

PD-ABY-975

**TECHNICAL ASSISTANCE FOR
RURAL POWER FOR POVERTY REDUCTION PROGRAM**

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RPPR II QUARTERLY REPORT

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Prepared By

NRECA INTERNATIONAL, LTD.

In Partnership With

RURAL ELECTRIFICATION BOARD OF BANGLADESH

And

USAID MISSION TO BANGLADESH

QUARTERLY REPORT FOR 10/02 TO 12/02
Technical Assistance for Rural Power For
Poverty Reduction II Program

TABLE OF CONTENTS

- I. Executive Summary

- II. Quarterly Reporting and Overview of RPPR II Program

- III. Quarterly Status & Planning of RPPR II Program – Program Activities with Tasks
 - Program Activity A: Planning and System Engineering**
 - Task A.1: Service Territory Database.
 - Task A.2: PBS Short and Medium Range Planning

 - Program Activity B: Operations and Maintenance Programs**
 - Task B.1: Preventive Maintenance Programs
 - Task B.2: Material Supply for O&M Program

 - Program Activity C: Strengthen Utility Performance**
 - Task C.1: Strengthen Training Program and Procedures
 - Task C. 2: Enhance Computerization in REB and PBSs

 - Program Activity D: Supplemental Tasks**
 - Task D.1: Updating Engineering and Construction Standards
 - Task D.2: Socio-Economic Impact Assessment

- IV. Quarterly Status and Planning of RPPR II Project Management

- V. Brief Summary of Related Observations and Other RE Program Activities

- VI. Quarterly Report Exhibits
 - A. Implementation Schedule

I. Executive Summary

The following serves as a summary of the progress made on various activities under each of the four Activities and the subsequent Tasks, with additional details included under section III:

Program Activity A: Planning and System Engineering

Task A.1: Service Territory Database

- Consulted with REB for identification of the first PBSs to participate in the GIS Phase 2 under the initial part of RPPR II Project.
- Initiated discussions with REB concerning compensation agreements with Consulting Engineers for GIS work with focus on field work for initial three PBSs.
- Initiated discussions with REB concerning the development of a "GIS Cell" within the System Engineering & Design (SE&D) Directorate at REB including an overview of some of the requirements and how the World Bank funding will support the development of the Cell's capabilities.

Task A.2: PBS Short and Medium Range Planning

- Relocated new Engineering & Operations (E&O) Advisor to Bangladesh
- Initiated search for expatriate short term Planning Specialist with expectation that individual may eventually come from an engineering firm in the US which services rural electric systems there.
- Completed various mobilization activities associated with the initial planning of approach for completing this Task.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Continued with the ongoing search for short term expatriate Maintenance Systems Specialist who will serve as the expert for completion of this Task.
- Completed various mobilization activities including some initial planning as to the overall approach for achieving the various subtasks associated

Task B.2: Material Supply for O&M Program

- Per the Work Plan for Year #1, this Task is scheduled to begin in June 2003, thus there was no activity on this task during this quarter.
- Continued efforts with the ongoing search for short term expatriate Materials Systems Specialist who will serve as the expert for completion of this Task.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Continued with ongoing work from RPPR I Program, particularly in area of curriculum development with six new programs under development.
- Initiated some preliminary work on planning for the "training needs assessment" which will be completed as part of this Task.

Task C.2: Enhance Computerization in REB and PBSs

- In this first quarter of RPPR-II program we have continued working on some of the projects we started in RPPR-I. We continued supporting the REB Rates and Contract Cell implementing the REB version of the Statistical Database (Form 550). A considerable development is there in Rates and Contract Cell.
- We initiated a program to install the Internet facility in all the PBSs and train at least three persons from each PBS including the General Managers as well as the concerned Executive Engineers. In this quarter we have already installed Internet in 13 PBSs and trained 45 employees on the usages of Internet.
- We have installed PBS Payroll software package in 6 PBSs in this quarter and trained three persons from each of these PBSs.

Program Activity D: Supplemental Tasks

Task D.1: Updating Engineering and Construction Standards

- Participated in discussions with REB on the specification of overhead, insulated MV conductor.
- Advised REB on findings related to a study conducted to determine the engineering and technical impacts of the loss of neutral on many of the distribution lines in the PBSs.

Task D.2: Socio-Economic Impact Assessment

- Prepared report on progress in collection of the baseline data in the last year (FY 2002-2003) and provided feedback to the management of each of the eight participating PBSs.
- Developed materials for the new Refresher Training course on the Baseline Data collection to be delivered to PBS staff and conducted one of these courses.
- Completed necessary upgrading of the Data Entry Software and installed in the new version on computers of one PBS Head office and two Zonal offices which includes training of at least one staff at each office.
- Assisted REB in the review of prequalification documents for short listing five firms, from amongst 37 who submitted qualification proposals as part of procurement process associated with a local contract for providing some assistance to REB to conduct impact evaluations of the WB/IDA expansion and intensification activities under the new Project.

II. Quarterly Reporting and Overview of RPPR II Program

Background on Quarterly Reporting:

Under the terms of NRECA International, Ltd's Contract with USAID, Quarterly Reports are to be submitted to provide information as to the status of the technical assistance provided under the Rural Power For Poverty Reduction (RPPR) II Program. It should be noted that this technical assistance effort follows a similar approach as to the RPPR Program in that it is "resulted oriented" and is very specific in terms of what is to be accomplished during the 5-year program. Unlike earlier Host Country Contracts (HCCs) between NRECA and REB where NRECA provided overall assistance to REB in all aspects of the RE Program, the RPPR II includes *only specific Activities and Tasks*. For this reason, it should be understood that Quarterly Reports for the RPPR II Program will present information as to the status of these activities and will not provide the same "broad-based" reporting on the entire RE Program as was done by NRECA under the previous HCCs with REB.

Comments on various other observations made by NRECA on the overall RE Program will be included, but for the most part will be primarily related to those areas that have direct and/or indirect impact on RPPR II activities.

General Description of RPPR II Program:

The objective of the RPPR II is to continue USAID's support of rural electrification in Bangladesh by concentrating on strengthening business operations and sector management so as to ensure institutional self-sufficiency and sustainability. Ultimately, the RPPR II will support USAID's overall objectives of poverty reduction in Bangladesh. The activities undertaken by REB and NRECA during this first year of the RPPR II program will be aimed at beginning the process of strengthening management and technical capability of the a group of selected PBSs. These activities will promote credibility and viability among these entities so that IFI and MDB donor funding will continue to be available for infrastructure and ongoing technical assistance; and will assist in preparing the REB system for the changes in the Bangladesh electric industry.

RPPR Mission Statement:

"To reduce rural poverty by enhancing the capacity of the PBSs to provide efficient user-owned electric service for the benefit of the customers."

RPPR II Program Objectives:

The overall RPPR II Program will promote the sufficiency and sustainability of the RE Program as a means of ensuring that the gains made over the last twenty five years will be continued with a reduced need for foreign assistance. Specifically the RPPR Program involves the completion of the eight specific Tasks under four Program Activities that support the following four main objectives:

- **Planning and System Engineering:** This Activity involves the completion of two tasks, including extending the geographic information systems (GIS) to an additional seven PBSs beyond the four systems developed under RPPR; developing improved planning capabilities at REB and the consulting engineering firms serving two PBSs. These efforts will be led by a long term Engineering and Operations Advisor supported by two short-term specialists. The GIS Specialist will provide specific technical support for development of the GIS task. The Planning Specialists will provide training to the consulting engineers in advanced analysis techniques. The expertise developed from the work in these limited number of PBSs will be expanded to additional PBSs.

- **Operations and Maintenance Program:** The focus of this Activity will include undertaking two tasks - strengthening preventive maintenance programs at two PBSs and working with the REB to institutionalize maintenance materials procurement and warehousing at REB and the PBSs. This Activity will be led by the Engineering and Operations Advisor and will be supported by two short-term specialists. The Maintenance Systems Specialist will provide specific guidance on execution and planning of line and equipment maintenance tasks. The Materials Specialist will work with REB and the PBSs to streamline maintenance material acquisition and warehousing.
- **Strengthening Utility Performance:** This focus area will involve two tasks. NRECA will work to strengthen the REB training function and complete the computerization task begun under RPPR I. The effort will be guided and managed by the Team Leader. The Team Leader will be supported by two short term specialists with expertise in training and computerization. Because of the demands on the Team Leader's time and the limited funding available to support the specialists, the bulk of the responsibility for execution of both the training support and computerization programs will fall to seasoned local professionals, all of whom are long term NRECA employees
- **Supplemental Tasks:** This focus area includes Tasks of a specific nature which have been requested by REB and which do not fall into any of the categories above. One task consists of a review and updating of the engineering and construction standards in use at REB with an eye to adapting them both to changing times and to new requirements for such things as construction of primary line in densely populated urban areas taken over from BPDB. In addition, the need for a socio economic assessment of the impact on rural poverty of electrification has been recognized for some time, and this focus area will include the further institutionalization at REB of capability for evaluating such impacts. The standards review will be carried out by an Engineering Specialist under the supervision of the Engineering and Operations Advisor, while the socio economic assessment will be conducted by local professionals on NRECA's staff under the supervision of the Team Leader.

RPPR Program Elements:

- **Implementing Agency:** Rural Electrification Board
- **Duration:** Five Years: Sept 26, 2002 through September 30, 2007
- **Total Amount:** US\$ 9.69 million (Tk.56.2 crore)
- **Donor Funding:** US Agency for International Development (USAID) - Contract

Program Implementation Strategy As "Partnership"

The design and development of the original RPPR I Program was through a "partnership" between the REB, USAID, and NRECA International, Ltd, and this partnership arrangement will continue in RPPR II. The design of the Program was completed under a *Tripartite Agreement* between the partners. With the incorporation of the RPPR II Program into the *Strategic Objective Grant Agreement* which was executed on March 20, 2000 between the GOB's Economic Resource Division (ERD) and USAID, the partners formally entered into a *Trilateral Agreement* that provides direction for the implementation of the RPPR II Program. This Agreement, which was executed on October 29, 2002, outlines the various responsibilities of the respective partners.

III. Quarterly Status & Planning on Program Activities with Tasks

Program Activity A: *Planning and System Engineering*

Task A.1: Service Territory Database

Status as of this Quarter:

- Initiated discusses with the concerned REB officials regarding the selection of the three PBSs to participate in Phase 2 of GIS project that will part of the RPPR II. The selected PBSs include Pabna-2, Natore-1, and Mymensingh-2 .
- Continued with the refinement of macros that will be used for the pilot projects and which will be utilized for the PBSs done under RPPR II.
- Completed the printing of sets of the system maps related to the pilot PBSs in order to provide copies of the sets of system maps to REB, USAID, the four PBSs and the four engineering firms.
- Consulted with concerned REB personnel regarding the preliminary plans for implementing the GIS activity and the expected significant involvement of the consulting engineering firms that provide the engineering services to the PBSs
- Initiated discussions with REB concerning the establishment of a GIS Cell at REB, as well as the support that will be provided under the World Bank's new project that will include funding for equipment for helping to establish REB's capacity in the area of GIS activities.
- Identified a local vendor for supplying the required satellite imagery to develop land base for GIS data base and determined the required images to cover the service territory of the initial three PBSs selected for this initial part under RPPR II.

Plans For Next Quarter:

- Initiate procurement action for ordering of satellite imagery with the chosen supplier and, if delivery of the imagery is timely, begin development of landbase.
- In preparation for the new GIS initiatives under RPPR II, conduct a presentation on the results of the four GIS Pilot projects for the concerned REB officers and representatives from the participating Engineering firms.
- Conduct further detailed discussions with REB concerning establishing a GIS Cell within REB. This will include providing detailed data on hardware, software, staffing requirements and divisions of responsibilities between REB, the PBSs and the consulting firms.
- Assist REB with negotiation and execution of compensation agreements with the Consulting Engineers participating in the GIS program
- Conduct a "kickoff" seminar/workshop for personnel from the new participating PBSs, the Consulting Engineering firms serving the participating PBSs and concerned REB personnel from System Engineering & Design Directorate presenting the plan for completing the "data collection" process associated with the RPPR II GIS field work.
- Initiate the field work at the first PBS including conducting the necessary field training for the staff from the consulting engineering firms (field teams) and begin the geo-referencing the existing facilities in the first PBS.

Task A.2: PBS Short and Medium Range Planning

Status as of this Quarter:

- Completed recruitment and relocation of new Engineering & Operations Advisor to Bangladesh.
- Continued recruitment of Short Term Specialist to fill the position of Planning Specialist.
- Completed various mobilization tasks associated with general orientation for the E&O Advisor and familiarizing him with the many facets related to his responsibilities of this Task.
- Initiated preliminary planning as to general requirements specific to the completion of this particular Task.

Plans For Next Quarter:

- Complete recruitment of Short Term Planning Specialist and complete contracting requirements.
- Familiarize E&O Advisor with the PBSs and determine what their greatest needs are in terms of planning and analysis.
- Consult with REB in development of criteria to be used for selection of which PBSs to use in the pilot planning project for RPPR II.
- Select two PBSs to participate in the pilot planning project for RPPR II.
- Initiate activities at the participating PBSs that will support the completion of the ongoing data collection (e.g., transformer cards, operational data, etc.) that will be needed for implementing the various studies associated with the planning process.
- Continue recruitment process for local professional Utility Engineer to support the work associated with this particular Task.

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- Initiated recruitment and process for securing candidate for Short Term Maintenance Specialist and local engineer who will support this maintenance task.
- Completed various mobilization tasks associated with general orientation for the E&O Advisor and familiarizing him with the many facets related to his responsibilities of this preventative maintenance task.
- Initiated preliminary planning as to general requirements specific to the completion of this maintenance Task, including the development of an understanding of its relationship with Task B.2 (Material Supply for O&M Program).

Plans For Next Quarter:

- Complete recruitment of Short Term Maintenance Systems Specialist and complete contracting requirements and secure services of local professional as maintenance engineer.
- Make initial visits to several PBSs to develop better understanding of the O&M activities of the PBSs and the unique challenges they face.
- Develop implementation strategy and negotiate any necessary adjustments to delegations of authority and responsibility between PBS, REB and NRECA that will be important for facilitating the implementation of this task.

- Begin the evaluation of existing line and equipment maintenance practices and potential enhancements within the selected PBSs through the following processes:
 - Interviewing PBS and REB staff;
 - Evaluating maintenance record keeping;
 - Evaluating available resources for completing advanced diagnostic techniques such as gas-in-oil analysis, as well as their benefits; and
 - Evaluating shop facilities, equipment, tools and staff at both REB and at participating PBSs
- Prepare and deliver a seminar on the preliminary findings of the assessment of current maintenance practices.

Task B.2: Material Supply for O&M Program

Status as of this Quarter:

- Due to other priorities, there was limited activity on this task this quarter, and as per the Work Plan, work was not scheduled to begin on this Task until June 2003.
- Initiated recruitment efforts to identify a STS having the necessary skill sets for the Materials Specialist position.
- Initiated some preliminary planning as to general requirements specific to the completion of this Material Supply Task, including the development of an understanding of its relationship with Task B.1 (Preventive Maintenance Program).

Plans For Next Quarter:

- Note: As per the Work Plan, specific work is not scheduled to begin until June 2003.
- Begin to evaluate the needs for maintenance materials required for the two participating PBSs.
- Continue with recruitment efforts for identification of a short term Materials Specialist
- Identify some of the needed changes to related policies with regard to delegations of authority and assigned responsibility to allow for streamlined maintenance material acquisition by doing the following:
 - Conduct interviews with PBS and REB personnel to evaluate the work related to O&M materials that was completed under RPPR I, as well as the current process for maintenance material acquisition and distribution.
 - Prepare the necessary revisions to the related policies with regard to delegations of authority and assigned responsibility according to results of findings.
- Begin preparation of a plan of action with consideration that it will require REB approval to proceed.

Program Activity C: *Strengthen Utility Performance*

Task C.1: Strengthen Training Program and Procedures

Status as of this Quarter:

- Based on the fact that a number of the subtasks to be completed under RPPR II actually involve ongoing efforts to complete work that was initiated under RPPR I, (particularly in

the area of curriculum/program development), there has been a smooth transition into the work being done under Task C.1.

- Completed specific work related to curriculum development activities following the steps of a well defined instructional design process included the following:
 - Continued to work in consultation with the concerned officers of the Training Directorate and numerous other REB officers serving on various Curriculum Committees for the various training programs that were under development.
 - Continued the work of development of Trainer and Trainee Manuals lesson plans and lesson references for the following training manuals:
 - ☒ Operation and Maintenance of OCE/ACR (Automatic Reclosers - Oil and Electronic) for Engineers (TO 220)
 - ☒ Operation and Maintenance of OCE/ACR for Lineman (TL 040)– also work on translation to Bangla
 - ☒ REB General Accounting Procedures (IF 505)
 - ☒ REB General Accounts Manual (IF 500)
 - ☒ Management: Its Nature and Scope (IM 105)
 - ☒ Management: Its Nature and Scope (IM 106)
- Initiated some preliminary planning as to the requirements for completing a “training needs assessment”

Plans for Next Quarter:

- Continue with curriculum development subtasks including:
 - Complete the pilot test, revision work, finalize and submit the final copies of the following manuals to REB’s Training Directorate:
 - ☒ Operation and Maintenance of OCE/ACR (Automatic Reclosers - Oil and Electronic) for Engineers (TO 220)
 - ☒ Operation and Maintenance of OCE/ACR for Lineman (TL 040) – English and Bangla versions)
 - Complete the pilot test, revision as needed, finalize and submit the final copies of the following manuals to REB’s Training Directorate:
 - ☒ REB Accounting Procedures (IF 505)
 - ☒ REB General Accounts Manual (IF 500)
 - Based on feedback from the review of the “draft” Curriculum Outline by REB’s Curriculum Review Committee finalize the Curriculum Outline and begin developing the following training manuals for the following training programs including preliminary work on the translation to Bangla:
 - ☒ Management: Its Nature and Scope (IM 105)
 - ☒ Management: Its Nature and Scope (IM 106)
 - Initiate work on the preparation of the “draft” of the Curriculum Outlines for the following training programs:
 - ☒ Repair and Maintenance of Voltage Regulator for Lineman (TL 044)
 - ☒ PBS Accounting Procedures (IF 300, IF 305, IF 310)
 - ☒ PBS General Accounts Manual (IF 315)

- Develop the concept paper with proposed strategy for assessment of training needs for the REB and PBSs and appraise the concerned authority of REB. The Training Needs Assessment will involve doing the following:
 - Evaluate the performance issues related to various REB and PBS positions and determine what activities can be addressed through training interventions.
 - Work in collaboration with the concerned Training Directorate personnel and will interact with numerous officers and supervisors and staff of both REB and PBS.
 - Complete task/job analysis of various jobs within REB and PBSs and conduct interviews with REB and a sampling of PBS staff using a series of questionnaires.
- Initiate work on various elements of the Training Needs Assessment including the following:
 - Develop assessment tools (e.g., job task analysis questionnaires, reporting formats, etc.) and other materials to be used for training needs assessment; (3/03)
- Plan for and conduct a consultation in US for REB senior officials involving participation in NRECA Annual Meeting and the Forum being sponsored by NRECA on Sustainable Rural Electrification.

Task C.2: Enhance Computerization in REB and PBSs

Status as of this Quarter:

- Initiated work on the establishment of internet communications at PBSs to support e-mail file transfers with REB and other PBSs and completed the following:
 - Prepared Training materials for Internet usage.
 - Prepared training schedules for the PBSs and XEN office participants.
 - Utilized the Cluster Approach to install Internet facilities and complete training for the following PBSs:

Tangail	Manikganj	Dhaka-1	Dhaka-2
Munshiganj	Narshingdi-1	Narshingdi-2	Sunamganj
Sylhet-1	Sylhet-2	Moullovibazar	Hobiganj
Brahmanbaria			

- Training on Internet usage and browsing provided for the following PBS and REB Officials: General Managers (13); Executive Engineers (5); Assistant General Managers (14); Deputy Directors (1); Accountants/Accounts Assistants (14)
- Installed PBS Payroll software in the following PBSs: Rajshahi; Pabna-1; Pabna-2; Natore-1; Natore-2; and Nawabganj.
(Note: Two persons from each of these PBSs were trained on the operation of this software package.)
 - Conducted various sessions with the REB Office System to resolve some problems related to the calculation of Bonus for the PBS employees those were detected during the Payroll deployment in the different PBSs. There are various interpretations of the Bonus calculation that led to there the requirement of having slightly different versions of the Payroll software being provided for different PBSs.
- Continued support to REB Rates and Contract Cell as part of implementation of the REB version of Statistical Database (Form 550). (Note: In order to expedite this technology transfer, one of NRECA's Systems Analyst has been engaged there on a full time basis.

Plans For Next Quarter:

- Utilize the Cluster Approach to complete the existing Schedule for Internet installation and training for the following PBSs.

Gaibanda	Rangpur-1	Bogra	Sirajganj
Joypurhat	Naogaon	Nawabganj	Rajshahi
Natore-1	Natore-2	Pabna-1	Pabna-2
Sherpur	Netrokona	Kishoreganj	Jamalpur
Bhola	Mymensingh-1	Mymensingh-2	Mymensingh-3
Bagerhat	Rajbari	Faridpur	Gopalganj
Magura	Madaripur	Meherpur	Kustia
Jhenaidah	Jessore-1	Jessore-2	Satkhira
Khulna	Barisal-1	Barisal-2	Pirojpur
Patuakhali	Jhalukathi	Shariatpur	

- Training on Internet usage and browsing will be provided to the following employees (tentatively): General Managers (39); Executive Engineers (25); Assistant General Managers (39); Assistant Engineers (40); and Accountants/Accounts Assistants (40).
- Continue with ongoing support for software development tasks at REB and the PBSs including the following:
 - Install REB General Ledger (GL) and started training some officers in REB's General Accounts Directorate.
 - Initiate the installation and testing of Material Management software at REB HQ based on plan within REB to establish a "mini-LAN" with participation of the four participating Directorates (Accounts; Material Planning Standards & Specifications; Procurement; and Clearance, Storage & Movement)
 - Provide support and training to PBSs at NRECA offices on an as needed basis with regard to the Statistical Data Base and the Payroll software applications.
 - Assist with ongoing deployment of REB version of Statistical Database in REB Rates and Contract Cell and continue with on-the-job training for REB staff.
 - Work with REB and PBSs to help ensure the softcopy of Form 550 data from the PBSs is be sent to Rate Cell and support its being successfully uploaded into the main Data Base in the Rate Cell.
 - Assist REB Payroll section to prepare Financial Budget for REB personnel.
 - Prepared necessary updates of the PBS Payroll application, as per discussions with REB Office Systems personnel and arrange deployment of changes to PBSs.
- Continue to support the ongoing development of the REB Computer Cell and provide direction for the utilization of the World Bank funding for the installation of the LAN/WAN at the headquarters.
- Initiate preliminary planning for completing an assessment whereby an evaluation will be done on the current level of computerization at REB and the PBSs, especially with respect to the extent that computerization has streamlined business operations.
- Initiate recruitment efforts to locate a Computer Specialist who will be available with the departure of Mr. Kays who completed his work on RPPR I and II as of December 2002.

Program Activity D: *Supplemental Tasks*

Task D.1: Updating Engineering and Construction Standards

Status as of this Quarter:

- Participated in discussions with REB concerning the relative merits of different specifications and manufacturers for overhead, insulated Medium Voltage conductors, their purposes, advantages, and disadvantages.
- Advised REB on findings related to a study conducted to determine the engineering and technical impacts of the loss of neutral on many of the distribution lines in the PBSs.
- On behalf of REB, continued investigations related to significant changes in the ratings of the Australian Slash Pine species that are being proposed for use as wooden pole in RE Program in order to determine if change can be properly substantiated. Process included a complete review of the REB Specifications for wooden pole. This review identified concern that was expressed in writing to REB about the change in the methodology used for determining CCA retention requirements from the previous "weight per unit volume" to a "weight/weight" method.

Plans For Next Quarter:

- Complete report on recommended system changes required to deal with neutral theft based on the assessment work that was completed during RPPR I. (1/03)
- As part of standard practice, advise and assist REB regarding engineering related issues in support of ongoing changes in equipment and new technology that requires a review prior to making changes in equipment specifications and standards.
- Continue to work with REB to resolve the questions related to the wooden pole specifications and implications associated with the Australian Slash Pine species and the methodology for determining CCA retention requirements.

Task D.2: Socio-Economic Impact Assessment

Status as of this Quarter:

- Prepared a Yearly Progress Report (both in Bengali and English version) which has revealed the achievement of the Baseline Data collection of the eight PBSs involved during the period of July 2002 to June 2003.
 - This report was segregated into eight different sub-reports, one for each PBS with each revealing the progress of individual PBS in data collection and data quality.
 - Copies of the reports were distributed to concern officials.
- Completed the development of a set of supplementary materials (16 pages) for use as part of future Refresher Training programs to be delivered to the PBS staff involved with data collection, as well as those involved with supervising the process.
 - These training-materials expressed major issues where the enumerators do mistake and issue-wise instructions to eradicate data-errors.
- Revised the Data Entry Software application, which included some additional "validation rules" for preventing the data entry operator from entering incorrect information and /or errors into the primary data base.
- Conducted a two-day "refresher training" program on the socio-economic system at the Sirajgonj PBS with sessions for three different target populations.

- One session was conducted for the data collectors which included 31 participants.
- Another half-day session was conducted for seven of the senior management officers assigned at both the PBS Head office and zonal offices, which included both a debriefing of the last year performance and various actions required for the upcoming year (July 2003 to June 2004).
- A third half-day session was held for the data entry operators working with the system in the respective offices.
- Participated with REB in reviewing and evaluating the proposals from 37 firms (both national and international) who participated in the initial pre-qualification phase which was designed to lead to the short-listing of firms who would then compete to provide services to REB in support of the socio-economic assessment activities which are specific to the new World Bank/IDA Project.
- Continued involvement with Human Development Research Centre (HDRC) in support of the final publishing of the Economic and Social Impact Evaluation Report of the Bangladesh Rural Electrification Program that was conducted under RPPR I. The final Report was published and submitted in early December).

Plan for the Next Quarter:

- Proceed with delivery of the "refresher training" program on the socio-economic system remaining seven model PBSs.
- Proceed with the installation of the revised Data Entry Program at the thirty seven (37) PBS offices including thirty (30) Zonal Offices) and provide training on the use of the Data Entry software to at least one staff member at each Zonal office.
- Consult with REB regarding the identification and selection of eight to ten additional PBSs where the Socio-Economic Baseline Database System will be implemented.
- Continue to work with REB, HDRC, and the concerned donor agencies to further disseminate the findings of the Economic and Social Impact Evaluation Study of the Bangladesh RE Program (October 2002) to various stakeholders.
- Continue to advise and assist REB's Socio-Economic Monitoring and Evaluation Cell (SEMEC) on the development and implementation of the Cell's activities.
- Provide ongoing support and follow up of the Socio-economic Baseline Database System activities in eight model PBSs (includes 33 Zonal offices) in order to promote capacity building and institutionalization within the RE Program.

Other Activities:

Continued as active member of RE Donor Group
 Worked with Netherlands on TA Fund
 Meetings with CIDA, PA Consulting.

IV. Quarterly Status & Planning of Project Management For RPPR II

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Completed relocation to new Dhaka office at located at House 35, Road 100, Gulshan and established office space to accommodate staff. Completed cabling requirements for installation of LAN system and new Internet service provider.
- Developed preliminary Work Plan for Year #1.
- Worked with REB in development of new TAPP for RPPR II that will require review and approval by Ministry, Planning Commission, and others.
- Completed recruitment of new Engineering and Operations Advisor and his relocation to Dhaka from Tbilisi, Georgia.
- Arlington office continued recruitment efforts and personnel processing for Planning Specialist, Maintenance Systems Specialist, Materials Specialist, Computer Specialist, and Training Specialist.
- Dhaka Office completed recruitment and hiring of a new Office Administrator and conducted interviews for the two Engineering positions.

Plans for Next Quarter:

- The Arlington office will complete processing of the following short-term specialists: Planning Specialist; Maintenance Systems Specialist. Recruitment efforts will continue for selection of Computer Systems Specialist, Materials Management Specialist, and Training Specialist.
- The Dhaka office will continue recruitment efforts to find suitable candidates for the two local engineering positions.
- Complete procurement action for new computer equipment for Dhaka office.
- The Dhaka office will complete investigate for possible procurement and installation of modular office units for improving the work environment and staff productivity in the office areas used by the Computer Team, the Training Team and the Engineering.
- Complete investigation of potential medical insurance providers for incorporating this coverage for local staff.

V. Brief Summary of Related Observations & Other RE Activities

Key Operational Information

The following table reflects key operational information regarding the sixty seven (67) commercially operating PBSSs included in the RE Program for the months of September, October, November and December as contained in the selected REB Management Information System (MIS) Reports:

Description	Sept 2002	Oct 2002	Nov 2002	Dec 2002	Change - 3 Mos Per'd
System Loss (12 mo. Avg.)	16.96%	16.96%	17.15%	17.15%	+0.19%
System Loss (this month's Avg.)	17.72%	16.57%	18.00%	18.63%	+0.91%
Percentage of Collection (12 mo. Avg.)	97.07%	96.62%	97.24%	97.18%	+0.11%
Percentage of Collection (this mo. Avg.)	95.55%	94.81%	93.20%	98.33%	+2.78%
Accounts Receivable (# mo. Outstanding)	2.55	2.55	2.48	2.42	-0.13
Total Villages Energized	36,297	36,553	37,697	37,101	+804
Number of New Meter Connections	60,046	60,752	69,882	72,873	+203,507
Total # of Meters Connections	4,232,207	4,292,959	4,362,844	4,435,717	+203,510
Total Km of Energized Line	145,844	147,064	148,212	149,935	+4,091
MWH Purchased YTD - % of chng last yr.	21%	23%	24%	24%	--

As of the end of the reporting period (December 2002), the operational statistics for the 67 energized PBSSs continue to reflect that the overall RE Program shows significant expansion with 203,510 new connections made during this reporting period. This averages out to 67,837 per month or 2,660 per work day based on an average of 25.5 day working days/month. As part of this ongoing expansion, 804 new villages received electric service. Also, the total amount of energized line increased by 4,091 km during these three months for an average of 954 km/month or 37.4 km/day for an average 25.5 work days/month.

As of the end of the reporting period, the overall 12-Month Average System Loss for all 67 operating PBSSs increased slightly by 0.19% over the three-month reporting period. With the process of taking over of lines and facilities from BPD and DESA continuing, the increases in losses are to be expected and will require continued monitoring by REB and joint efforts to bring these new areas under control and thus bring the losses down to acceptable levels. Conscious efforts to monitor system loss must be made in order to continue to contribute to the Program's ability to have positive results in this indicator. The losses at some PBSSs with large takeovers (particularly Dhaka II, Munshigonj and Narsingdi I) are showing improvements under difficult conditions while others (e.g., Cox Bazaar, Mymensingh 2, etc.) still struggled to bring higher losses down to acceptable levels. The pattern of a lower losses is a positive sign that loss reduction efforts are working in some of the PBSSs. Efforts to control system loss

must remain a priority item for all PBSs. Extensive takeovers as planned under the new World Bank/IDA will require a significant effort to control the losses in these new areas.

- There was an increase of 0.91% in the *Average Monthly System Loss* for the reporting period which bringing this statistic to 17.15%. This figure indicates a trend of slight increases over the past several months. As was noted under comments for *12 Mos. Average for System Loss*, several PBSs have losses that are well above the acceptable levels and proper attention must be given to assist these PBSs with corrective action.
- The overall *Percentage of Collection (12 mos average)* shows a slight increase of 1.11% to 97.18%. This is figures This improvement is a reflection of the 2.78% improvement for the *Monthly Percentage of Collection*, which moved to 98.33% December, which is up from 93.20%, which is an improvement of 5.13% from November's collection rate.
- The total *Accounts Receivable* showed a very slight decline of 0.13% during the reporting period bring the total to 2.42 months outstanding as of December. Progress on this indicator is expected due to this being an issue that was raised by the World Bank/IDA to the GOB over accounts receivable payments pending with GOB offices and religious institutions. These non-payment of these bills should not become a burden to the PBSs, particularly some of the ones that are struggling to attain financial viability.
- Another indicator that identifies positive growth is the one related to *MWH Purchased Year to Date*. The continued growth in demand with a 23.67% average monthly increase for the three months of the reporting period represents the percentage of positive change in the total number of MWH purchased for the year when compared to the same period in the previous year. These continuing increases reflect some of the findings of the recently completed "Economic and Social Impact Assessment" related to increased economic activities due to having electric service in rural areas.

Other Related Activities and Relevant Information

- NRECA continued its regular participation in meetings with various RE donors in support of the RE Program, included meetings with an appraisal team from CIDA and other meetings with DFID.
- Participated in a number of meetings with representatives from The Netherlands Embassy regarding development of Terms of Reference related to technical assistance that would be funded by their Development Corporation and delivered by NRECA International Ltd. Dhaka. This involved discussions about the interest of other donors (DFID, Norway) in also participating in this type of approach for providing the RE Program with additional TA beyond USAID's RPPR II Program.
- Continued as active member of RE Donors' Group that has been formed to improve donor coordination in RE Sector.
- Participated in regularly scheduled meetings of USAID's Energy Team contractors that are now being held at the Mission.
- At REB's specific request, continued with NRECA's representation on the REB Revolving Fund Committee that meets on monthly basis to review loan requests from the PBSs and provide general management of the Fund. Some of the key actions included the following:
 - Prepared another revision to procedures for administration of the Fund and for loan accounting in preparation for review by the REB management.

- Made recommendations regarding the details of the loan accounting procedures.
- Worked with REB's Program Planning Directorate for the development of the TAPP required for the RPPR II Program. This effort included providing both the narrative portion, which described the overall program with Activities and Tasks from the approved Scope of Work, as well as the budget information taken from the approved budget that was included in NRECA's contract.

Quarterly Report Exhibits

A. Implementation Schedule

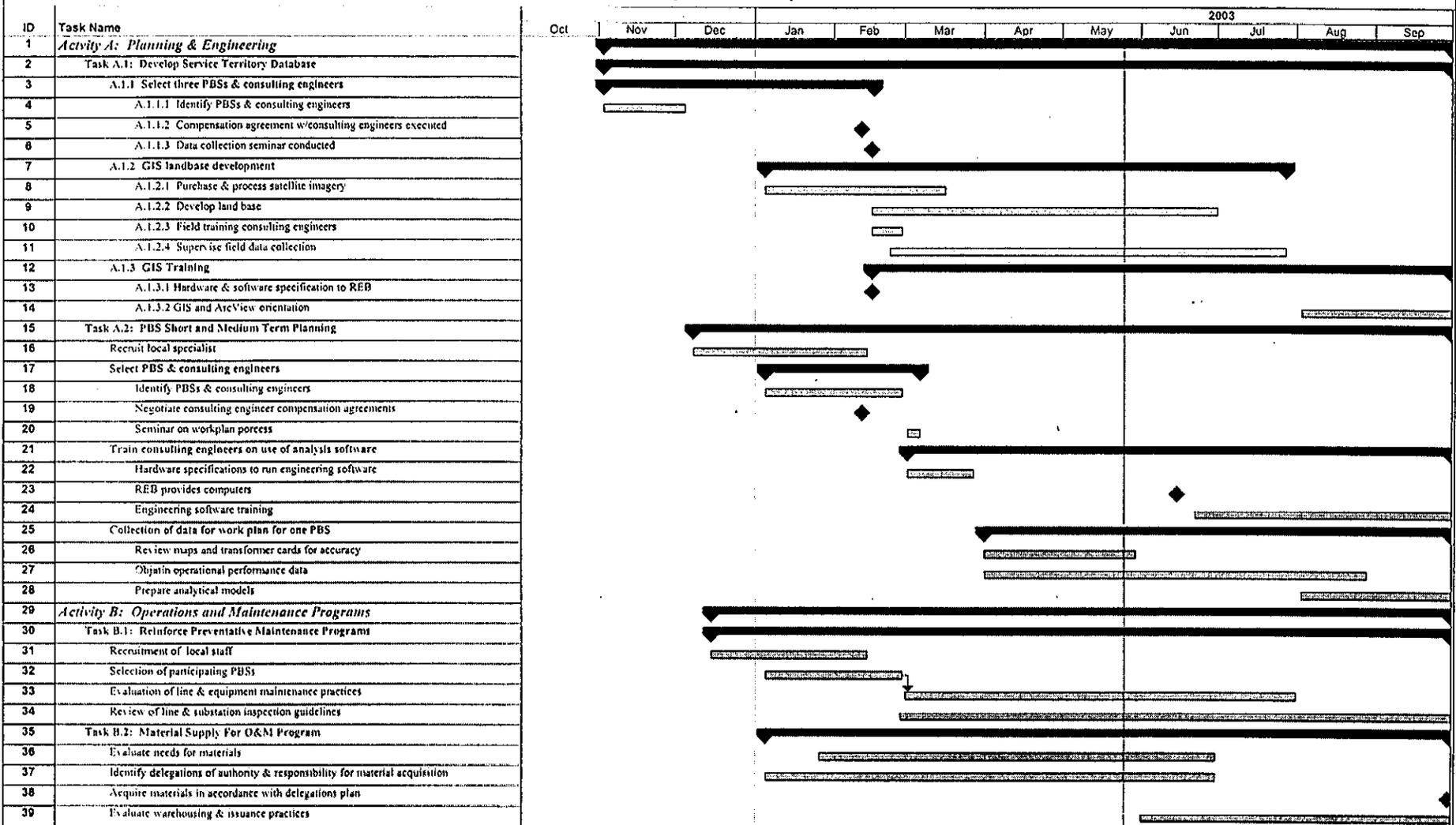
The Implementation Schedule presented in this Quarterly Report reflects the Annual Work Plan for the RPPR II Program prepared for Year #1.

The Implementation Schedules have been developed using *Microsoft Project* in order to monitor progress and modify as necessary. Subsequent Quarterly Reports will reflect progress on each activity and the various subtasks

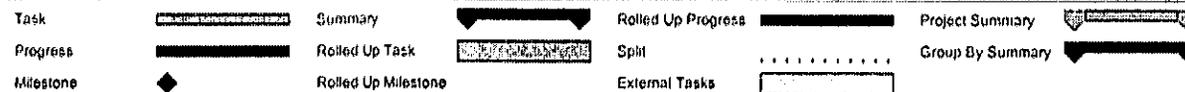
EXHIBIT - A

**IMPLEMENTATION SCHEDULE
With Focus on Year #1**

RPPR II First Year Workplan and Implementation Schedule



1 Project RPPR II
Date: September 2002



RPPR II First Year Workplan and Implementation Schedule

ID	Task Name	2003											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
40	Activity C: Strengthen Utility Performance												
41	Task C.1: Strengthen Training Program & Procedures												
42	Begin training needs assessment (3/03 thru 3/04)												
43	Coordinate activities of RPPR training team (REB, PBSs, NRECA, USAID)												
44	Support REB training academy development												
45	Curriculum development improvement program												
46	Regional & other training tours												
47	Task C.2: Enhance Computerization Program												
48	Computerization assessment report												
49	Implementation plan for HQ LAN												
50	Continue application software development at PBSs												
51	Develop exit strategy for NRECA computerization support												
52	Evaluate internet communications between HQ and PBSs												
53	Activity D: Optional Programs												
54	Task D.1: Engineering and Construction Standards												
55	Recommend system changes required to deal with neutral theft												
56	Review distribution construction standards												
57	Review equipment specifications												
58	Task D.2: Socio Economic Impact Assessment												
59	Baseline data collection												
60	Strengthen monitoring and socio-economic analytic capability at REB												

2 Project: RPPR II
Date: September 2002

Task

Progress

Milestone



Summary

Rolled Up Task

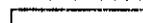
Rolled Up Milestone



Rolled Up Progress

Split

External Tasks



Project Summary

Group By Summary