

**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 01/07 TO 03/07
*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

- Handed over most recently updated and fully functional GIS databases for Manikganj PBS, Pabna PBS-2 and Tangail PBS. as part of a formal presentation to the REB Chairman and other members of the Board and other REB and PBS officials.
- Started and completed data processing for GIS database update for Narsingdi PBS-1.
- Developed GIS orientation course for REB officials.
- Assisted REB with the delivery of further GIS Training for REB, PBS and Consulting firm personnel.

Task A.2: PBS Short and Medium Range Planning

- Completed development of the "medium-range" plan for Manikganj PBS which projects system requirements for 5 to 10 years as well as project investments required.
- Completed development of the "draft" report for "System Planning Study" for Manikganj PBS.
- Developed and presented a one-week WindMil Training Program for Islamic University of Technology as part of a plan for having new Electrical Engineering graduates familiar with the application of a typical engineering software package for conducting engineering analysis thus providing a longer term solution to capacity building within the country in hopes of its benefiting the RE Program.
- Worked with REB regarding efforts to research GOB Public Procurement Rules and modified pre-qualification documents in REB Guidelines 100-62 and 100-63 on selection of GIS developers and GIS updating firms.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Successfully completed final Substation Maintenance Training at six newly selected PBSs in addition to the original pilot PBSs and were located in the Western Zone of the country.
- Prepared the initial "draft" of the Final Report for Maintenance Task of RPPR-II, which is a Deliverable under the RPPR II Contract.

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

- Completed final Maintenance Materials Training at six PBSs which were in addition to the original pilot PBSs involved in the this Task as well as the Maintenance Program.
- Prepared the initial "draft" of the Final Report for Materials Supply Task of RPPR-II, which is a Deliverable under the RPPR II Contract.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Continued with 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 review of the training manuals on REB Material Accounting Procedure (IF 520), PBS General Accounts Manual (IF 310) and Understanding Financial Reports (IF 335).
- Assisted with the delivery of training to the concerned PBS personnel on "Modern Techniques of Maintenance of PBS Sub-stations" at five different selected PBSs having the objective of developing a comprehensive training manual prepared in Bangla on this same substation training to be undertaken in future work plan.
- At REB's request, initiated the task of assisting the concerned REB authority for assessing the institutional and management needs of proposed REB Training Academy as its infrastructural works having been started during the previous quarter.
- Assisted REB with curriculum materials, delivery, etc. associated with the training of 2,641 participants (2,346 males and 295 females) during the reporting period.

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 ongoing post implementation support to the PBSs and implementation of this CIS software package in some new Zonal Offices of some PBSs. Updated CIS to accommodate some suggestion from Rajbari PBS on the report format. The specific sub-tasks accomplished during this quarter included:
 - Updated CIS software package to accommodate suggested modification on CIS report format.
 - Installed CIS in the LAN of Akhaura, Nabinagar, Bancharampur (Zonal Offices of Brahmanbaria PBS), Brahmanbaria HQ, Mauna (Zonal Office of Mymensingh-2) and Bakerganj (Zonal Office of Barisal-1)

- 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.
- Identified a qualified subcontractor to begin development of a generic design for a rural, 33/11kV unattended 10MVA substation. (Note: This Task on "hold" because of delay in the allocation of the Mission's budget for this year which is needed prior to the final obligation for RPPR II.)
- Identified a qualified subcontractor to begin development of a generic design for the expansion of existing 33/11kV, 10 MVA rural type substations to 20 MVA capacity. (Note: This Task on "hold" because of delay in the allocation of the Mission's budget for this year which is needed prior to the final obligation for RPPR II.)

Task D.2: Socio-Economic Impact Assessment

- Completed the Baseline Data Entry Training for the remaining seven PBSs under the Socio-economic Baseline Data Gathering System that is operating in 29 PBSs.
- Completed preparation of the report named "PBS Performance on Baseline Data Collection".
- Completed preparation of the report named "Baseline Information of the Domestic Consumers".
- Proceed with the remaining data collection for the report named "Baseline Information of the Domestic Consumers".
- Continued follow up support and assistance to PBSs on an as needed basis, as well as assistances to Socio-Economic Monitoring and Evaluation Cell (SEMEC) at REB

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 Systems 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

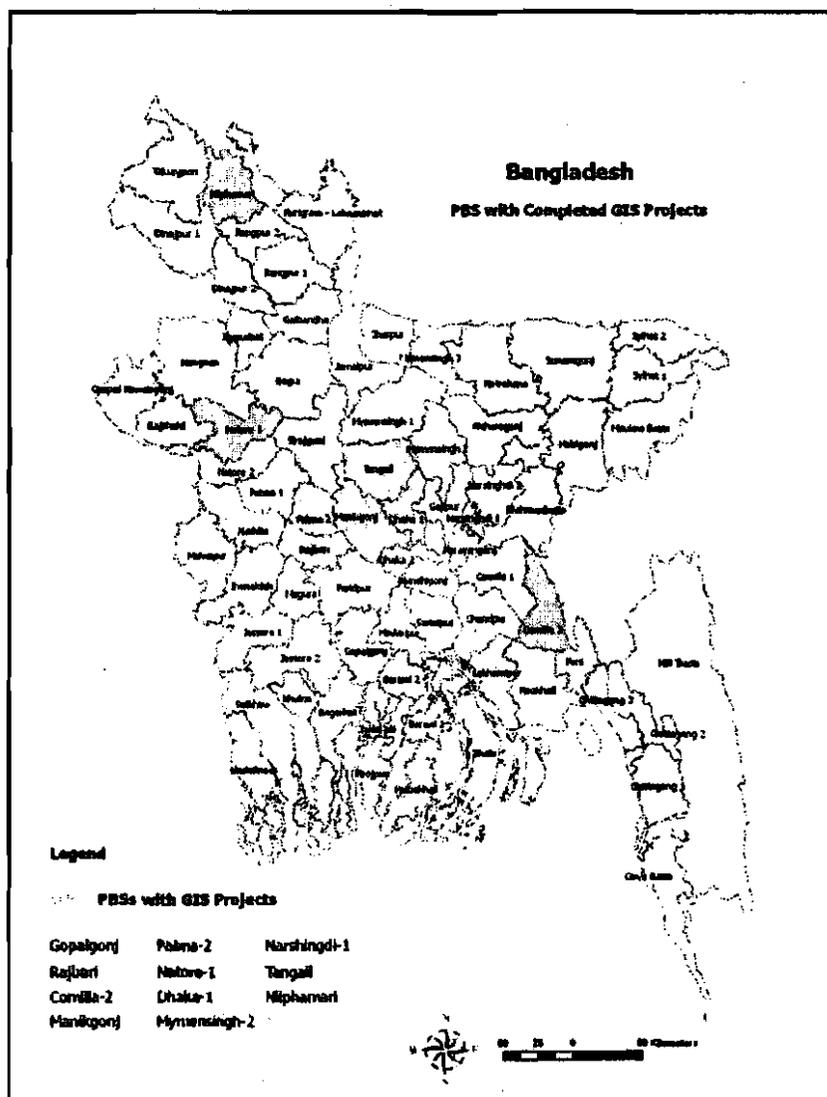
Status as of this Quarter:

- Handed over most recently updated and fully functional GIS databases for Manikganj PBS, Pabna PBS-2 and Tangail PBS as part of a formal presentation to the REB Chairman and other members of the Board and other REB and PBS officials.
- Supervised the 3-week basic GIS "Train the Trainer" to be conducted by REB.
- Started and completed data processing for GIS database update for Narsingdi PBS-1.
- Developed GIS orientation course for REB officials.
- Performed a spot field check of potential line extension projects for inclusion in the Manikganj PBS SPS.
- Assisted REB as needed to conduct further training on GIS for REB, PBS and consulting firm personnel.
- Continued to pursue REB for approval of Policy 100-62 and 100-63 on Selection of GIS Developer and GIS Updating firms. These guidelines are through the committee review and comment phases and now ready for REB Board approval.

Plans for Next Quarter:

- Handover most recently updated and fully functional GIS database for Natore-1 and Narsingdi PBS-2.
- Start and complete preparing training manual on GIS for Casual Users as per REB instructed formats for trainers and trainees.
- Supervise the 3 week basic GIS Training course for PBS and consulting engineer's personnel.
- Conduct GIS orientation course for REB officials.
- Start converting ArcView based GIS database to ArcGIS format and supply them to REB for Gopalganj, Rajbari, Comilla-2, Mymensingh-2, Nilphamari and Dhaka-1 PBSs.
- Start documentation of GIS data development methodology.

Figure: PBSs with where GIS Databases have been developed



Task A.2: PBS Short and Medium Range Planning

Status as of this Quarter:

- Completed development of the “medium-range” plan for Manikganj PBS, which projects system requirements for 5 to 10 years as well as project investments required.
- Completed development of the “draft” report for “System Planning Study” for Manikganj PBS.
- Developed and presented a one-week WindMil Training Course for Islamic University of Technology as part of a plan for having new Electrical Engineering graduates familiar with the application of a typical engineering software package for conducting engineering analysis thus providing a longer term solution to capacity building within the country in hopes of its benefiting the RE Program.

- Continued to pursue REB for approval of Policy 100-23 revised by NRECA. This policy is now through the committee and comment phases and ready for REB Board approval.
- Worked with REB regarding efforts to research GOB Public Procurement Rules and modified pre-qualification documents in REB Guidelines 100-62 and 100-63 on selection of GIS developers and GIS updating firms.

Plans for Next Quarter:

- Print and distribute 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.
- Begin hands-on training for local RE consultants on development of proper System Planning Study of Manikganj PBS.
- Continue to pursue REB final approval of Policy 100-23 revised by NRECA.

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- Visited five PBSs to assess their progress on tasks assigned to prepare for possible inclusion in the Substation Maintenance Task of RPPR-II.
- Successfully completed final Substation Maintenance Training at six newly selected PBSs in addition to the original pilot PBSs and were located in the Western Zone of the country.
(Note: This training was very well received by most PBS staff at the selected PBSs thus there is anticipation that this training will be of significant benefit to those PBSs.)
- Prepared the initial "draft" of the Final Report for Maintenance Task of RPPR-II, which is a Deliverable under the RPPR II Contract.

Plans for Next Quarter:

- Refine and complete the Final Report for the Maintenance Task of RPPR-II, which is a Deliverable under the RPPR II Contract.
- Assist REB as necessary on issues associated with Operations and Maintenance

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

Status as of this Quarter:

- Visited five PBSs to assess their progress on tasks assigned to prepare for possible inclusion in the Maintenance Materials Tasks of RPPR-II.
- Completed final Maintenance Materials Training at six PBSs.

- Prepared the initial "draft" of the Final Report for Materials Supply Task of RPPR-II, which is a Deliverable under the RPPR II Contract.

Plans for Next Quarter:

- Refine and complete the Final Report for the Materials Supply Task of RPPR-II, which is a Deliverable under the RPPR II Contract.
- Assist REB as necessary with items associated with the Maintenance Materials Task of RPPR-II.

Program Activity C: Strengthen Utility Performance

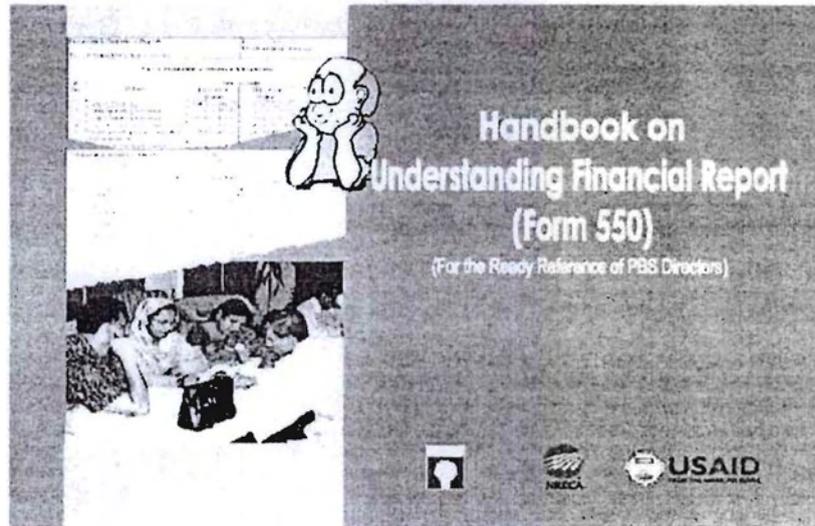
Task C.1: Strengthen Training Program and Procedures

Status as of this Quarter:

- Continued with following curriculum development activities in consultation with the concerned personnel of REB's Training Directorates:
 - Monitored the follow-up actions of REB Curriculum Review committee after submitting the draft training manuals (Trainers and Trainees) of the following training program:
 - ☒ Operation, Maintenance and Repair of Transformer for Junior Engineers (TO 232)
 - Initiated the task of developing training manuals (Trainers and Trainees) of the following training program:
 - ☒ Operation, Maintenance and Repair of Transformer for PBS Lineman (TL 042)
 - Monitored the follow-up activities of REB after submitting 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
 - Initiated the work of developing curriculum materials for the following training program:
 - ☒ PBS Board Directors Orientation (IB 310)
 - Resumed the work of developing training manuals of the following training programs after obtaining the REB's draft recommendations on the proposed changes in the REB Chart of Accounts:
 - ☒ PBS General Accounts Manual (IF 310)
 - ☒ Material Accounting for Ass't. Directors (Finance) & Accountants of REB (IF 520)
 - Initiated the work of developing the following curriculum material for the PBS Board Directors and PBS officers :
 - ☒ Interpretation of PBS Financial Reports (Form 550)
 - Finalized and submitted the following training manual (Trainers and Trainees) after the pilot test:
 - ☒ Understanding Financial Reports (IF 335)

(Note: In addition to the Trainer and Trainee Manuals which are the primary curriculum materials for REB/PBS Programs, the Handbook shown below was also developed and translated in Bangla to be used as ready reference of understanding PBS Financial Reports (Form 550) aimed at PBS Board members and other participants.)

Figure: Handbook on Understanding Financial Report (Form 550)



- At REB's request, initiated the task of assisting the concerned REB concerned authority for assessing the institutional and management needs for planning REB Training Academy as the development of the physical facilities began during the previous quarter with funding being provided by Asian Development Bank (ADB). The first step was working with the Training Director to outline various issues that needed to be examined as part of this undertaking with which REB would be preparing a formal request to NRECA for assistance.

(Note: Being that the construction of the building for the new REB Training Academy itself had started in late 2006, the Training Directorate of REB has requested NRECA for rendering consultancy on the possible future collaboration for assessing the institutional and management needs of the proposed Academy. NRECA suggested forming a "committee" with the joint participation of REB and NRECA for studying and recommending on further requirements of organizing the Training Academy. NRECA agrees that this work must be done in conjunction with the development of the physical facilities to ensure it is completed in parallel so that Academy can become operational whenever construction is finished.)

- Assisted with the delivery of training to the concerned PBS personnel (AGM (COM), Junior Engineer and Lineman) on "Modern Techniques of Maintenance of PBS Sub-stations" at five different selected PBSs with Mr Bud Stanley, NRECA's Maintenance Specialist with the objective of developing a prepared in Bangla on this same substation training to be undertaken in future work plan.

(Note: As this training was specific to all aspects of substation maintenance, it covered such topics as: installation of inlet valve & filling of N₂ gas in required transformers, filling of oil in required OCRs., measuring of contact erosion of indoor circuit breaker & correcting of contact of earth fault relay of 33KV, sealing of oil leaking from winding temperature gauge

joints, radiators, 33KV bushing, sealing of gas from PRD gasket joint etc. all of which had not been addressed in other curriculum materials developed thus far.)

- Being that it was training related, provided some computer and graphic support for the development of curriculum materials related to the manuals for use with the "PBS Member Education" that is part of one of the components of the Rural Electrification Development Program (REDP) that is being implemented with USAID with funding from DFID.
- During the reporting period following number of participants were involved in various training programs arranged by REB, PBS and NRECA:

Month	Organization	Male	Female	Total
January '07	REB/PBS	756	145	901
	NRECA	38	0	38
February '07	REB/PBS	726	67	793
	NRECA	6	16	22
March '07	REB/PBS	814	55	869
	NRECA	6	12	18
Total		2,346	295	2,641

Plans for Next Quarter:

- Continue with curriculum development subtasks including:
 - Proceed with the task of conducting pilot test and finalizing the training manual (Trainer and Trainee) for the following engineering course:
 - ☒ Operation and Maintenance of Transformer for Junior Engineers (TO 232).
 - Proceed with the task of developing the following curriculum material for the following engineering course:
 - ☒ Operation and Maintenance of Transformer for PBS Lineman (TL 042).
 - Proceed with the task of finalizing the following finance training manual (Trainer and Trainee):
 - ☒ PBS General Accounts Manual (IF 310)
 - Proceed with the task of developing curriculum outline of the following training program:
 - ☒ 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)
 - Proceed with the task of developing curriculum materials for the following training program of PBS Board Directors:
 - ☒ PBS Board Directors Orientation (IB 310)

- Proceed with the task of assisting REB concerned authority for assessing the institutional and management needs for planning REB Training Academy as the development of the physical facilities continue with the funding provided by Asian Development Bank (ADB).
- Initiate preparations for planning a US Program for the new REB Chairman which would be his initial orientation to the US RE Program.
- 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.
- Continue to assist if necessary with the task of developing training manual entitled “PBS Member Education through MEBD Program” of NRECA’s Rural Electrification Development Program (REDP) funded by DFID.

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:
 - Installed CIS Software Package in the LAN of Akhaura, Nabinagar, Bancharampur (Zonal Offices of Brahmanbaria PBS), Brahmanbaria HQ, Mauna (Zonal Office of Mymensing-2) and Bakerganj (Zonal Office of Barisal-1)

(Note: CIS could not as yet be implemented in Jamalpur PBS as the required Hardware and Software have not yet been procured in this PBS. Also, CIS could not be installed in Kashba Zonal Office of Brahmanbaria PBS as this Office was shifted to a newly rented house that delayed the installation of LAN there).
 - 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:
 - ☒ Updated CIS software package to accommodate suggested modification of some report formats
 - ☒ 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.

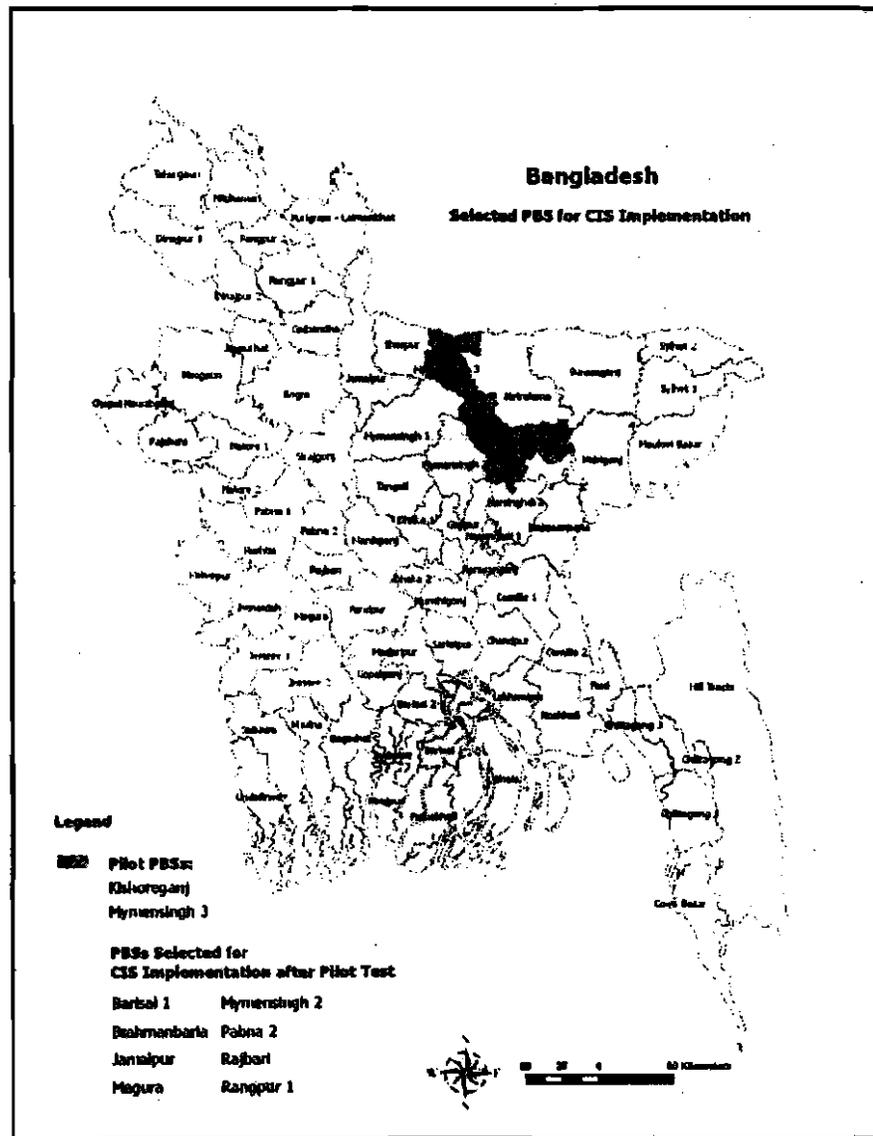
(Note: As mentioned in the previous Quarterly Report, NRECA intended to test this module at Mymensingh PBS-3 as they have enough data relevant to this module. However, this unfortunately could not be done at this PBS due to the lack of required version of Oracle (Oracle 10g, Release-2) as the was using 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

(Note: NRECA Computer Team found two different formats of this report in two PBSs and spoke to REB Office System about it. The solution was given to amalgamate these two report formats and design a common report)

(Note: REB continues to be pressed on this issue due to NRECA 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 adjustments can be made to the software.

Figure: Distribution of PBSs involved with CIS Implementation



- Continued conversion REB Payroll software package into Oracle. As part of the process the Express Edition of Oracle has been installed in one of the computers of REB Payroll section and the Oracle version of Payroll Software Package has been installed in this computer to test the operation and functionalities of this Software Package.
- 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. As part of the process the Express Edition of Oracle has been installed in one of the computers of Mymensingh PBS-2 and the Oracle version of PBS Payroll and PBS Statistical Database have been installed in this computer to test the operation and functionalities of these Software Packages.
- Worked with REB Works Management and REB Material Accounting Systems (modules of REB General Ledger).
- 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. CDs have been provided to the relevant officials of REB that contain the revised and/or updated Policy Instructions.

(Note: Progress on this sub-task has been hampered as NRECA has been waiting for the feedback from REB on the revised Policy Instructions in order to finalize these 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: Finalizing these updates is dependent on REB's approval on the decisions of the Sept 2005 meeting which will resolve some of the critical issues of billing process. Upon receipt of the REB approval of these decisions, NRECA will update the CIS packages to accommodate them.)
 - Implement CIS in Kashba Zonal Office of Brahmanbaria PBS
 - Test and implement the "One Point Service Module" of CIS at Barisal PBS-1 and subsequently roll this out to the other PBSs

(Note: The full implementation of this particular module of CIS was delayed based on a decision in June 2006 by the then Chairman who advised NRECA to implement the billing module on a priority basis and add this module at a later date.)

- 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.
 - Continue providing support as required for the preparation of Aging Reports and cross-checking them in Rangpur-1, Mymensingh-2 and Magura PBSs, Brahmanbaria PBSs..
 - Distribute revised version of CIS User's Guide to the concerned PBSs and REB Officials for their comments and suggestions.
 - Continue with testing and implementation of the previously developed software packages that have now been converted 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 the conversion process in Dhaka PBS-1 (HQ)
 - PBS Payroll – Test the conversion process in Mymensingh PBS-2 (HQ)
 - PBS Statistical Database – Test the conversion process in Mymensingh PBS-2 (HQ)
 - Organize Workshop with the participation of relevant REB, PBS and vendor firms to resolve the issues of differing interpretations in some of the Policy Instructions.
 - Organize CIS demonstration for the Users of Dhaka PBS-1 as the existing Billing System of this PBS is going to be converted into CIS.
 - Continue working with the REB Works Management and Material Accounting Systems
 - 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 when the necessary hardware is secured.)
- 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.
- Identified a qualified subcontractor to begin development of a generic design for a rural, 33/11kV unattended 10MVA substation. (Note: This Task on Hold because of USAID budget for this year.)
- Identified a qualified subcontractor to begin development of a generic design for the expansion of existing 33/11kV, 10 MVA rural type substations to 20 MVA capacity. (Note: This Task on Hold because of USAID budget for this year.)

Plans for Next Quarter:

- 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.
- Completion of the designs of the upgraded generic 33/11kV unattended substation and the upgraded substation from 10 MW to 20 MW remains on "on hold" pending the resolution of the USAID Mission's budget allocation for 2006-07 thus allowing the final obligation for RPPR II. If this issue is resolved work will proceed.

Task D.2: Socio-Economic Impact Assessment

Status as of this Quarter:

- Delivered training for a total of 47 staff (14 males and 33 females) from seven PBSs on "data entry techniques and procedures" (remaining three PBS-staff completed the course in the last quarter).
- Completed the installation of the "data entry software" in headquarters and all of their zonal offices of seven more PBSs bringing total to 29 PBSs.
- Completed the Report entitled "PBS Performance on Baseline Data Collection", which presented details performance of 18 PBSs in collection of the baseline data for FY 2005-06.
- Completed the Report entitled "Baseline Information of the Domestic Consumers", which presented the socio-economic status of the households at the time of their getting access to the RE Program during FY 2005-06.
- Continued the process of accumulation of post-electrification data (those who got access to electricity since 2001) from a total of 4,750 consumers of ten PBSs with 1,050 interviews being completed in the last quarter by eight PBSs.
(Note: The purpose of this data collection and analysis is to assess the "socio-economic impact of RE Program on the domestic consumers".)
- Delivered the foundation training course for six staff members of the Gazipur PBS who are involved in completing post-electrification data collection for the "impact study" on behalf the Dhaka PBS-1 being that portions of Dhaka PBS 1 were shifted to Gazipur PBS at the time that PBS was created.
- Continued with accumulation of the baseline data for the F/Y 2006-07 from 28 PBSs with ongoing populating of the data base with the newly acquired data.

- Continued with follow up and troubleshooting support to all the 28 PBSs participating in the Socio-Economic Baseline Data Collection system.
- Continued to provide assistance to the staff of REB's Socio-Economic Monitoring and Evaluation Cell (SEMEC) with the objective being to enhance their professional capabilities.
- Drawing on experience gained from the Socio-Economic Study conducted in 2002, continued to offer assistance to the local consultant of the Rural Electrification Development Project (REDP) in development of the Terms of Reference (TOR) for the socio-economic impact evaluation study and in completion of a debriefing to the firms expressed their interest.
- Provided supervisory assistance to a student of the Hiroshima University of Japan who was involved with an internship with NRECA that included examining socio-economic impacts of the RE Program, as well as other performance-based issues related to the Program's overall success.

Plan for the Next Quarter

- Deliver refresher training on the "baseline data collection techniques and procedures" for three PBSs based on confirmed schedules from the PBS GM.
- Complete the preparation of the Final Report for this Task which included a component on that outlines the "impact of electricity on the domestic consumer having access to electricity during the period since the baseline was established during RPPR I.
- Complete the formal publication of the document on twenty nine case stories which depict the positive impacts of the RE Program.
- Continue to provide follow up and troubleshooting support to all the 28 PBSs participating in the Socio-Economic Baseline Data Collection system.
- Continue to provide assistance to the staff of REB's Socio-Economic Monitoring and Evaluation Cell (SEMEC) with the objective being to enhance their professional capabilities leading to the handover of the programs established under the Socio-Economic Task of RPPR II.

IV. Quarterly Status & Planning of Project Management For RPPR

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Interacted with with USAID regarding the requirements for obtaining the final obligation based on some issues at USAID in Washington regarding approvals of the new Country Plan as well as the USAID budget for FY 2006-07.
 - In an effort to obtain approvals for the funding worked with the Arlington office to prepare budget information for submission in a special request for emergency funding, as well as examined the options presented if no additional funding was provided under an emergency funding request.
- Continued to work with the newly appointed REB Chairman from Government Service who joined in late 2006 in order to further enhance his understanding of the key issues impacting the RE Program.
- Completed the required Country Clearances for the following ST Specialists who completed assignments during the reporting period: Bud Stanley, Sam West and Craig Dickson.
- 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 with USAID I securing the final obligation for the RPPR II Program which is required for funding the project through 30th September.
- 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: Dan Waddle, Jim VanCoeving.
- Prepare plans in accordance with USAID directives for the transfer of NXP items available with NRECA to REB according to what is required for the REDP activities.
- Initiate necessary personnel actions per Bangladesh Labor Law in anticipation of the closure of RPPR II and the release of some staff members given the current project activities.
- Accelerate efforts with Arlington office to locate replacement for John Cook at the Project Engineer for the REDP..
- Update the inventory and have discussions with USAID about transfer of NXP items to REB which will not be required under REDP .

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 January'07, February'07 and March'07 as contained in the selected REB Management Information System (MIS) Reports:

Description	Dec 2006	Jan 2007	Feb 2007	Mar 2007	Change – 3 Mos Period
System Loss (12 mo. Avg.)	12.23%	12.09%	12.13%	12.18%	0.05%
System Loss (this month's Avg.)	13.84%	9.25%	7.82%	14.32%	+ 0.48%
Percentage of Collection (12 mo. Avg.)	96.19%	96.39%	96.64%	99.67%	+ 3.48%
Percentage of Collection (this mo. Avg.)	97.52%	102.98%	106.37%	110.06%	+ 12.54%
Accounts Receivable (# mo. Outstanding)	2.14	2.14	2.02	2.02	- 0.12
Total Villages Energized	46,523	46,544	46,581	46,610	+ 87
Number of New Meter Connections	34,310	31,714	35,008	33,331	+ 100,053
Total # of Meters Connections	7,141,324	7,173,038	7,208,046	7,241,377	+100,053
Total Km of Energized Line	205,988	206,393	206,814	207,505	+1,517
MWH Purchased YTD - % of change last yr.	0.24%	0.33%	0.85%	- 1.41%	

- For this three-month reporting period, the operational statistics for the 70 energized PBSs continue to reflect that the overall RE Program shows the following:
 - Expansion with **100,053 new connections** being made during this reporting period. This averages out to **33,351 per month** or **1308 per working day** based on an average of **25.5 day** working days/month.
 - As part of this ongoing expansion, **87 new villages** received electric service.
 - The total amount of energized line increased by **1,517 km** during these three months for an average of **505.66 km/month** or **22.82 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 March 2007.
- There was a slight increase of **0.48%** in the **Average Monthly System Loss** for the reporting period which bringing this statistic to **14.32%**.

- The overall *Percentage of Collection (12 mos average)* shows a slight increase of 3.48% bringing the collection rate to 99.67%. 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 an positive increase of 13.54% which moved from 102.98% for December'06 up to 110.06% for March'07.
- The total *Accounts Receivable* showed a slight decrease of 0.12 months during the reporting period thus resulting in a total of 2.02 months outstanding and thus owed to the PBSs.
(Note: Again it is pointed out that this amount outstanding includes the current month of the PBS billing cycle which includes a payments with pending bills still to be paid by the member-consumers who pay regularly.)
- Another indicator that identifies positive growth is the one related to *MWH 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 0.33%, 0.85% and 1.41%. The overall power crisis within the country is has severely impacted the availability of power to the PBSs and thus the number of MWH purchased is not growing as in past years. These modest increases are a reflection of the significant amount of load shedding the occurred during this reporting period.

Other Related Activities and Relevant Information

- The country wide power supply continues to be a major problem for the PBSs as very limited power is being made available to the PBSs overall and particularly during peak hours. This will continue to hamper the financial condition of the PBSs as less revenue is being generated while delivery costs remain at normal levels including required loans for the development of the PBS systems.
- 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.
 - This is becoming more acute as there is pressure from different places to address the issue of making payments to Siemens so that work on the completion of Phase III in Mymensingh can proceed. However this is going to continue to place burdens on the PBSs many of .
- 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 with work progressing in all three of the main activities included in the REDP.

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 - 2nd 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	Refresh 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 Tang. - 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 - Mawikganj												
15	Continue monitoring data collection for record keeping and ERC												
16	Prepare Medium Range Plan for 1st PBS - Mawikganj 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 Mifsof												
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 06/30/07												
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	Regularly evaluate line & equipment maintenance practices (Ongoing)												
35	Monitor and Train on revised Line & Substation Inspection Guidelines												
36	Submit Substat'n & Line O&M Guidelines for App'1 - Deliverable - Completed												
37	Reinforce Preventative Maintenance Programs												

RPPR II Work Plan
Year #5
01/07 to 03/07 - 2nd Qtr.

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

RPPR II Fifth Year Workplan and Implementation Schedule - 2nd Quarter

ID	Task Name	2007											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
38	Support of ERC system (see Task A.2) for O&M purposes - Ongoing	[Hatched bar]											
39	Conduct hands-on training/monitoring during substation O&M period - Ongoing	[Hatched bar]											
40	Provide training on equipment repair in REB Workshop - Ongoing	[Hatched bar]											
41	Prepare Report on O&M Activities - Delayed - Deliverable 06/30/07	[Hatched bar] ↓											
42	Task B.3: Material Supply For O&M Program	[Solid black bar]											
43	Continue evaluation of needs for materials under O&M work - Ongoing	[Hatched bar]											
44	Identify delegations of authority & responsibility for material acquisition	[Hatched bar]											
45	Acquire materials in accordance with delegations plan - Ongoing	[Hatched bar]											
46	Evaluate warehousing & issuance practices and monitor progress - Ongoing	[Hatched bar]											
47	Prepare Report on O&M Materials Activities - Delayed - Deliverable 06/30/07	[Hatched bar] ↓											
48													
49	Activity C: Strengthen Utility Performance	[Solid black bar]											
50	Task C.1: Strengthen Training Program & Procedures	[Solid black bar]											
51	Continue and complete training needs assessment	[Hatched bar]											
52	Finalize tools and conduct assessment surveys - Completed	[Hatched bar]											
53	Finalize Training Needs Assessment Report & Review/REB	[Hatched bar]											
54	Submit Training Needs Assessment Rpt - Deliverable - 04/30/07	[Hatched bar] ↓											
55	Curriculum development improvement program	[Hatched bar]											
56	Continue curriculum development in collaboration with REB - Ongoing	[Hatched bar]											
57	Support implementation of newly developed programs - Ongoing	[Hatched bar]											
58	Support training academy development - As REB requires - Ongoing	[Hatched bar]											
59	Conduct Regional & other training tours - Delayed due to REB issues	[Hatched bar]											
60	Prepare Report on Training Program Activities - Deliverable 07/31/07	[Hatched bar] ↓											
61	Task C.2: Enhance Computerization Program	[Solid black bar]											
62	Prepare Strategic Plan for IT Sector within RE	[Hatched bar]											
63	Prepare Draft Strategic Plan for IT Sector in RE & Review w/REB - Completed	[Hatched bar]											
64	Finalize Strategic Plan for IT sector within RE and submit to REB	[Hatched bar]											
65	Continue to support computerization at REB	[Hatched bar]											
66	Develop & implement integrated REB software packages (Payroll, GL, MM)	[Hatched bar]											
67	Support REB Info Communication Technology (ICT) Directorate - Ongoing	[Hatched bar]											
68	Advise & assist plan for HQ LAN per W.Bank funding - Delayed - Ongoing	[Hatched bar]											
69	Support internet communications between HQ and PBSs - Ongoing	[Hatched bar]											
70	Continue to support computerization at PBSs	[Hatched bar]											
71	Develop & implement integrated PBS software packages (CIS) - Ongoing	[Hatched bar]											
72	Advise & assist plan for PBS LAN per W.Bank funding - Delayed - Ongoing	[Hatched bar]											
73	Prepare Report on Rollout of RPPR I Software Applications to PBSs - Deliverable 04/30/07	[Hatched bar] ↓											
74	Prepare Report on Integrated Applications at 7 PBSs - Deliverable 07/31/07	[Hatched bar] ↓											

RPPR II Work Plan
Year #5
01/07 to 03/07 - 2nd Qtr.

Task	[Solid black bar]	Milestone	◆	External Tasks	[Hatched bar]
Split	[Dotted line]	Summary	[Hatched bar]	External Milestone	◆
Progress	[Hatched bar]	Project Summary	[Hatched bar]	Deadline	↓

EXHIBIT - B

**BUDGET INFORMATION
With Focus on 2nd Quarter of USG's FY 2006-07**