

**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 10/06 TO 12/06
Technical Assistance for Rural Power For
Poverty Reduction II Program

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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

- Conducted 3-week basic GIS "Train the Trainer" course for REB, PBS and local RE consultant personnel.
- Completed an 8-week advanced training course on updating of GIS database for REB, PBS and local RE consultant personnel.
- Developed listing of typical GIS-related work items and proposed rates for local consultants to perform updating of GIS databases.

Task A.2: PBS Short and Medium Range Planning

- Completed development of the three WindMil Models for Manikganj PBS for use in updating the original System Planning Study, which was previously referred to as Construction Work Plan.
- Developed training manual and other related materials required to conduct WindMil training for local consultants and REB personnel.
- Continued with the development a "medium-range" plan for Manikganj PBS.
- Conducted presentations on System Planning to REB, PBS and Consultant personnel in order to develop further understanding about the importance of moving to this type of planning document for the PBSs.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Developed a plan for assessing the potential of including up to five more PBSs in the hands-on training for substation maintenance in order to increase capabilities in more PBS staff in PBSs beyond the four participating in the pilot work.

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

- Prepared a bound manual that should be a useful tool to AGM COMs and Storekeepers at the PBSs when procuring, storing and accounting for substation maintenance material as it includes pictures and other useful instructions such as REB Item Code #s.
- Advised and consulted with REB regarding efforts to finalize and obtain approval for the revision of OMRR Policy 100-58.

- Continued to support REB and PBS efforts to ensure the required maintenance materials are procured by REB/PBSs for utilization in substation maintenance at the pilot PBSs that is scheduled for the usual time period during the winter season.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Initiated the task of developing training manual on Operation, Maintenance and Repair of Transformer for Junior Engineers (TO 232).
- Submitted the first draft Bangla translated version of training manuals on Interpersonal Communication for REB and PBS Officers (IM 150, IM 151 and IM 152).
- Monitored the follow-up actions of REB Training Directorate for the training manuals on REB Material Accounting Procedure (IF 520), PBS General Accounts Manual (IF 310) and Understanding Financial Reports (IF 335).
- Continued with the task of editing the workshop reports of three workshops participated by selected representatives of REB and PBS for finalizing the draft Training Needs Assessment (TNA) aimed at the officers and employees of REB and PBSs.

Task C.2: Enhance Computerization in REB and PBSs

- Continued with the on-going activities related to Consumer Information System (CIS). These activities were mostly limited to the implementation this CIS software package in some new Zonal Offices of some PBSs. Updated CIS to accommodate few newly introduced items like LPC waiver, adjustment of Irrigation minimum bill etc. Provided support to the PBSs in regard to the preparation of the Aging reports. The specific tasks accomplished during this quarter includes:
 - Updated CIS software package to accommodate LPC waiver, introduction of minimum bill, adjustment of Irrigation minimum bill etc. .
 - Installed CIS in the LAN of Pabna-2 (Bera and Ataikula Zonal Offices), and Bansal-1 (Muladi Zonal Office)
 - Prepared Audio-visual CIS training CDs and distributed to the ten PBSs including each of the Zonal Offices within these ten PBSs, concerned vendor firms and the relevant REB Directorates.
 - Provided hands-on training on CIS implementation to the Vendor Implementation Team (VIT) Members at site of the respective PBSs as well as in NRECA office premises.
 - Provided training of the operation of the CIS software package to the Billing Assistants and others.
- Proceeded with work on the conversion of the Statistical Database packages for REB and PBSs to an Oracle platform that has been selected as the primary platform for all REB/PBS packages.
- Continued with work on the conversion of the Payroll packages for REB and PBSs to an Oracle platform that has been selected as the primary platform for all REB/PBS packages.

- Continued to provide ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

Program Activity D: Supplemental Tasks

Task D.1: Updating Engineering and Construction Standards

- As part of standard practice, continued to advise and assist REB regarding engineering related issues that impact the overall RE Program.

Task D.2: Socio-Economic Impact Assessment

- Completed three training courses on the baseline data entry system for three different PBSs
- Continuing collection of the post-electrification data from the households of 18 PBSs.
- Proceeding with preparation of reports(2) using the baseline data of the last F/Y:
- Continued follow up supports to PBSs and assistances to SEMEC/REB

Important Issues:

Due to the importance of these issues, NRECA again expresses concern on the following two issues that were commented on in previous Quarterly Reports:

- PBS Member/Consumer Unrest:** NRECA is very concerned about the problems related to the member/consumer unrest that developed in Chapainawabganj-Nawabganj PBS over a number of issues including load shedding during load shedding and other issues. NRECA believes this remains a critical issue that must become a priority within the RE Program. The involvement of the member-consumer as part of the cooperative concept is what makes the RE Program different from other utilities operating in Bangladesh. This incident clearly indicates the need for an enhanced effort by REB and the PBSs to revitalize the member education programs that were implemented in earlier years. This also supports the need for having effective training programs for all PBS Board of Directors so the individual Directors have a proper understanding in terms of their role as a Board member in diffusing these types of situations on behalf of the PBS need for having proper.

When the Government met with local leaders in an attempt to resolve concerns of the member-consumers, there was little or no input provided by the REB. Consequently a number of decisions were taken that will have negative impacts on the overall RE Program, particularly removal of any responsibility of member-consumers for the replacement of distribution system equipment that has been stolen. This will become a significant financial burden to all PBSs throughout the country.

- Overall Power Supply Crisis:** Given the extensive load shedding that occurred during the period of October to December, NRECA remains even more concerned over the overall shortage of power that is bringing the sector into a major crisis. It is also understood that this situation will likely continue to deteriorate further and put the sector under even more stress with significant negative impacts on the RE Program in particular. Without a doubt, the PBSs will continue to have excessive load shedding due to the grid substations (33 KV feeders) being operated in such a way that gives preferential treatment to BPDB service territory. With limited new generation expected in the coming months (years), the burden will become even more apparent and will put greater stress on the financial condition of the PBSs.

Investments have been made in the system, but with there being no power to sell and consequently the PBSs cannot generate revenues that will allow them to operate from a sound financial position.

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 "result 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. Two short-term specialists will support the Team Leader 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\$ 8,940,250 million (Tk.61.18 crore – Tk 70 US\$)
- Donor Funding: US Agency for International Development (USAID) – Contract

(Note: The budget figure shown reflects the reduction of \$750,000 from the original \$9.69 million that was required due to the Mission's funding from USAID Washington having been reduced. The processing of the revised budget and Contract Modification was completed in August 2006.)

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

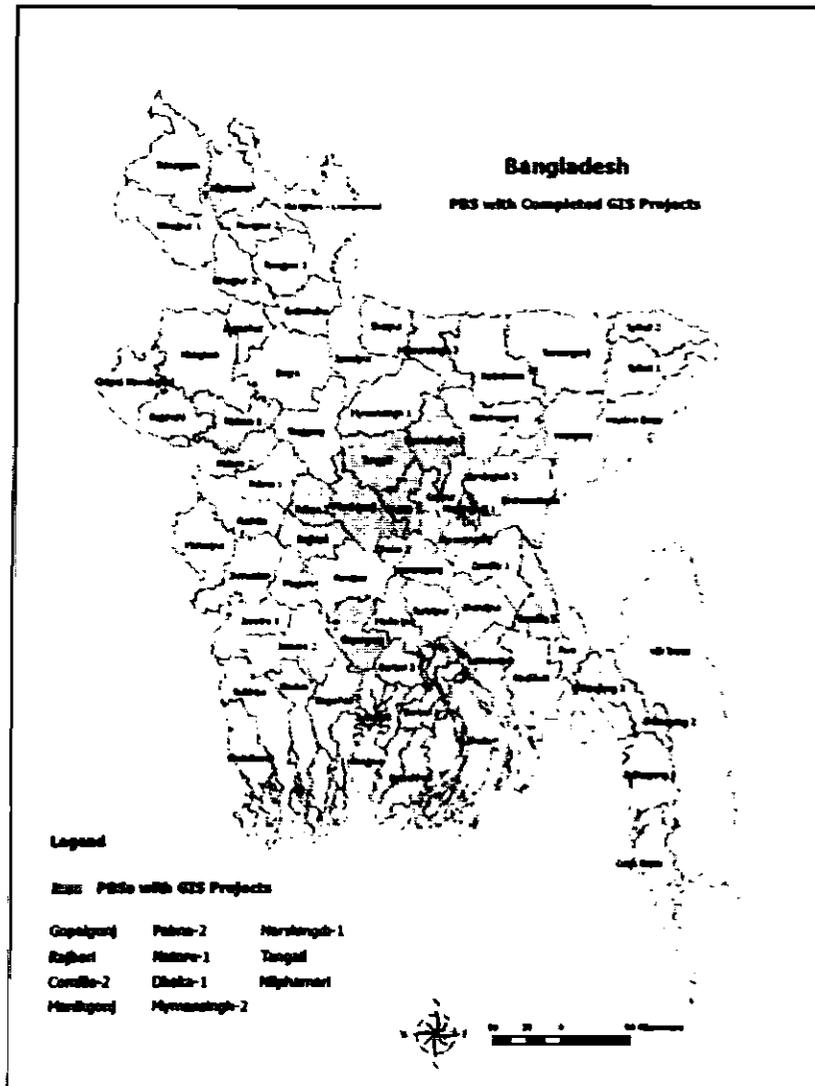
Program Activity A: *Planning and System Engineering*

Task A.1: Service Territory Database

Status as of this Quarter:

- Conducted 3-week basic GIS “Train the Trainer” course for REB, PBS and local RE consultant personnel. Began and completed an 8-week advanced training course on updating of existing GIS databases for REB, PBS and local RE consultant personnel.
- Developed listing of typical GIS-related work items and proposed rates for local consultants to perform updating of GIS databases.

Distribution of PBSs involved with GIS Implementation



- Continued to advise and assist REB regarding how to proceed with implementation of fully functional, updated GIS databases at three PBSs.
- Continued assisting REB with establishing workable approaches to continuing GIS development methods and procedures of RPPR-I & II to the World Bank funded GIS activity. The emphasis is to keep the GIS procedures consistent with the approach currently established and to help ensure that it is properly implemented.

Plans for Next Quarter:

- Handover most recently updated and fully functional GIS databases for Manikganj PBS, Pabna PBS-2 and Tangail PBS.
- Supervise the 3-week basic GIS "Train the Trainer" to be conducted by REB.
- Start data processing for GIS database update for Narsingdi PBS-1.
- Develop and conduct GIS orientation course for REB officials in all the directorates.
- Field check potential line extension projects for inclusion in the Manikganj PBS SPS.
- Continue to advise and assist REB regarding how to proceed with the World Bank funded GIS activity in order to keep their approach consistent with the methods currently established. This will assist REB to assure their strategy in conducting the GIS work on the World Bank Project is sound, and may produce useful results.
- Assist REB as needed to conduct further training on GIS for REB, PBS and consulting firm personnel.
- Continue to pursue REB for approval of Policy 100-62 and 100-63 developed by NRECA. These guidelines provide a framework for selection of GIS developer firms and GIS updating firms.

Task A.2: PBS Short and Medium Range Planning

Status as of this Quarter:

- Completed development of the three WindMil computer models to be utilized in analyses for updating the original Manikganj PBS System Planning Study.
- Developed training manual and other related materials required for conducting the WindMil training for local consultants.
 - These same materials will be relevant for conducting training of trainers program on the use of WindMil for the faculty members of the Electrical Engineering Department at the Islamic University of Technology who plan to begin offering a course program for senior level students as part of their curriculum.
- Continued developing a medium range plan for Manikganj PBS.
- Continued to follow-up with numerous PBSs with respect to their practicing effective data flow process for ERC software in order to keep records up to date and for updating GIS databases.
- Continued to pursue REB for approval of Policy 100-23 revised by NRECA and implementation thereof.
- Continued development of System Planning Study for Manikganj PBS

- Conducted presentations on System Planning to REB, PBS and Consultant personnel in order to develop further understanding about the importance of moving to this type of planning document for the PBSs.

Plans for Next Quarter:

- Complete development of the medium range plan for Manikganj PBS and present a report.
- Complete development of System Planning Study for Manikganj PBS.
- Conduct WindMil training for local RE consultants.
- Develop hands-on training for local RE consultants on development of proper System Planning Study of Manikganj PBS.
- Continue to pursue REB for approval of Policy 100-23 revised by NRECA and implementation thereof.

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- Continued to reinforce the process whereby NRECA will transition from the role of direct supervision of the substation maintenance work at the pilot maintenance PBSs to the role of simply providing monitoring and oversight.
 - This monitoring and oversight approach is similar to what REB needs to adopt for all this type of maintenance and have the work preformed by PBS personnel.
- Developed a plan for assessing the potential of including up to five more PBSs in the hands-on training for substation maintenance in order to increase capabilities in more PBS staff in PBSs beyond the four participating in the pilot work.

Plans for Next Quarter:

- Visit several PBSs to assess their potential for being included under the Preventive Maintenance program for substations.
 - Based on the findings from these visits, a list of up to five more PBSs will be developed as a means of introducing improved substation maintenance procedures.
- Conduct "hands on" training on improved maintenance procedures at additional PBSs selected above.
- Initiate writing the final report as deliverable for Operations & Maintenance Program.
- Proceed with the completion of the process whereby NRECA will transition from the role of direct supervision of the substation maintenance work at the pilot maintenance PBSs to the role of simply providing monitoring and oversight while stressing the need for REB to take a similar approach for this maintenance work.

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

Status as of this Quarter:

- Prepared a bound manual that includes pictures and other useful instructions related to substation maintenance materials (with REB Item Code #s).
 - These manuals should be a useful tool to AGM COMs and Storekeepers at the PBSs to procure, store and account for substation maintenance material.
- Advised and assisted Tangail and Manikganj PBSs regarding the procurement of O&M items and to develop proper storage facility for those items.
- Continued to support REB and PBS efforts toward procurement of maintenance materials for the upcoming substation maintenance program in the pilot PBSs.
- Continued to urge REB regarding finalization and approval of the revision of OMRR Policy 100-58.
 - REB developed their version of revised 100-58 and asked for NRECA's comments, which have been communicated to them.

Plans for Next Quarter:

- Visit several PBSs to determine which PBSs will be included in the Maintenance Materials program.
 - The list will include three to five more PBSs where improved maintenance materials procurement, storage and accounting procedures can be introduced.
- Begin advising these additional PBSs selected above in the proper procurement, storage and accounting of maintenance material.
- Initiate writing the final report as deliverable for O&M Material Supply Program

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

Status as of this Quarter:

- Continued with following curriculum development activities in consultation with the concerned personnel of REB's Training Directorates:
 - Initiated the task of developing training manuals (Trainers and Trainees) of the following training program:
 - ☒ Operation, Maintenance and Repair of Transformer for Junior Engineers (TO 232)
 - Submitted the translated version of the training manual of the following training program:
 - ☒ Interpersonal Communication (IM 150, IM 151 and IM 152) for the Officers of REB and PBSs

(Note: Still awaiting the review report of the REB's concerned Curriculum Review Committee for the abovementioned training manual.)
 - Resumed the work of the development of training manuals for the following training programs after obtaining REB's draft recommendations on the proposed changes in the REB Chart of Accounts:
 - ☒ PBS General Accounts Manual (IF 310)

- ▣ Interpretation of PBS Financial Reports (Form 550)
- Proceed with the task of pilot testing, translating and finalizing the development of the curriculum materials (Trainer and Trainee Manuals) for the following training program of REB/PBS management personnel:
 - ▣ Interpersonal Communication (IM 150, IM 151 and IM 152)
- Initiate with the task of developing curriculum materials for the following training program of PBS Board Directors:
 - ▣ PBS Board Directors Orientation (IB 310)
- Finalize the report of the Training Needs Assessment (TNA) of the employees of REB and the PBSs following the recommendations received in the three different workshops attended by three separate REB/PBS selected groups of officers and employees (i.e. management, engineering and finance).
- ▣ Continue with the task of graphic work (including scanning and illustrating) for different training manuals development and other relevant consultancy activities of RPPR -II program.

Task C.2: Enhance Computerization in REB and PBSs

Status as of this Quarter:

- ▣ Continued with the on-going CIS activities in the pilot PBSs, as well as in next group of eight PBSs selected for CIS implementation. The specific tasks involved in these activities are as follows:
 - Implemented CIS software package in Bera and Ataikula Zonal Offices of Pabna-2 PBS and Muladi Zonal Office of Barisal-1 PBS

(Note: CIS could not as yet be implemented in Jamalpur and Brahmanbaria PBSs as the required Hardware and Software have not yet been procured in these PBSs. Also, CIS could not be installed in the Zonal Offices of Mymensingh PBS 2 (Maona Zonal Office) and Barisal PBS 1 (Bakerganj Zonal Office)).
 - Continued with the previously agreed upon plan for the CIS deployment with direct involvement of the local Vendor Implementation Teams (VIT). As part of this program staffs from the various VITs have been trained on various aspects of CIS implementation and operation in the PBSs so that they can implement this package in the remaining PBSs without NRECA's assistant. The staffs of the VITs have also been provided training on CIS at NRECA office, as and when required..
 - Accommodated a number of changes in the CIS software package that were introduced recently, and then implemented the updated version in the PBSs (HQ and respective Zonal Offices) assigned to NRECA. The modifications included:
 - ▣ Introduction of the LPC waiver.
 - ▣ Adjustments of Irrigation minimum bill subsidy provided by GOB (20% refund). A faster routine is required to adjust the subsidy amount so that number of computer data entry becomes minimal.

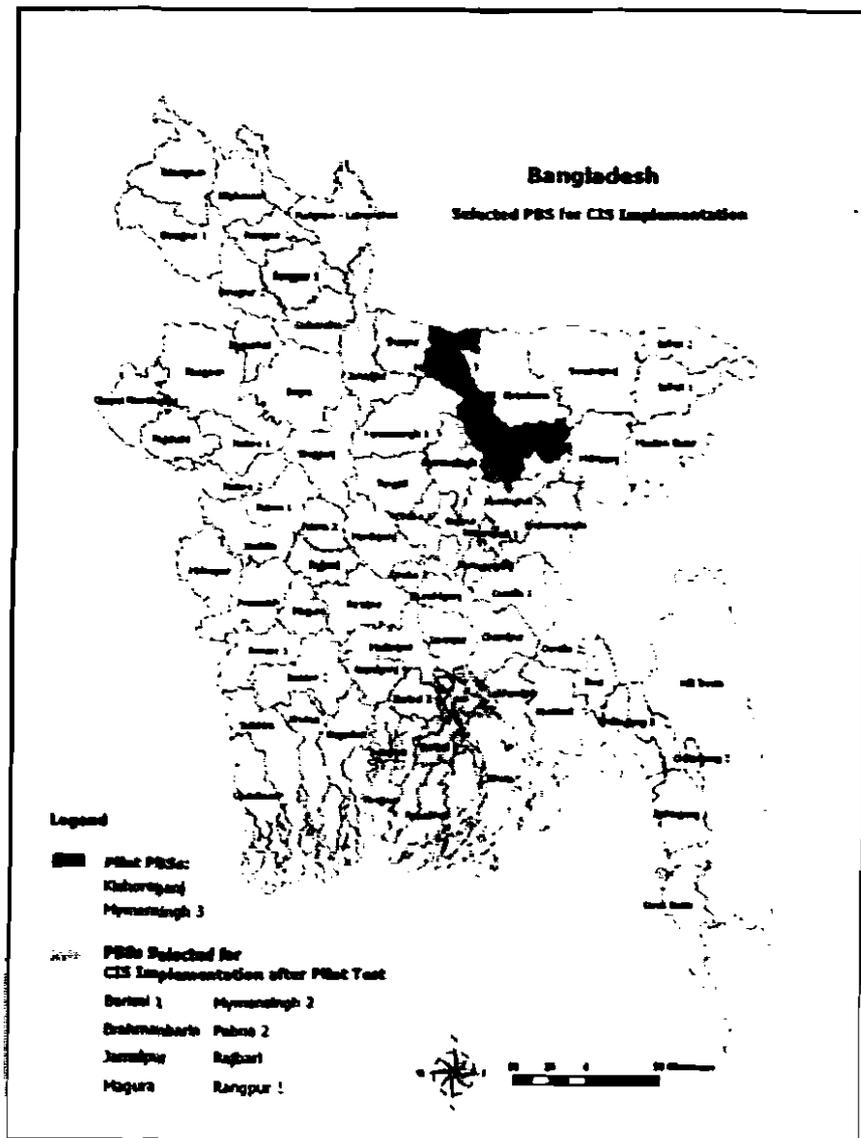
(Note: NRECA intended to test this module at Mymensingh PBS-3 as they have enough data relevant to this module. Unfortunately, however this could not be done

due to the lack of required version of Oracle (Oracle 10g, Release-2) and Mymensingh-2 is only using the earlier Release of Oracle.)

- ☐ Accommodation of the list of the Govt. organizations and departments that REB has recently sent to us and also to prepare some reports by organization/department.
- ☐ Introduction of Minimum bill of Tk 78 for the domestic users
- ☐ Preparation of Minimum Bill for the organizations having Gas-generated electricity.

(Note: As a result of not having REB's formal approval on the decisions taken at the meeting held in September 2005 to resolve some of the critical billing processes, CIS could not be fully updated to accommodate those processes. Upon receipt of the REB approved decisions, NRECA will update the CIS packages to accommodate them).

Distribution of PBSs involved with CIS Implementation



- Continued conversion REB Payroll software package into Oracle
(Note: The converted software package could not be tested in REB Payroll Section as this Section does not have a computer with enough memory to install Oracle. NRECA advised REB in a letter dated November 21, 2006 to procure a Server for the purpose.)
- Continued conversion REB Statistical Database software package into Oracle
(Note: The converted software package could not be tested in REB Rate Cell as this office does not have computer with enough memory to install Oracle. NRECA advised REB in a letter dated November 21, 2006 to procure a Server for the purpose)
- Continued with work on the conversion of PBS Payroll and PBS Statistical Database software packages into Oracle
(Note: Despite requests from NRECA, REB still needs to select a PBS where these converted software packages can installed and tested before beginning the process of rolling these two Software Packages to the other PBSs.)
- Continued to provide support to REB's Rate Cell on an as needed basis with respect to the utilization of the Statistical Database that is used to produce the monthly MIS Reports and which also provides other types of new reports that are requested by Ministry and others from time to time.
- Continued to provide ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".
- Continued working with Committee of REB officers on the review and updating of relevant Policy Instructions relating to Finance and Accounting tasks that have been automated in an attempt to ensure that the newly developed software packages match what is included in the formally approved Policy Instructions.

Plans for Next Quarter

- Continue with the on-going CIS activities in the pilot PBSs as well as in next group of eight PBSs selected for CIS implementation. Also continue testing and implementing the conversion process of the Software Package (CIS, Payroll, Statistical Database) The specific tasks to be involved in these activities are as follows:
 - Update CIS to accommodate the decisions of the meeting of September, 2005.
(Note: As a result of REB's approval on the decisions of the Sept 2005 meeting (resolve some of the critical issues of billing process) was still pending, CIS could not be updated to accommodate those processes. Upon receipt of the REB approval of these decisions, NRECA will update the CIS packages to accommodate them).
 - Implement CIS in the Headquarters and four Zonal Offices of Brahmanbaria PBS and also in the Zonal Offices of Mymensingh PBS 2 (Maona) and Barisal PBS 1 (Bakerganj).
(Note: The delay in procuring the required Hardware and Software for this PBS hampered the implementation of CIS package. It is expected the CIS deployment in this PBS and its Zonal Offices will be started from the beginning of the next quarter).
 - Continue training the VIT members, as and when required, on the modified version of CIS and the general requirements for successfully installing and implementing CIS at various offices within the assigned PBSs.

- Provide training and support as required for the preparation of Aging reports and cross-checking them in Ranpukur-1, Pabna-2, Rajbari, Barisal-1, Mymensingh-2 and Magura PBSs.
- Complete updating the CIS User's Guide (Bangla and English) to accommodate the updated features in it and distribute to the concerned PBSs and REB Offices.
- Continue testing and implementing of conversions of the previously developed software packages into Oracle. These Software Packages are:
 - REB Payroll – Test and implement in REB Payroll section
 - REB Statistical Database – Test and implement in REB Rate Cell
 - CIS – Test in one PBS and implement in at least one PBS in this quarter
 - PBS Payroll – Test in one PBS and implement in at least two PBSs in this quarter
 - PBS Statistical Database – Test in one PBS and implement at least two PBSs in this quarter.

(Note: The testing and implementing the conversion process of the above Software Packages in REB and PBSs depend on the availability of the required Hardware in the relevant REB sections as well as in the PBSs).

- Based on strong interest by REB, restart the activities of REB General Ledger (GL) to install and test it at REB Headquarters. The following enhancements are to be accommodated:
 - Work Order data capture to prepare associated Journal Voucher
 - Carrier Contractor data capture to prepare associated Journal Voucher
 - Supplier Contractor data capture to prepare associated Journal Voucher

(Note: The software package has been installed the General Accounts section. However, due to the slow progress in providing required test data, the package has not been properly implemented. In various meetings with REB Member Finance and other senior officials of Accounts Directorate, it was decided that REB would upgrade at least one of the computer's RAM to 512 MB of each of the sections within the Accounts Directorate so the Oracle express version can be installed. This will facilitate installing Oracle version of GL and each of the sections will be able to enter their respective vouchers from the relevant section.)

- Continue to provide support to REB's Rate Cell on an as needed basis with respect to the utilization of the Statistical Database that is used to produce the monthly MIS Reports and which also provides other types of new reports that are requested by Ministry and others from time to time.

(Note: The necessary efforts will also be provided as required when the new Oracle based package for the Statistical Database is installed in the Rate Cell.)

- Continue to provide ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

Important: NRECA has continued to stress at numerous meetings with REB senior officers that with the completion of RPPR II, REB must be prepared to have a local vendor selected with whom NRECA can prepare for maintaining these software packages. This was the decision taken several months ago in terms of the approach to be adopted but REB has been slow to respond.

Program Activity D: Supplemental Tasks

Task D.1: Updating Engineering and Construction Standards

Status as of this Quarter:

- As part of standard practice, continued to 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.

Plans for Next Quarter:

- Begin development of a generic design for a rural, 33/11kV unattended 10MVA substation. This design for future REB substations will be such that the substation can be readily expanded to 20 MVA with split bus and dual 3 phase power transformers. The design shall place an emphasis on low maintenance type equipment where ever practical.
- Develop a generic design for the expansion of existing 33/11kV, 10 MVA rural type substations to 20 MVA capacity. This design should include two 3 phase power transformers of 10 MVA each, split secondary and primary buses and separately regulated 11kV busses. The generic design will be suitable for REB's expansion of substations in the future.
- Continue to 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

Task D.2: Socio-Economic Impact Assessment

Status as of this Quarter:

- Completed three foundation training courses (each for a day) for 17 staff (10 males and 07 females) to three PBSs Headquarters and their Zonal offices on the baseline data entry techniques and procedures. In this connection, installation of the Data Entry Software is also completed to a number of computers available in HQs and Zonal offices;
- Continued with Since July 2006, a post-survey is going on for collecting data from 5802 households who provided electric connection by 18 PBSs during July 2001 to June 2005. By this time, two PBSs completed their job and others will complete their work soon (The survey is scheduled to be completed by December 2006);
- Lately completed accumulation of all socio-economic baseline data collected by participating 18 PBSs during FY 2005-06. Data processing is going on for preparation of the following reports: (1) PBS performance on collection of the baseline data; and (2) Baseline information of the domestic consumers; the reports are scheduled to be completed by January 2007;
- Continuing follow up and troubleshooting supports to participating 28 PBSs in establishing the socio-economic baseline system;
- Assistances to the SEMEC-REB staff for enhancing their professional capabilities is also advancing;
- Based on experience gained from conducting the 2002 socio-economic impact assessment, provided input to the consultant working on socio-economic component of the Rural

Electrification Development Project (REDP) for the finalization of the draft Terms of Reference for the socio-economic impact study to be implemented for that project.

Plan for the Next Quarter

- Proceed with implementation of the Baseline Data Entry Training for the remaining seven PBSs that have been selected for this ongoing activity.
- Complete the preparation of the following four reports:
 - PBS performance on baseline data collection
 - Baseline information of the domestic consumers.
 - Impact of electricity on the domestic consumer having access to electricity from the REP during FY 2001 – 2005
 - Formal publication of the document on success case stories(29) of the RE Program
- Continue the follow up support and assistance to the participating PBSs(28) involved with data collection and REB's SEMEC in order to strengthen its professional capability.
- Provide input to Socio-Economic Consultant working on the REDP in support of the socio-economic impact study being implemented under the DFID-funded program.

IV. Quarterly Status & Planning of Project Management For RPPR

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Worked to provide a meaningful orientation to the overall RE Program for another civil servant from the Government at the rank of Additional Secretary who was appointed as REB Chairman during the reporting period.
- Completed the required Country Clearances for the following Short-Term Specialists who completed assignments during the reporting period: Jim VanCoevering, Sam West, Dan Waddle and Randal Dupont.
- Organized a three day program in Bangladesh for NRECA International Ltd's Sr. Vice President, Vivek Talvadar which included meetings with REB Chairman and Executive Committee, the concerned staff from USAID and DFID as well as the Dhaka office local staff.
- Continued to provide required administrative and logistical support related to John Cook's efforts as the Project Engineer responsible for successfully implementing the new Rural Electrification Development Project (REDP) being funded by DFID through a contract with USAID.
- Continued with completion of the major repairs of the Ford Explorers concurrence that are required through the parts and services available from the local Ford dealership based on the earlier concurrence from the Mission's Contracts Office.

(Note: As noted in previous Reports, having the proper service from the local dealer has been very problematic for NRECA and other USAID partners who purchased the Ford Explorers in 1998. There have been limited solutions to this problem so efforts were made to again attempt to see if the dealer will provide the service and spare parts to keep the vehicles on the road.)

Plans for Next Quarter:

- Work the Arlington office to complete logistical processing (ticketing, visas, etc.) for the following ST Specialists who are scheduled for assignments in Bangladesh during the upcoming quarter: Sam West, Bud Stanley, Craig Dickson, and Jim VanCoevering.

V. Brief Summary of Related Observations & Other RE Activities

Key Operational Information

The following table reflects key operational information regarding the seventy (70) commercially operating PBSs included in the RE Program for the months of October '06, November '06 and December '06 as contained in the selected REB Management Information System (MIS) Reports:

Description	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Change - 3 Mos Period
System Loss (12 mo. Avg.)	12.23%	12.27%	12.22%	12.23%	0.00%
System Loss (this month's Avg.)	10.41%	15.50%	8.22%	13.84%	- 3.43%
Percentage of Collection (12 mo. Avg.)	97.07%	96.79%	96.46%	96.19%	- 0.60%
Percentage of Collection (this mo. Avg.)	81.52%	85.40%	98.25%	97.52%	- 16.00%
Accounts Receivable (# mo. Outstanding)	2.06	2.11	2.16	2.14	- 0.08
Total Villages Energized	46,257	46,432	46,479	46,523	-266
Number of New Meter Connections	52,343	56,875	35,129	34,310	+126,314
Total # of Meters Connections	7,015,010	7,071,885	7,107,014	7,141,324	+126,314
Total Km of Energized Line	204,241	204,675	205,365	205,988	+1,747
MWH Purchased YTD - % of change last yr.	2.35%	0.14%	0.27%	0.24%	

- For this three-month reporting period, the operational statistics for the 70 energized PBSs continue to reflect that the overall RE Program shows expansion with **126,314 new connections** being made during this reporting period. This averages out to **42,105 per month** or **1,651 per working day** based on an average of 25.5 day working days/month. As part of this ongoing expansion, **266 new villages** received electric service. Also, the total amount of energized line increased by **1,747 km** during these three months for an average of **582.33 km/month** or **22.84 km/day** during an average month of 25.5 working days.
- As of the end of the reporting period, the overall **12-Month Average System Loss** for all 70 operating PBSs remained unchanged over the three-month reporting period with this indicator being at **12.23%** for the month of December 2006.
- There was a slight increase of **0.43%** in the **Average Monthly System Loss** for the reporting period which bringing this statistic to **13.84%**.
- The overall **Percentage of Collection (12 mos average)** shows a slight increase of **0.60%** bringing the collection rate to **96.19%**. Even during the current power crisis, this collection rate continues to reflect

an earnest effort on the part of the PBS to collect its bills, as well as willingness by the PBS members to pay their electric bills. The *Percentage of Monthly Collection (this month Average)* showed a marked increase of 16.00% which moved from 81.52% for October'06 up to 97.52% for December'06.

- The total *Accounts Receivable* showed a slight decrease of 0.8 months during the reporting period thus resulting in a total of 2.14 **months outstanding** and thus owed to the PBSs.
(Note: While this figure of 2.0 months outstanding at the end of the fiscal year is noteworthy, the figure for June 2005 was 1.85 months.)
- Another indicator that identifies positive growth is the one related to *MIWH Purchased Year to Date*. The continued growth in demand is reflected by the quite modest monthly increases for the three months of the reporting period of 0.14%, 0.27% and 0.24%.
- (Note: This is a reflection of the significant amount of load shedding the occurred during this reporting period.)

Other Related Activities and Relevant Information

- Another breakfast meeting with arranged by NRECA on May 10th to provide an initial opportunity for donor representatives to meet with the newly assigned REB Chairman, Mr. Tauhidul Islam who replaced Dr. Halaluzzaman in late April. The meeting allowed the new Chairman to frankly and openly present his initial concerns to the donor community in terms of what he felt needed to be done and the areas he would be seeking donor support in order to achieve positive results.
 - Report.
- As was stated in the referenced Study Report, NRECA continues to have strong reservations about the extent to which PBS "patronage capital" is being used for investments in RPC ventures. NRECA believes that capital for good generation projects are available from other sources (e.g., private investors) and these PBS funds should remain available to support distribution efforts, which still require signification investments and where low-interest capital is not easily accessible.
 - In another matter relating to RPCL, at the REB Chairman's personal request, NRECA provided professional advice regarding the questionable plan by RPCL to invest in a 30 MW power plant. Investigations determined that this plant was tendered earlier in the year and the procurement action resulted in only one bid, which was quickly determined to be high for this type of plant. NRECA did an analysis of the related documents and submitted a report to the Chairman that this was not a favorable project for RPCL as it was not economically feasible due to high capital costs, operating expenses, and resulting revenues expected from the plant's operation. It was therefore recommended that RPCL not pursue the project as it was not in the best interest of RPCL or its shareholders (REB and selected PBSs). This proposed project serves as another example of how outside influences are impacting the operation of RPCL and having the potential of further damaging the company's financial position which is totally with the participating PBSs.
- As noted earlier in this report, the Rural Electrification Development Project (REDP) continued during the reporting period with a number of other organizational meetings were conducted with staff from DFID, USAID and NRECA during the reporting period.
 - Progress was also made in the identification and selection of local professionals who would be joining the NRECA staff for this project with work now being underway on the tasks activities included in that project.

Quarterly Report Exhibits

A. Implementation Schedule

The Implementation Schedule presented in this Quarterly Report reflects the draft Annual Work Plan for the RPPR II Program prepared for Year #5, which was pending approval due to reallocation of the budget.

The Implementation Schedules have been developed using *Microsoft Project* in order to monitor progress and modify as necessary.

B. Budget Information

The Budget information presented in this Quarterly Report reflects the total budgeted amounts for the four individual Activities and it also reflects the expenditures for each line item for this Quarter and provides a remaining balance.

EXHIBIT - A

**IMPLEMENTATION SCHEDULE
With Focus on Year #5**

RPPR II Fifth Year Workplan and Implementation Schedule - 1st Quarter

ID	Task Name	2007											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	Activity A: Planning & Engineering												
2	Task A.1: Develop Service Territory Database												
3	Updated the earlier GIS for three PBSs that was prepared under RPPR I & II												
4	Refresher training for Con. Engg personnel and complete field work												
5	Complete the GIS development with new updated information and prepare maps												
6	Prepare GIS with field data for participating PBSs												
7	Continue & complete GIS development for 3 PBSs from Yr. #3 - Completed												
8	Link GIS database with development of Work Plan for Tangail PBS.												
9	GIS Training												
10	Assist REB w/hardware & GIS Software procurement - Delayed/ongoing												
11	GIS & ArcView orientation 7 Trng. - GIS Cell & Consultants (Delayed - Ongoing)												
12	Prepare Final Report on GIS Activities and Training - Deliverable 06/30/07												
13	Task A.2: PBS Short and Medium Term Planning												
14	Monitor actions on completed Work Plan for 1st PBS - Manikganj												
15	Continue monitoring data collection for record keeping and ERC												
16	Prepare Medium Range Plan for 1st PBS - Manikganj PBS - Deliverable - 07/31/07												
17	Develop Work Plan for 2nd PBS - Changed Dhaka 1 to Tangail PBS												
18	Monitor data collection for accuracy at Tangail (Note - PBS continues interest)												
19	Prepare analytical models on Matlab												
20	Prepare Work Plan with Plan and present to REB												
21	Conduct seminar on new planning process - with Tangail as 2nd example												
22	Prepare Medium Range Plan for 2nd PBS - Tangail PBS - Deliverable 07/31/07												
23	Train consulting engineers on use of analysis software												
24	Continue Engg S Ware training for REB & C Engg - Some delays												
25	Assist REB & C Engg w/purchase of H Ware & Engg S Ware - Ongoing												
26	Test Electronic Record Card System & implement @ PBSs - Ongoing												
27	Prepare Guidelines for Short/Medium Range Planning - Deliverable												
28	Prepare Guidelines for Short/Medium Range Planning - Completed												
29	Prepare Guidelines for Medium Range Planning - Deliverable 01/31/07												
30	Prepare Short & Medium Range Planning Report - Deliverable 07/31/07												
31	Activity B: Operations and Maintenance Programs												
32	Task B.1: Preventative Maintenance Programs												
33	Enhancing O&M Policies and practices												
34	Routinely evaluate line & equipment maintenance practices (Ongoing)												
35	Monitor and Item on revised Line & Substation Inspection Guidelines												
36	Submit Substation & Line O&M Guidelines for App'l - Deliverable - Completed												
37	Reinforce Preventative Maintenance Programs												

RPPR II Work Plan
Year 05
10/06 to 12/06 - 1st Qtr

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

RPPR II Fifth Year Workplan and Implementation Schedule - 1st Quarter

Task Name	2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
38 Support of ERC system (see Task A.2) for O&M purposes - Ongoing										
39 Conduct hands-on testing/monitoring during substation O&M period - Ongoing										
40 Provide training on equipment repair in R&B Workshop - Ongoing										
41 Prepare Report on O&M Activities - Deliverable 03/1/07										
42 Task B.2: Material Supply For O&M Program										
43 Continue evaluation of needs for materials under O&M work - Ongoing										
44 Identify deficiencies of authority & responsibility for material acquisition										
45 Acquire materials in accordance with delegation plan - Ongoing										
46 Evaluate workmanship & business practices and monitor progress - Ongoing										
47 Prepare Report on O&M Materials Activities - Deliverable 03/1/07										
48										
49 Activity C: Strengthen Utility Performance										
50 Task C.1: Strengthen Training Program & Procedures										
51 Continue and complete training needs assessment										
52 Finish work and conduct assessment surveys - Completed										
53 Finish Training Needs Assessment Report & Review/R&B										
54 Submit Training Needs Assessment Rpt - Deliverable - 04/15/07										
55 Continue development improvement program										
56 Continue curriculum development in collaboration with R&B - Ongoing										
57 Support implementation of newly developed programs - Ongoing										
58 Support training academy development - As R&B requires - Ongoing										
59 Conduct Regional & other training tours - Delayed due to R&B issues										
60 Prepare Report on Training Program Activities - Deliverable 07/1/07										
61 Task C.2: Enhance Competency Program										
62 Prepare Strategy Plan for IT Sector in R&B & Review w/R&B - Completed										
63 Prepare Extra Budget Plan for IT Sector in R&B & Review w/R&B - Completed										
64 Finish Strategy Plan for IT sector within R&B and submit to R&B										
65 Continue to support computerization at R&B										
66 Develop & implement integrated R&B software packages (Payroll, GL, MIM)										
67 Support R&B sub (Communication Technology) (CT) Investment - Ongoing										
68 Advise & assist plan for HQ LAN per Work Funding - Delayed - Ongoing										
69 Support various contract issues between HQ and R&B - Ongoing										
70 Continue to support computerization at R&B										
71 Develop & implement integrated R&B software packages (CT) - Ongoing										
72 Advise & assist plan for R&B LAN per Work Funding - Delayed - Ongoing										
73 Prepare Report on Status of RPPR I Software Applications to R&B - Deliverable 02/15/07										
74 Prepare Report on Integrated Applications in 7 Phases - Deliverable 07/1/07										

RPPR II Work Plan
Year 05
10/08 to 12/08 - 1st Qtr

Task: [Redacted] Missions: [Redacted] Summary: [Redacted] Program Summary: [Redacted]

Legend: [Redacted] (Diamond) External Tasks [Redacted] (Square) External Missions [Redacted] (Triangle) External [Redacted] (Circle)

RPPR II Fifth Year Workplan and Implementation Schedule - 1st Quarter

ID	Task Name	2007											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
76	Activity D: Optional Programs	[Hatched bar]											
77	Task D.1: Engineering and Construction Standards	[Solid black bar]											
78	Advise and Assist with RE/PBS Eng Questions As Needed - Ongoing	[Solid black bar]											
79	Finalize policy on site's design & construction standards for PDB Takeover Areas - Completed	[Solid black bar]											
80	Work with REB in preparation of new specs for electronic meters - Completed	[Solid black bar]											
81	Prepare new design for enhanced capacity PBS Substation	[Solid black bar]											
82	Prepare Report on Renovation & Takeover Policy Revisions - Deliverable 07/31/07	[Solid black bar]											
83	Task D.2: Socio-Economic Impact Assessment	[Solid black bar]											
84	Develop baseline data collection at PBSs	[Solid black bar]											
85	Continue to support baseline data collection at 8 model PBSs - Ongoing	[Solid black bar]											
86	Continue baseline data collection system at 9 new PBSs - Ongoing	[Solid black bar]											
87	Continue baseline data collection system at 10 new PBSs - Ongoing	[Solid black bar]											
88	Strengthen monitoring and socio-economic analytic capability at REB	[Solid black bar]											
89	Work with Socio-Economic Monitoring Call at REB - Ongoing	[Solid black bar]											
90	Conduct Study to measure impact of RE on Poverty Reduction	[Solid black bar]											
91	Initiate planning for conducting Study to measure impact of RE on poverty	[Solid black bar]											
92	Prepare Report impact of RE on Poverty - Deliverable 06/30/07	[Solid black bar]											

RPPR II Work Plan Year 05 1008 to 1208 - 1st Qu	Total Spent Progress	Missions Summary Project Summary	Internal Tasks Internal Milestone Deadline
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