

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

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RPPR II QUARTERLY REPORT

1 October 2005 Through 30 December 2005

Prepared By

NRECA INTERNATIONAL, LTD.

In Partnership With

RURAL ELECTRIFICATION BOARD OF BANGLADESH

And

USAID MISSION TO BANGLADESH

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QUARTERLY REPORT FOR 10/05 TO 12/05
*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

- Completed the GIS project in its entirety for two more PBSs – Narsingdi PBS1 and Nilphamari.
- Completed field data collection for updating the GIS database for Manikganj PBS and made preparations to begin work on updating the GIS at Natore PBS 1.

Task A.2: PBS Short and Medium Range Planning

- Completed the refinements to the WindMil model for the existing 11kv system with existing loads of Tangail PBS as part of the development of the Construction Work Plan.
- Finalized the WindMil model for the existing 33kv system of Tangail PBS as part of the Construction Work Plan development.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Developed the plan and approach for the annual substation maintenance program at the pilot PBSs to transition REB's responsibility for substation maintenance from that of direct supervision to that of monitoring and oversight of the PBS work.
- Brought the Narayanganj PBS into the Pilot Maintenance Program due to its being created from a major portion of Narsingdi PBS 1 and other Thana areas.
- Conducted "hands-on training" on substation maintenance for 90 personnel from PBSs and REB.
- Conducted a feedback seminar for Dhaka PBS-1 evaluating their performance in substation maintenance through the application of the new monitoring and oversight approach.

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

- Completed draft recommendations of REB/PBS Guideline 100-58 on maintenance materials.
- Assisted REB/PBS officials with the procurement of local purchase materials required for annual substation maintenance at the pilot-PBSs under Task B.1.
- Assisted REB in effecting the transfer of substation maintenance items from Khulna Warehouse to Savar Warehouse.

- Advised and assisted PBS officials to properly organize and store the OMRR materials in their respective PBS warehouses.
- Advised and assisted REB/PBS officials with the process of “re-tendering” for the balance materials, which will be required for the upcoming substation maintenance.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Organized and facilitated the Participatory Workshop entitled “Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment” for the 2nd and 3rd batches of General Managers held during the period of November 27 to December 08, 2005.
- Completed the development of the curriculum materials (Trainer and Trainee Manuals) for Operation, Maintenance and Repair of Transformer for Engineers (TO 230) in preparation for REB review and pilot testing.
- Initiated work on the development of the curriculum materials (Trainer and Trainee Manuals) for Operation, Maintenance and Repair of Transformer for Engineers, Technicians and Lineman (TO 232)
- Completed the development of the Trainer and Trainee Manuals for the Training of Trainers (TOT) Course with Special Emphasis to Instructional Techniques (An Extension of the REB Course IM 275).
- Submitted the first draft training manual on Understanding Financial Reports (IF 335) designed for the PBS General Managers and Board Members.
- Conducted several meetings with the Controller, REB and other concerned officers on suggested corrections on the REB Materials Accounting Policy to get it approved by REB concerned authority in order to develop the training manual on REB Material Accounting Procedure (IF 520).
- Completed significant planning for the US Consultation Tour on Rural Electrification of the Power Secretary and the REB Chairman with a late cancellation occurring due to the Secretary’s required attendance at the SARCC conference.
- Continued with participation the development of communication toolkit for Good Governance Initiative developed jointly by seven USAID-financed technical assistance projects having objective of improving local governance by empowering local citizens and making them active partners in determining the use and allocation of resources in their areas.

Task C.2: Enhance Computerization in REB and PBSs

- Continued with the on-going activities related to Consumer Information System (CIS) viz. software deployment in the pilot PBSs, field-test, debugging, fine-tuning, bill printing, user orientation, vendor training etc. The specific tasks accomplished during this quarter includes:
 - After the successful completion of bill preparation and bill collection process of CIS, the Aging of consumer bills have been initiated in Mymensingh PBS-3.

- Processed CIS generated Electricity Bills, printed and distributed bills to consumers for, October, November and December in Kishoreganj PBS Headquarters. These Bills have been collected with the Bar Code Reader.
- Delivered hands-on training on CIS operation provided for the Billing Assistants in Kishoreganj Headquarters, Nandail and Kotiadi Zonal Offices.
- Organized orientation program on CIS for the Vendor Implementation Team (VIT) members.
- Completed the initial version of the CIS Implementation Guide that will be part of the documentation package and will be required by the VIT members during the implementation of CIS in the subsequent PBSs.
- Held meetings/discussions with relevant REB personnel on various CIS implementation issues.
- Completed the required modifications to the REB Payroll in order to accommodate the new rules and parameters related to budgeting.
- 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

- Continued proposed revisions to REB material specifications including work on specifications for electronic meters
- 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 report on performance of 17 participating PBSs regarding data collection for period July 2004 to June 2005.
- Prepared report which provided baseline information on domestic consumers who have gotten access to electricity during FY 2004-05.
- Continued with preparation of report containing 29 case studies that document the impact of having access to electricity.
- Continued follow up supports to PBSs with training and troubleshooting data collection and management as required.

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\$ 9.69 million (Tk.56.2 crore) |
| ▪ Donor Funding: | US Agency for International Development (USAID) - Contract |

Program Implementation Strategy As "Partnership"

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

III. Quarterly Status & Planning on Program Activities with Tasks

Program Activity A: *Planning and System Engineering*

Task A.1: **Service Territory Database**

Status as of this Quarter:

- Completed the GIS projects in their entirety for Narsingdi-1 and Nilphamari PBSs.
- Continued providing ArcGIS training to personnel from local retainer electrical consultants of the PBSs.
- Began the updating of GIS database for Manikganj PBS and completed the field data collection made preparations to begin work on updating the GIS at Natore PBS 1.
- Advised and assisted REB with input regarding how they should handle the World Bank project dealing with extending the GIS activity to additional PBSs.

Plans for Next Quarter:

- Begin other phases of the GIS project update for Manikganj PBSs at the NRECA office.
- Begin the field updating of GIS database for Natore-1 and complete it during this quarter.
- Begin field data collection at Pabna-2 PBS for updating of GIS database.
- Continue providing ArcGIS training to personnel from local retainer electrical consultants of the PBSs.
- Continue to advise and assist REB regarding how to proceed with the World Bank funded GIS activity in order to keep it consistent with the approach currently established and to help ensure that it is properly completed.

Task A.2: **PBS Short and Medium Range Planning**

Status as of this Quarter:

- Continued to work with REB on the development of a transition plan from REB's current practice of following Master Plan to following the Construction Work Plan as per Policy Instruction 100-23.
- Continuing to work with REB to obtain the necessary REB signature for the execution of the "Trilateral Agreement" between ECBL, REB and NRECA related to the use of the available MilSoft software packages.
- Completed the refinements to the WindMil model for the existing 11kv system with existing loads of Tangail PBS as part of the development of the Construction Work Plan.
- Finalized the WindMil model for the existing 33kv system of Tangail PBS as part of the Construction Work Plan development.

Plans for Next Quarter:

- Develop the Existing System, Future Load WindMil Model for Tangail PBS.

- Begin the development of the Future System, Future Load WindMil Model for Tangail PBS.
- This process entails identifying the construction projects that will represent cost effective ways for Tangail PBS to improve their quality of service and net margins.
- These construction projects include load intensification projects, line extension projects and projects necessary to solve operational and maintenance problems.
- Initiate plans for updating the Construction Workplan for Manikgong PBS, which will serve as a training experience for their Consulting Firm (ECBL).

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- Continued follow-up with REB on the approval of the proposed revisions of the two main PBS Maintenance Guidelines (PBS Policy Instruction 100-29 (Substation Operation, Inspection and Maintenance Manual) and 100-30 (Distribution Operation, Inspection and Maintenance Instructions)), which were previously submitted to REB.
- Developed the plan and approach for the upcoming annual substation maintenance program at the pilot PBSs transitioning the responsibility of REB from that of direct supervision of the substation maintenance to the responsibility of oversight and having NRECA transitioning its role whereby it would be providing a monitoring and follow up approach rather than continuing with the "hands-on supervision" that has been the approach thus far. This annual maintenance program will take place from late December through March.
- Brought the Narayanganj PBS into the Pilot Maintenance Program due to Narsingdi PBS 1 being divided into two PBSs and forming Narayanganj PBS as of July 2005 and thus making it the fourth pilot PBS included in the Maintenance Program of RPPR II.
- Continued with "hands-on training" on substation maintenance for 90 personnel (PBS linemen and supervisory staff, REB System Operation supervisory staff) including line technicians from nine additional PBSs during this maintenance season (Nov-Dec '05).
- Initiated the process whereby NREC 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 training was provided to REB System Operations personnel on how to properly provide oversight to the PBS substation maintenance program.
- Conducted a feedback seminar for Dhaka PBS-1 evaluating their performance in substation maintenance, highlighting quality of their performance, identifying shortfalls and suggesting remedial measures.

Plans for Next Quarter:

- Continue 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.

- As occurred during the previous quarter, this training is to be provided to REB System Operations personnel on how to properly provide oversight to the PBS substation maintenance program.
- Purchase additional test equipment for the maintenance program that is presently unavailable in the REB system and begin training of PBS personnel in it's use.
- Continue to conduct feedback seminars for other model PBSs evaluating their performance in substation maintenance, highlighting the quality of their performance, identifying their shortfalls, and suggesting remedial measures.
- Continue to follow-up with REB regarding effort to obtain the Board approval of the proposed revisions of the two main PBS Maintenance Guidelines (PBS Policy Instruction 100-29 (Substation Operation, Inspection and Maintenance Manual) and 100-30 (Distribution Operation, Inspection and Maintenance Instructions)) which were previously submitted to REB
- Continue to assist REB Savar Workshop to improve the quality and quantity of the equipment repair work being done at that facility.

Task B.2: Material Supply for O&M ProgramStatus as of this Quarter:

- Completed draft recommendations of REB/PBS Guideline 100-58 on maintenance materials, and made it available to the committee at REB that has been charged with the responsibility of revising this document.
- Continued to advise and assist PBS officials with the procurement of materials from local vendors required for the annual maintenance program at substations in the pilot PBSs that began during the month of November.
- Continued to advice and assist REB/PBS officials with the process of re-tendering for the balance materials, which are not likely available in local market, but would still be required for the substation maintenance in the three pilot PBSs.
- Continued to work with PBS personnel at the pilot maintenance PBSs to assist with efforts to properly organize and store the OMRR material in their respective PBS warehouses.
- Continued to work with REB in transferring substation maintenance items from Khulna Warehouse to Savar Warehouse including developing a proper storage facility there.

Plans for Next Quarter:

- Continue to work with REB personnel in assisting them to properly organize and store OMRR items at the Savar Warehouse.
- Continue to support REB and PBS efforts to ensure that the required maintenance materials are procured by REB/PBSs for the upcoming substation maintenance program to be executed in the next two years in the pilot PBSs.
- Continue to advise PBS personnel on proper storage and accounting of maintenance materials.

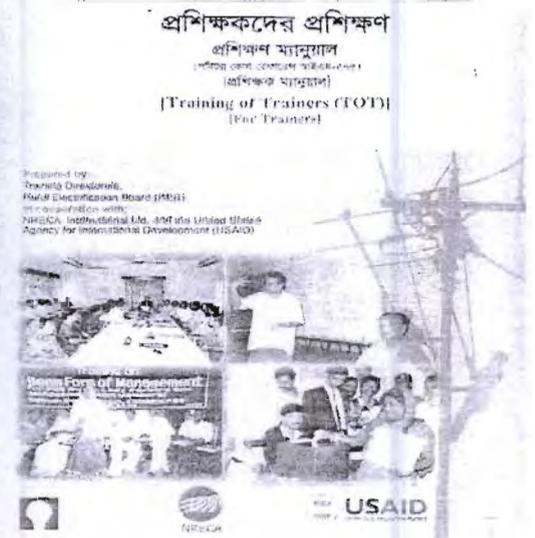
Program Activity C: Strengthen Utility Performance

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:
 - Submitted the curriculum material of the following training program and continued to monitor the progress of actions undertaken by REB Training Directorate for organizing the Curriculum Review Committee meeting on the same:
 - Operation, Maintenance and Repair of Transformer for Engineers (TO 230).
 - As per REB's specific request, finalized and submitted the training manual for the following training program:
 - Training of Trainers (TOT) Course with Special Emphasis to Instructional Techniques (An Extension of the REB Course IM 275) for the REB and PBSs employees who serve as trainers for various programs.
 - Submitted the first draft of the following training manual which was meant for the General Managers and Board Members of PBSs for their ample understanding and efficient contribution in the financial aspects of the cooperative management of PBS:
 - Understanding Financial Reports (Form 550) (IF 335)
 - Also proceeded with the task development of a illustrative small booklet in support of the Understanding Financial Reports (Form 550) program.
 - Proceeded with the work for developing training manual on the following training program after receiving comments and recommendations from REB Curriculum Review Committee on its curriculum outline:
 - Material Accounting for Assistant Directors (Finance) & Accountants of REB (IF 520)

(Note: Having identified that development of this training manual needs a precedence of some relevant modification in REB Instructional Series and Policy, extensive review of the same has been undertaken thorough consultations with REB concerned authority. Several meetings were held with REB concerned offices on the draft recommendations that were submitted to REB for modification of the REB Material Accounting Policy in previous quarter.)
 - Proceeded with additional work related to finalizing the daft report on the Training Needs Assessment (TNA) of employees of REB and the PBSs.



- Organized and facilitated 2nd and 3rd batches of Participatory Workshop entitled "Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment" held during the period of November 27 to December 08, 2005 which included a review of the roles and responsibilities in view of the changing situation of the RE Program in Bangladesh, as well as enhancing their leadership capabilities and skills.
- Revised and modified the curriculum materials and other references based on the resulted of the 1st batch that was conducted in May 2005.

(Note: The idea of holding this special Workshop for the GMs was suggested by the new REB Chairman as a way of working to enhance the capabilities of the GMs.)

- Completed significant planning for the US Consultation Tour on Rural Electrification or the Power Secretary and the REB Chairman with a late cancellation occurring due to the Secretary's required attendance at the SARCC conference.
- Continued to participate in the development of communication toolkit for Good Governance (Project name: The Shoshashoner Anneshonnay - Bangla translation for "Zone of Good Governance") Initiative which was developed jointly by seven USAID-financed technical assistance projects with the overall objective of improving local governance by empowering local citizens and making them active partners in determining the use and allocation of resources in their areas.
- Contributed in the development of the following graphics work as a support rendered to different components of RPPR program including:
 - Draft of new REB brochure, which provides a brief description of the Bangladesh RE Program as well as REB and its functions. (Note: This was been submitted to Chairman, REB for his review and comments.)
 - Three new multicolor generic cover sheets for the Training Manuals to be used for the three main disciplines (Engineering, Management and Finance) of the training activities provided by REB and the PBSs.
- 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
October 2005	REB PBS	459	114	573
	NRECA	58	0	58
November 2005	REB PBS	201	199	400
	NRECA	42	5	47
December 2005	REB PBS	317	74	391
	NRECA	147	0	147
TOTAL		1,224	392	1,616

Plans for Next Quarter:

- Continue with curriculum development subtasks including:
 - Proceed with the task of developing training manual for the following engineering course:
 - ▣ Operation and Maintenance of Transformer for Engineers and Lineman (TO 230, TO 232 and TL 042).
 - Proceed with the task of conducting pilot test and finalizing the following finance training manual (Trainer and Trainee) :
 - ▣ Material Accounting for Assistant Directors (Finance) and Accountants of REB (IF 520)
 - ▣ Understanding Financial Reports (IF 335)
 - Proceed with the task of developing training manual for the following management training program:
 - ▣ Interpersonal Communication for REB and PBS Concerned Personnel (IM 150, IM 151 and IM 152)
- Continue with the task of necessary revisions and finalization of the report after receiving the feedback and comments on the draft Training Needs Assessment (TNA) of the employees of REB and the PBSs.
- Reschedule the US Consultation for the REB Chairman which would coincide with the NRECA Annual General Meeting being held in Orlando, Florida in late February and proceed with the required planning.
- Complete the preparation of the report on the Participatory Workshop entitled Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment organized by NRECA (2nd and 3rd batches) during the period of November 27 to December 08, 2005.
- 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 PBSsStatus 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 CIS related tasks completed in this quarter are as follows:
 - Completed the software module for the Preparation of Aging Report in Mymensingh PBS-3 and prepared the CIS generated Aging reports. This report has been cross-checked with the manually prepared Aging reports and found identical.
(Note: A good number of unpaid bills from several books have been entered and cross-checked manually with the manually prepared Aging report. The unpaid Bills for the months prior to CIS generated Bill were prepared have been entered while the cross-checking has not been completed).
 - Continued preparation of Consumer Bills in Kishoreganj Headquarters with an aim to prepare the Aging Report in the Month of December.

(Note: CIS activities in this PBS have been severely hampered by several problems including power supply problems, corruption of database, etc and as such the Aging process could not be started in December).

- Supervised and monitored the progress of data entry in Nandail Zonal Office of the Kishoreganj PBS.

(Note: Progress in data entry in this Zonal Office in the last two quarters has not satisfactory due to prolonged problems including the fact that the computer room needs to be renovated and more space is required to accommodate the Server, work-stations and the other accessories. Though the computing equipment have been shifted to a room with bigger space, the Air conditioner has not yet been fixed as the roof of this room needs renovation).

- Installed CIS at Kotiadi Zonal Office of the Kishoreganj PBS after this office has been shifted to a newly rented house in October and provided training on the functionality and operation of CIS to the Billing Assistants in that office.
- Continued with the CIS Orientation Program for the Vendor Implementation Team members.
- Completed CIS orientation program for the users in Barisal PBS-1 and the assigned vendor firm.

(Note: This program had to be postponed in the precious quarter due to some urgent CIS activities that required attention at the Kishoreganj PBS Headquarters.)

- Installed "Free Oracle" version of the CIS software package in Barosa-1 and Mymensingh-2 PBSs (Headquarters and the respective Zonal Offices) in their existing computers in order for those PBSs to begin entering basic CIS data (member info, etc).

(Note: This data entry module will allow the data entry process to begin at the upcoming PBSs prior to the completion of the procurement and installation of the Oracle RDBMS at these participating PBSs, thus it will help enhance the development of the initial database that must be built from all the consumer data before the CIS package can begin preparing bills).

- Initiated preparation of the remaining CIS documents (Implementation Guide, Administrative Guide etc.)
- Updated CIS User Guide accommodating the features included after the first draft had been prepared. Initiated preparing the Bangla version of the manual
- Finalized the CIS Implementation Guide
- Continued debugging, fine-tuning and updating the CIS software package

(Note: Being that the CIS is still under pilot testing in two PBSs, it is expected that some modifications and fine-tuning will be required as the testing continues.)

- Continued providing support to REB's Rate Cell on an as needed basis with respect to the utilization of the Statistical Database.
- Continued providing ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

- Prepared and circulated (through REB) notes to all the PBSs on how to update existing PBS Payroll software to accommodate various modifications required due to change in the PBS Pay Patterns and provision of allowances.

Plans for Next Quarter

- Continue with the on-going CIS activities in the pilot PBSs as well as in next group of nine PBSs selected for CIS implementation and data conversion. The specific tasks to be involved in these activities are as follows:
 - Assist Mymensingh PBS-3 in completing the cross-checking the CIS generated Aging Reports with those of manually prepared.
(Note: The unpaid Bills for the months prior to CIS generated Bill were prepared have been entered while the cross-checking has not been completed).
 - Continue providing support to preparation of Consumer Bills in Kishoreganj Headquarters.
(Note: Though the Bill preparation has started in September, 2005, the collection on bills have not been completed as such the Opening balance entry process towards Aging process has been delayed)
 - Supervise and monitor progress in data entry and billing process in Nandail Zonal Office of the Kishoreganj PBS.
(Note: Progress in data entry in this Zonal Office in the last two quarters has not satisfactory due to a series of problems including the fact that the computer room needs to be renovated and more space is required to accommodate the Server, work-stations and the other accessories. An air conditioner is also needed soon)
 - Supervise data collection and data entry at Kotiadi Zonal Office of the Kishoreganj PBS as this office has been shifted to a newly rented building and that Oracle and CIS have been installed.
 - Continue with the CIS Program for more involvement of the the Vendor Implementation Team members.
 - Continue Installing "Free Oracle" version of the CIS software package in the remaining PBSs (Jamalpur, Pabna-2, Brahmanbaria, Rajbari, Magura and Rangpur-1 - Headquarters and the respective Zonal Offices) in their existing computers in order for those PBSs to begin entering basic CIS data (member information, etc).
(Note: This data entry module will allow the data entry process to begin at the upcoming PBSs prior to the completion of the procurement and installation of the Oracle RDBMS at these participating PBSs, thus it will help enhance the development of the initial database that must be built from all the consumer data before the CIS package can begin preparing bills).
 - Organize a workshop/review session with the concerned REB officials to review the PBS Billing Instruction Policy Manual (being prepared by NRECA's Computer Specialist) that will accommodate the automation of the billing process as provided by the CIS software and render the current Policy Instruction for the manual system out of date.

- Initiate preparation of the remaining CIS documents (Technical Document, Rules & Parameters, Bangla version of User Guide.
- Finalize the CIS Implementation Guide
- Continue debugging, fine-tuning and updating the CIS software package

(Note: Being that the CIS is still being pilot tested in two PBSs, it is expected that some modifications and fine-tuning will be required as the testing continues.)

- Reinitiate deployment of Material Management software package (1st phase – excluding the Material Accounting) in the relevant REB Directorates and the Warehouses.

(Note: This task had to be postponed for a long time due the demands placed on the NRECA Computer Team during the CIS deployment in the two pilot PBSs).

- 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.
- 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".

Program Activity D: *Supplemental Tasks*

Task D.1: **Updating Engineering and Construction Standards**

Results as of this Quarter:

- Reviewed input received from vendors and continued the preparation of the revised REB material specifications for submission to REB including various electronic meters.
- 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:

- Complete the preparation of the revised REB material specifications described above and submit to REB.
- Prepare a strategy for completing the updating of the engineering and construction standards that are a major component of this Task in order to proceed with this work.
- Develop a strategy to assist REB to proceed with their GIS project financed by the World Bank including developing a draft policy guideline for prequalification of GIS developer consultants.
- 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.

Task D.2: **Socio-Economic Impact Assessment**

Status as of this Quarter:

- Accumulated data from 17 participating PBSs and completed a report about performance of them on socio-economic baseline data collection during July 2004 to June 2005 and distributed to concerned officials.
- Completed the report that includes the baseline information of the domestic consumers who have gotten access to electricity during July 2004 to June 2005 and distributed the Report to the concerned REB/PBS officials.
- Reviewed various CVs for the local NRECA consultant position associated for the socio-economic studies under the upcoming DFID funded project.
- Proceeded with planning and pre-preparation for the up coming Refresher and Foundation Training courses for PBS staff involved in baseline data collection.
- Proceeded with editing (both English and Bengali) 29 case stories collected previously.
- Continued follow up and troubleshooting supports to PBSs, and technical assistance to SEMEC/REB.

Plan for the Next Quarter

- Proceed with planning and implementation of the training courses on baseline data collection techniques and procedures;
- Proceed with collection of more case studies;
- Provide support as needed for the selection of the need with continuation of the follow up and troubleshooting supports to seventeen PBSs have been collecting the socio-economic baseline data;
- Provide support as needed for the selection of a local consultant for the socio-economic studies under the DFID funded project;
- Proceed with providing technical assistance to SEMEC/REB for strengthening capacity and more involvement with the socio-economic baseline data collection process;
- Proceed with preparation of a handout for the participants of the IMMAM orientation courses being arranged through the USAID program being implemented by the Asia Foundation.

IV. Quarterly Status & Planning of Project Management For RPPR

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Submitted a summary of status of RPPR II per the Scope of Work and revised budget in order to obtain Contract Office approval for the necessary reallocations for the line items in order to effectively utilize resources available through Sept 30, 2007.
 - The revised budget with supporting narrative regarding changes was submitted to the CTO for his review and comment in preparation for finalizing for submission to the Contracts Office for approval.
 - Included the option for adding a third expatriate Advisor who would focus on the Tasks (B.1 and B.2) included under the Operations and Maintenance Procedures Activity and identified a suitable candidate.
 - These points were discussed with Energy Team and Contracts Office in December with decision taken to address the DFID project prior to revising the RPPR II budget.
- Completed the required Country Clearances for the following Short Term Advisors who completed assignments during the reporting period: Jim VanCoevering, Sam West, Craig Dickson, Bud Stanley and Dr. Dupont.
- Monitored progress with respect to the change in Embassy policy with respect to expatriate long term contractors having continued access to the Medical Unit.
- Continued consultations with the local Ford deal in an attempt to determine solutions for obtaining spare parts for the Ford Explorers that were imported under RPPR I.
(Note: As noted in previous Reports, having the proper service from the local dealer has been 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. The budget requirements for the spare parts from local dealer was discussed with USAID.)
- Arranged for meetings and project activities that will provide a meaningful orientation to the Bangladesh RE Program for NRECA's Sr. V.P., Mr. Vivek Talvadkar who made his initial visit to the view Program activities.

Plans for Next Quarter:

- The Arlington office will complete logistical processing (ticketing, visas, etc.) for the following ST Specialists who are scheduled for assignments in Bangladesh during the upcoming quarter: Sam West, Jim VanCoevering and Bud Stanley.
- Pursue with the Contracts Office to obtain concurrence regarding the revised budget and reallocation for RPPR II.
- Support the effort to complete the requirements for executing the DFID Project

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'05, November'05 and December'05 as contained in the selected REB Management Information System (MIS) Reports:

Description	Sept 2005	Oct 2005	Nov 2005	Dec 2005	Change – 3 Mos Period
System Loss (12 mo. Avg.)	13.48%	13.44%	13.17%	13.09%	- 0.39%
System Loss (this month's Avg.)	12.83%	14.76%	8.83%	13.72%	+ 0.89%
Percentage of Collection (12 mo. Avg.)	96.74%	96.92%	97.43%	97.85%	+1.11%
Percentage of Collection (this mo. Avg.)	89.11%	96.49%	91.72%	104.75%	+15.64%
Accounts Receivable (# mo. Outstanding)	1.90	1.92	1.92	1.93	- 0.03
Total Villages Energized	45,078	45,186	45,254	45,359	+281
Number of New Meter Connections	74,406	75,211	48,867	46,212	+170,290
Total # of Meters Connections	6,380,103	6,455,314	6,505,899	6,552,160	+172,057
Total Km of Energized Line	194,397	194,823	195,332	196,005	+ 1,608
MWH Purchased YTD - % of change last yr.	17.88%	18.69%	18.15%	17.36%	----

- For this three-month reporting period, the operational statistics for the 70 energized PBSs continue to reflect that the overall RE Program shows significant expansion with **172,057 new connections** being made during this reporting period. This averages out to **57,352 per month** or **2,249 per working day** based on an average of 25.5 day working days/month. As part of this ongoing expansion, **281 new villages** received electric service. Also, the total amount of energized line increased by **1,608 km** during these three months for an average of **536 km/month** or **21.01 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 decreased by **0.39%** over the three-month reporting period with this indicator being at 13.09% for the month of December 2005.

(Note: As has been indicated in previous reports, the ongoing project with the World Bank involving the takeover of significant amounts of distribution line and pockets (initially fixed at up to 3 MW load centers) continues to challenge some of the PBS more than others regarding their capabilities to get the

losses associated with these areas under control. While a significant portion of the line transfers have been completed under this project, renovation work continues as does efforts to reduce the losses.)

- There was a increase of **0.89%** in the *Average Monthly System Loss* for the reporting period, which brings this statistic to **13.72%**.
- The overall *Percentage of Collection (12 mos average)* shows a slight increase of **1.11%** bringing the collection rate to **97.85%**. 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 **15.64%**, which moved the percentage from **89.11%** for **September'05** up to **104.75%** for **December 05**.
- The total *Accounts Receivable* showed a slight increase of **0.03%** during the reporting period thus resulting in a total of **1.93 months outstanding** and owed to the PBSs.
- 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 monthly increases for the three months of the reporting period of **18.69%**, **18.15%** and **17.36%**. As noted in previous Quarterly Reports, these figures represent the percentage of positive change in the total number of MWH purchased for the year when compared to the same period in the previous year.

(Note: Unfortunately the very positive development of load growth by the PBSs is going to be negated by the very limited development of new generation capacity within the country. This positive load growth will soon become a burden to the PBSs as they attempt provide reliable power to serve their member/consumers. Despite the efforts within the RE Program to continue with their work to electrify more and more of the rural areas, the power supply shortage will soon become a major crisis that will cause numerous problems for the PBSs and the entire RE Program.)

Other Related Activities and Relevant Information

- NRECA continues to stand by the recommendations in the Study Report completed in February 2005 with special concern for the investments which have been made in the RPCL. As previously stated, 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 significant investments and where low-interest capital is not easily accessible.
- Made necessary arrangements which facilitated the opportunity for the REB Member Finance to meet with the USAID consultant from NARUC who is working with the Bangladesh Energy Regulatory Commission (BERC) to discuss various issues and to establish a beginning point for interaction between REB and the members of the BERC.
- Progress on the DFID Project for RE which involves DFID's co-finance project supervision and some technical assistance through an agreement with USAID whereby NRECA would provide the stipulated services that are in the process of being determined. The actual Project Agreement between the UK Government and the Government of Bangladesh was executed in December which cleared the way for the execution of the MOU between DFID and USAID.
- NRECA continued its participation in various donor meetings involving the RE Program and the overall Power Sector including a major LCG meeting with the State Minister of Power during the month of November.

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 #1, 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 #4**

RPPR II Fourth Year Workplan and Implementation Schedule

ID	Task/Event	2006											
		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	Revised training for non-IT staff and complete field work												
5	Complete the GIS development with the updated information and prepare maps												
6	Prepare GIS with field data for participating PBSs												
7	Continue & complete GIS development for 3 PBSs from Y1-3												
8	Link GIS database with development of Work Plan for Langail PBS												
9	GIS Training												
10	Assist RFB w/ hardware & GIS Software procurement - Delayed/ongoing												
11	GIS & ArcView orientation - GIS Cell and Consultants (Delayed - Ongoing)												
12	Task A.2: PBS Short and Medium Term Planning												
13	Monitor actions on completed Work Plan for 1st PBS - Mamikganj												
14	Continue monitoring data collection for record keeping and I RC												
15	Develop Work Plan for 2nd PBS - Changed Dhaka 1 to Langail PBS												
16	Monitor data collection for accuracy at Langail (Note: PBS showing interest)												
17	Prepare analytical models on Milsol												
18	Prepare Work Plan with Plan and present to RFB												
19	Conduct seminar on new planning process - with Langail as 'bad example'												
20	Train consulting engineers on use of analysis software												
21	Continue Engg. S/Ware training for RFB & C Engg - Some delays												
22	Assist RFB & C Engg w/ purchase of H/Ward & Engg S/Ware - Ongoing												
23	Test Electronic Record Card System & Implement in PBSs - Ongoing												
24	Prepare Guidelines for Short/Medium Range Planning - Deliverable												
25	Prepare Guidelines for Short/Medium Range Planning - Completed												
26	Prepare Guidelines for Medium Range Planning - Deliverable												
27													
28	Activity B: Operations and Maintenance Programs												
29	Task B.1: Preventative Maintenance Programs												
30	Enhancing O&M Policies and practices												
31	Routinely evaluate line & equipment maintenance practices (Ongoing)												
32	Monitor and Train on revised Line & Substation Inspection Guidelines												
33	Submit Substatn & Line O&M Guidelines for Appx 1 - Deliverable - Completed												
34	Reinforce Preventative Maintenance Programs												
35	Support of ERC system (see Task A.2) for O&M purposes - Ongoing												
36	Conduct hands-on training monitoring during substation O&M period - On going												
37	Provide training on equipment repair in RFB Workshop - Ongoing												
38	Task B.2: Material Supply For O&M Program												
39	Continue evaluation of needs for materials under O&M work - Ongoing												
40	Identify delegations of authority & responsibility for material acquisition												
41	Acquire materials in accordance with delegations plan - Ongoing												

RPPR II Work Plan
Year #4
10/05 to 09/06 - 1st Qtr

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

RPPR II Fourth Year Workplan and Implementation Schedule

ID	Task Name	2006											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
32	Continue monitoring & evaluate practices and monitor progress - Ongoing	[Hatched pattern]											
33	Activity C: Strengthen Utility Performance												
34	Task C.1: Strengthen Training Program & Procedures												
4	Continue and complete training needs assessment	[Solid black bar]											
4*	Finalize tools and conduct assessment surveys - Completed	10/2											
48	Finalize Training Needs Assessment Report & Review RFB	[Hatched pattern]											
49	Submit Training Needs Assessment Rpt - Deliverable	[Hatched pattern]											
50	Curriculum development improvement program												
51	Continue curriculum development in collaboration with RFB - Ongoing	[Hatched pattern]											
52	Support implementation of newly developed programs - Ongoing	[Hatched pattern]											
53	Support training academy development - WREB requires - Ongoing	[Hatched pattern]											
54	Conduct Regional & other training tours - Delayed due to REB Issues	[Hatched pattern]											
55	Task C.2: Enhance Computerization Program												
56	Prepare Strategic Plan for IT Sector within RE	[Solid black bar]											
57	Prepare Draft Strategic Plan for IT Sector in RE & Review w RFB - Completed	[Hatched pattern]											
58	Finalize Strategic Plan for IT sector within RE and submit to RFB	[Hatched pattern]											
59	Continue to support computerization at REB	[Solid black bar]											
60	Develop & implement integrated REB software packages (Payroll, GL, AMI)	[Hatched pattern]											
61	Support RFB into Communication Technology (RFD) Directorate - Ongoing	[Hatched pattern]											
62	Advise & assist plan for HQ LAN per W Bank funding - Delayed - Ongoing	[Hatched pattern]											
63	Support internet communications between HQ and PBSs - Ongoing	[Hatched pattern]											
64	Continue to support computerization at PBSs	[Solid black bar]											
65	Develop & implement integrated PBS software packages (GIS) - Ongoing	[Hatched pattern]											
66	Advise & assist plan for PBS LAN per W Bank funding - Delayed - Ongoing	[Hatched pattern]											
67													
68	Activity D: Optional Programs												
69	Task D.1: Engineering and Construction Standards												
70	Advise and Assist with RLB PBS Engg Questions As Needed - Ongoing	[Hatched pattern]											
71	Finalize policy on design and construction standards for PDB Takeover Areas	[Hatched pattern]											
72	Work with RLB in preparation of new specs for electronic meters	[Hatched pattern]											
73	Prepare new design for enhanced capacity PBS Substation	[Hatched pattern]											
74	Task D.2: Socio Economic Impact Assessment												
75	Develop baseline data collection at PBSs	[Solid black bar]											
76	Continue to support baseline data collection at 8 model PBSs - Ongoing	[Hatched pattern]											
77	Continue baseline data collection system at 9 new PBSs - Ongoing	[Hatched pattern]											
78	Strengthen monitoring and socio economic analysis capability at RLB	[Solid black bar]											
79	Work with Socio Economic Monitoring Cell at RFB - Ongoing	[Hatched pattern]											
80	Conduct Study to measure impact of RE on poverty	[Solid black bar]											
81	Finalize planning for conducting Study to measure impact of RE on poverty	[Hatched pattern]											

RPPR II Work Plan
Year #4
10/05 to 09/06 - 1st Qtr

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