concise, well written, and accessible to the outside reader. By relegating the reorganizational aspects to their more proper place, the summary provides a more useful document for decision-makers within the GOP, WAPDA, USAID, and other international financial institutions.

The Plan offers major recommendations on the proposed reorganization of WAPDA's distribution function. The Plan recognizes how unwieldy WAPDA's sprawling distribution system has become and how the flow of communications between the field and headquarters has become clogged. It notes the ineffectiveness of a centralized management approach. Implicitly, it reflects the need to redress the "poor sister" relationship between Distribution and the rest of WAPDA, of raising its status, increasing its autonomy and strengthening its ability to run its own affairs. Thus the main achievement of the Plan appears to be its proposals for the reorganization of WAPDA's distribution function. This aspect of the Plan offers the greatest promise for increasing WAPDA's organizational effectiveness.

Also the proposed method of implementation appears to provide a means for ordering priorities and accomplishing tasks in manageable pieces. For example, the reorganization of headquarters and the strengthening of the two pilot Divisions are to precede the effort to reorganize the first AEB. This

PART FOUR: PROJECT MANAGEMENT AND INSTITUTIONAL RELATIONSHIPS

12.0 QUALITY, TIMELINESS AND CONSISTENCY OF PROJECT MANAGEMENT

12.1 PTAT Project Management

There has been commendable continuity in the senior management of the PTAT for the past two years in the persons of the General Manager, the Deputy General Manager, a number of senior consultants, and the senior managers of the PTAT subcontractors (A.C.E., F.A.C.E. and EMMAY). Moreover, the evaluation team finds that the senior management of the PTAT team has done an excellent job in directing an incredibly diverse technical assistance program, scheduling a bewildering variety of specific tasks, procurements, and personnel actions. They have been responsive to AID mission management, perhaps overly so, even when that direction has been tangential to the project. They have shown ability to respond to changing environmental conditions related to USAID and WAPDA.

However, there have been several problem areas in the PTAT management which deserve immediate attention. The chief among these has been institutional development, an area which is vital for the long-term success of the project.

Within certain parts of USAID and the PTAT team, the problem of managing the institutional development effort has been perceived as being one of poor personnel selection by the PTAT home office management: the individuals were not right for the job. This was compounded, in the case of the initial manager of the institutional development effort, by the decision by the Joint Venture management to have one individual advise WAPDA on an array of services from management information services to personnel. While this division of labor reflected the emphasis in the original Request for Proposals, it created a position that was, in the PTAT's own words, "too big a job for any one individual." USAID and PTAT management rightly pointed this out to be a mistake. While the first manager of institutional development remained in Pakistan for his full two-year assignment, his effectiveness was severely hampered early on by serious differences with the AID project manager. In August 1985, at the time of the expansion of the PTAT staff, his position as supervisor of the other consultants was taken by a senior manager experienced in developing country utility operations, and who had supervised a major developing country utility reorganization. While the evaluation team was in-country, USAID requested that this second institutional development supervisor, Manager Utility Operations, be replaced. The evaluation team understands that a new more appropriate individual has been selected.

The evaluation team does not feel that it is appropriate to comment on the management performance of the chief consultants for institutional development, since one had already left prior to our arrival and the other was already being eased out during our visit. Both individuals appear to have been inappropriate choices for the institutional development effort. However, as is discussed in sections 6 and 7, the management of the institutional development effort suffers from two other types of problems, both of which

have to be addressed directly if the PTAT is to contribute to the long-term institutional development of WAPDA.

The first problem is that AID/E & E senior management, and therefore the PTAT management, appeared to have approached the solution for WAPDA institutional needs primarily as organizational in nature. Creating a new organizational chart, getting it approved by WAPDA senior staff, and getting individuals selected for the new positions, although necessary at the first step, cannot be taken as the required institutional change. In this view, institutions are like electrical circuits: rerouting the flow of decisions and authority will resolve such organizational problems as inefficiency, over-centralized decision-making, and massive underemployment of much of the lower level staff. While reorganization is important over the long-run, it does not address most of the institutional problems of WAPDA's distribution function, nor will it promote professionalism and efficiency, without effective, concentrated consultant contact with WAPDA personnel.

Second, the individuals selected to fill most of the institutional development posts within the PTAT staff have little or no expertise in the management of institutional change. Despite their dedication and excellent professional credentials within their respective fields of expertise, they are drawn for the most part from staff components of American Electric Power, an organization that has been, and remains, institutionally stable. While AEP can serve as a model for what WAPDA may become in 10-20 years, the transition period should be assisted by consultants who are professionals in organizational development and management experience within one and only one electrical utility. Skills such as team-building, personnel selection for change in the corporate culture, the structuring of incentive and promotional programs for technical staff, and the management of decision-making information flows under conditions of extreme uncertainty are those which should be paramount for the institutional development team. Utility experience, while helpful, is far less important.

12.2 USAID Management

12.2.1 Achievements of the Senior Management

The senior management of the Energy and Environment Office of USAID has impressed the evaluation team with its energy and enthusiasm, devotion of duty, willingness to press for its program, and consistent focus on the development of an overall power sectoral strategy. Moreover, the close working ties and program coordination of the E & E senior staff with other major donors are also to be applauded, since they have been directly responsible for creation of a cohesive donor strategy for energy in Pakistan, and have resulted in the mobilization of very substantial resources for WAPDA generation and distribution.

The development of such a large and complex energy portfolio within the E & E Office has been accomplished by a very small expatriate staff, which is only now beginning to reach a size commensurate with its responsibilities. Each individual was responsible for a number of different tasks, ranging from project development to policy dialogue and project management. Deadlines were met for the development of a number of crucially important projects for



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD
EGE/PD/L-3637/12/86
December 24, 1986

Mr. Raja Saeed Akhtar
General Manager (Dist)
WAPDA, WAPDA House
LAHORE

Subject: POWER DISTRIBUTION PROGRAM - REVISION OF WORK PLAN

Ref: EGE-1480/85 Dated May 30, 1985

Dear Mr. Akhtar:

In April 1985 the WAPDA Authority established a Power Distribution Wing and appointed a IMD (Distribution) to head it. In May of 1985, USAID in consultation with WAPDA directed the EBASCO/AEPES/ITECO Joint Venture (see Attachment A) to increase the long-term expatriate staffing of the PTAT to satisfy the requirements of the new Power Distribution Wing, and the minimum requirements of the remnants of the old Power Wing (Generation and Transmission). All this was to be done, at least provisionally, through the accelerated use of level of effort (LOE) that were detailed in the then existing PTAT contract.

In line with the above the PTAT was directed by USAID to prepare a revised work plan. Approval of the revised Work Plan has been held in suspense pending the completion of the Mid-Term Evaluation of the Project and an Operational Audit of PTAT Performance, and GOP-WAPDA-USAID review and general agreement about the future of the Program. The evaluation and audit were completed in September but the general agreement is still pending.

The conclusion of the recent (December 11, 1986) Joint WAPDA-USAID review of the Power Distribution Program (PDP) and subsequent discussions with officials of the Economic Affairs Division (EAD) and Ministry of Water and Power is that both the Government of Pakistan (GOP) and WAPDA support the PDP and that general GOP-WAPDA-USAID agreement about how to proceed should be reached no later than February 1987. Attached for your information (attachments B and C) are copies of correspondence and attachments related to our referenced discussions with officials of the EAD and Ministry of Water and Power.

In preparation for such an agreement, please provide us as soon as possible a Comprehensive Implementation Plan for the PDP that integrates its three key elements: Institutional Improvement Plan, Comprehensive Power Distribution Training Plan and Master Plan for Power Distribution System Rehabilitation and Expansion. The Plan should cover the full eight year life of the Program (July 1, 1985 through June 30, 1993).

In preparing the Implementation Plan, please keep in mind the understandings reached regarding Rural System Expansion activities that emerged from our recent conversation with EAD and the Ministry of Water and Power and other key Program Implementation understandings with WAPDA. These understandings with WAPDA are recorded in the minutes of USAID meeting with the Authority (See Attachments D and E). Also please keep in mind the statements (attachment F) regarding USAID economic assistance policies and objectives and general USAID guidelines regarding the provision of technical assistance that was presented and reviewed with you and your staff on November 18, 1986 in Lahore.

I would request that the Implementation Plan recognize/provide for:

- ° Rapid finalization of all key PDP planning documents (Institutional Improvement Plan, AEB Reorganization Plan, Revision of Master Plan, etc.) as well as basic policies and procedures required for the PDP,
- ° Minimal use of expatriate personnel,
- ° Maximum use of FSN personnel in lead and subordinate positions in the PTAT,
- ° WAPDA leadership of implementation with PTAT consultants at all levels working as advisors and special assistants to specific WAPDA officers. (The only exception being the inspection and certification of line rehabilitation and expansion work),
- ° Maximum utilization of WAPDA Distribution personnel in the implementation of the PDP.
- ° Gradual phasing-out of the PTAT consistent with the achievement of basic PDP objectives and work inspection and certification requirements,
- ° The scheduling of activities necessary to support commodity procurement and installation realizing the time constraints of the procurement process,
- ° Efficient use of out of country training resources that will only be used for personnel posted in positions compatible with Institutional Improvement Plan implementation.

We request the following information be included in the body or as attachments to the Plan:

1. A list of all Distribution Wing Headquarters staff and their PTAT Counterparts.

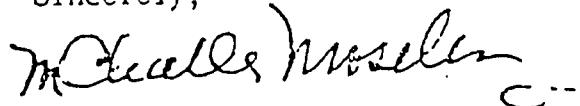
...P/3

42

- ✓ 2. Floor plans showing the actual and planned co-location of all WAPDA and PTAT staffs.
- ✓ 3. A description of the functions of proposed PDP Implementation Task Force, its staffing and modus operandi.
4. A plan for the gradual phasing-out of the PTAT.

The Plan is needed no later than January 30 if the February GOP-WAPDA-USAID Agreement deadline is to be met. Mr. M. Shahid Ahmad, our Manager for the Power Distribution Program will contact you shortly to discuss this request and provide any clarification you might require.

Sincerely,



M. Charles Moseley
Chief, Office of
Energy & Environment

cc: Dr. John Andrews - PTAT Lahore
Mr. Kenneth P. Lue Phang, C/E&E/LD
Mr. Mian Shahid, Program Manager/PDP/E&E



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO PAKISTAN

Cable: USAIDPAK

HEADQUARTERS OFFICE
ISLAMABAD
E&E/GM/L-891/4/87
April 8, 1987

Mr. M. Ayub Sadozai
Member Power, WAPDA
192, WAPDA House
Lahore.

Reference: Draft Implementation Plan for the Power Distribution Program -
GMD's letter No.37-WE/PA/GMD-USAID of March 15, 1986.

Dear Mr. Sadozai:

As promised during our long meeting yesterday, attached are initial USAID comments on subject draft Implementation Plan. Your immediate response to the draft comments we reviewed with you yesterday were most useful. We have attempted to reflect them in the attached comments. As agreed yesterday, we understand that neither the Implementation Plan nor the Institutional Improvement Plan that it will eventually become part of, will be finalized without the benefit of the review and concurrence of the soon to be appointed Senior Power Distribution Wing Officers who will be responsible for the implementation of the Plans. Given this agreement, any additional comments we might have on the Implementation Plan will be provided during the meeting that we all agreed will be scheduled as soon as possible after the appointment of the Managing Director and other Senior Officers of the Wing and your review of the Plan with them.

We were pleased yesterday to learn that you still expect to have appointments approved for the Managing Director positions for Distribution and Generation/Transmission and most of the other senior Power Distribution Wing Positions by 4/15/87 as you earlier indicated. We look forward to receiving your confirmation that this has been accomplished.

During our conversations yesterday, we advised you that we had only recently learned that U.S. Government Procurement Regulations do not permit the extension of the Joint Venture's contract beyond its current five year period (that ends in January 22, 1989) and that technical assistance required after that date would have to be provided under a new, competitively awarded, contract. This is not a reflection on the performance of the Joint Ventures.

With this as background, we briefly reviewed with you the status of the current contract, the need for an early joint WAPDA-USAID decision regarding the balance of assistance that should be provided under it and the need based on that decision and other factors to amend the contract. During our discussions, it was agreed there is a need for greater WAPDA leadership of the Power Distribution Program. We provided you copies of

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our telex of March 29 to the Joint Venture regarding PTAT staffing, the PTAT's response telex of April 6, and a proposed organization chart of the PTAT that provide details of our positions and recommendations regarding the future staffing of the PTAT and the manner the PTAT interfaces with WAPDA and USAID. An additional copy of each of these are attached hereto for your convenience.

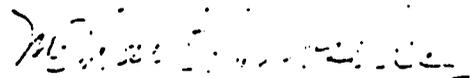
The most urgent PTAT staffing decisions regard the General Manager position and the second long-term expatriate consultant position that you stressed is urgently required for the new Office of General Manager of Distribution Planning and Engineering.

With reference to these two matters, we advised you that Mr. Ruotolo has been interested in reassignment for almost a year. We also advised that we believe it is in the interest of the Power Distribution Program to accept his reassignment and that he be replaced by Dr. Andrews. Given the other staffing additions and changes that are underway in the PTAT, the imminent appointment of the M. D. Distribution and other Senior Distribution Wing Staff, and the time remaining in the Joint Venture's contract (21 months), we believe the change of General Manager of the PTAT should be done now. This would be followed by the relocation of the new PTAT General Manager and his staff outside the LDA building making room there for new senior WAPDA staff.

As for the second long-term expatriate consultant position for Engineering and Planning, I promised you that I would support your request within USAID. I see no reason why it would not be approved provided overall expatriate staffing is kept within reasonable limits. May we meet next week (April 12-16) in Lahore or Islamabad to discuss further and decide on this position and the change in PTAT General Manager.

One of our last suggestions to you yesterday regarded the early transfer of USAID financed equipment and vehicles from the PTAT to WAPDA and possible reductions in the number of Pakistani professional and support staff provided under the Joint Venture Contract. We would very much appreciate your views on these matters which would then need to be included in the revision to the Implementation Plan and the amendment to the Joint Venture contract.

Sincerely,



M. Charles Moseley
Chief, Office of
Energy & Environment

Attachments: a/s

cc: Raja Saeed Akhtar, General Manager, Distribution, WAPDA House, Lahore, w/a.
Kenneth P. Lue Phang, E&E/USAID, Lahore, with attachments.