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Rural Electrification Development Program (REDP) Quarterly Report April – June 2010



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ABBREVIATIONS

BERC	Bangladesh Energy Regulatory Commission
BPDB	Bangladesh Power Development Board
BSTI	Bangladesh Standards and Testing Institute
CAP	Country Assistance Plan (DFID)
CFR	Cost and Freight (Incoterm)
CIF	Cost, Insurance and Freight (Incoterm)
CPT	Carriage Paid To (Incoterm)
DFID	United Kingdom Department for International Development
ESW	Enhanced Scope of Work
GBP	Pound (Sterling)
GOB	Government of Bangladesh
GOB PPR	Government of Bangladesh Public Procurement Regulations
HDRC	Human Development Research Centre
IPP	Independent Power Producer
MAEBD	Member Awareness / Education Board Development
MDG	Millennium Development Goals
MIS	Management Information System
MOF	Ministry of Finance
MPENR	Ministry of Power, Energy and Mineral Resources
MW	Megawatt (1000 kW)
NGO	Non-governmental organisation
NRECA	National Rural Electric Cooperative Association
PBS	Palli Bidyut Samity (Rural Electricity Cooperative)
PDB	Power Development Board
PKSF	Palli Karma Sahayak Foundation
PPR	Public Procurement Regulations
REB	Rural Electrification Board
REDP	Rural Electrification Development Program
SPG	Small Power Generation
TEC	Rural Electrification Board Technical Evaluation Committee
TOR	Terms of Reference
USD	United States Dollar
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

During the period of April through June 2010, implementation of REDP activities continued to accelerate with a simultaneous increase in benefits and project impact. As material acquisition and construction oversight activities wind down, activities focused on board education, PBS management assistance, and gender awareness are unfolding with very encouraging results as noted by both REB and PBS management, as well as by cooperative membership.

Key issues facing the program include; power shortage / load shedding, bid procedure, less than adequate retail rate increase, a moratorium on electrical connections and the thirst for knowledge. We have commented on these issues beginning on page #6.

In the area of staffing to meet the requirements of the Enhanced Scope of Work, Mr. Gregory Boudreaux, Board Development Specialist made his first visit to Bangladesh during this quarter.

The procurement monitoring and assistance provided to REB as well as the Master Plan and Construction Plan verification through field inspection are nearing completion. Regarding the monitoring of material use and construction progress we have developed a methodology which includes analyzing close-out documents and stock statements from selected PBSs. The progress of construction projects is monitored by regular contact and discussions with REB Superintending Engineers and Executive Engineers.

Continued progress was made on the Socio-economic evaluation as the Brahmanbaria Micro-Finance report was completed by HDRC (hard copy and disk format) and distributed to program partners (DFID, USAID, REB). For the Mid-Term Monitoring Review we successfully completed data collection and computer entry. Analysis tables have been prepared and a draft report is being revised for final presentation.

In late April, REB requested us to refrain from most field activities during the months of May and June in deference to the heavy load shedding occurring during the May irrigation season (and their concern over associated member unrest) along with consideration being given to the extra work required for the end of the year document closeout activity completed in June including financial reporting and work on Performance Target Agreements (PTAs). As the quarter ended, our teams are scheduled to meet meeting with REB to evaluate program activities and schedule a return to the field.

Six Member Awareness workshops were held; three at Habigonj PBS and three at Pirojpur PBS. A total of 293 attended the programs of which 31 were female. The Strengthening the PBS Board Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Board Member participation totaled 297 including 75 females (25%). The Strengthening the PBS Member Services Department Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Employee participation totaled 337 including 38 females (11%).

A desk was established at REB in the Director of Publications and Public Relations office for Brad Gibson our Communications Specialist. From this desk Brad can observe day-to-day activity and provide direct input on various communication activities, publications, website development etc. We are working with REB to improve communications focusing on educating the publications directorate on the need for an editorial calendar; assisting with sample articles and explaining the importance of

improving those articles; analyzing the methods used for internal communication, communication between REB & PBSs and communication between REB and vendors.

Bangladesh's first phase of the Compact Fluorescent Light (CFL) distribution was completed and observed by a NRECA delegation. Following our observation of the process at Dhaka 1 PBS, we offered suggestions for program improvement to REB. The most significant changes will be addressed through the Director of Procurement as he includes these changes in the updated RFP for phase 2. Also, in consultation with REB, we developed a draft of a flier depicting the correct way to install a CFL bulb. The draft is currently in the review process with key REB officials and the discussions include how best to provide the flier to the PBSs for distribution.

We observed village advisor training conducted by the Jhenaidah and Faridpur PBSs. The village advisor program has been analyzed by our staff and we are currently developing a strategy and presentation to update REB of the findings. This program has significant potential if a train the trainer program is integrated into the program, as well as a separate training session that assists "rookie" village advisors as they establish their relationship and understanding of the PBS.

Progress continues on our translation of REB instructions to address this critical information need identified by the PBS management and board. We have committed to translating the 300 Series which deals with the PBS Board and Management along with instruction 200-7 - 550 Form including the "Understanding the 550 Form" (financial report) handout developed during RPPR II.

The proposed REB website is to a point where it can be officially presented to REB and pieces of the site are operational, demonstrating functionality and new technology integration.

We have been asked to assist with the Request for Proposal (RFP) rewrite for the mobile bill pay program that REB is attempting to put together. We meet with REB staff to obtain a better understanding of this process is expected to develop.

A Gender Awareness Pilot Program Workshop was held at Mymensingh PBS-2 with thirty-six employees (including the GM) and two board members (one female) attending. The pilot program was directed toward female and supervisory employees.

We finalized our Human Resource Assessment of the 9 REDP PBSs. The assessment examines the crucial HR needs at the PBS level. A modified organizational capacity assessment tool (OCAT) was used to track and assess internal capacity components of the PBSs to ensure effective cooperative functioning. We are using this information to develop a long term HR Development plan for the PBSs including the development of a leadership training program.

Greg's Boudreaux's initial visit was an exploratory trip focused on meeting the key players in the Bangladesh rural electrification program and making some onsite visits to obtain a good understanding of REB and the PBSs. His initial observations are based on what was observed in classrooms and board meetings, in conversations with key stakeholders, and in a review of current courses and those being developed.

We have developed a work plan for addressing PBS director education needs, including developing a draft needs assessment questionnaire, an outline of a proposed curriculum, and a draft PowerPoint presentation to be delivered to the REB Board. We are also working on reviewing past board

development training programs and pulling this information together to form a new curriculum of five core courses for PBS Directors.

In summary the principal achievements during the reporting period were:

- Mr. Gregory Boudreaux, Board Development Specialist made his first visit to Bangladesh and compiled his initial findings which included short and long term program goals.
- Material acquisition and construction oversight activities wind down
- The Brahmanbaria pilot project report was completed and submitted while work continued on the draft report for the Mid-term monitoring review.
- During the period six Member Awareness workshops were held; three at Habigonj PBS and three at Pirojpur PBS with a total of 293 attended the programs of which 31 were female.
- The Strengthening the PBS Director Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Board Member participation totaled 297 including 75 females (25%).
- The Strengthening the PBS Member Services Department Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Employee participation totaled 337 including 38 females (11%).
- A desk was established at REB in the Director of Publications and Public Relations office for Brad Gibson our Communications Specialist.
- We observed village advisor training conducted and following these observations and several discussion sessions we analyzed the program and developed a strategy to improve PBS VA training programs.
- Work continues on our translation of REB instructions to address this critical information need identified by the PBS management and board.
- The proposed REB website is to a point where it can be officially presented to REB and pieces of the site are operational, demonstrating functionality and new technology integration.
- We have been asked to assist with the RFP rewrite for the mobile bill pay program that REB is attempting to put together. We meet with Staff to obtain a better understanding of this process is expected to develop.
- A Gender Awareness Pilot Program Workshop was held at Mymensingh PBS-2 and we incorporated the valuable feedback and suggestions from REB and the REDP project staff.
- We finalized our Human Resource Assessment of the 9 REDP PBSs which examines the crucial HR needs of Human Resources at the PBS level.

SUMMARY PHYSICAL PROGRESS / DFID FUNDED REDP PROJECT – June 2010					
TASK A – SUPERVISION AND MONITORING - PROCUREMENT					
Project Name	Closing Date	Component / Work	Target	Progress	Remarks
9 PBS	Extended to June 2010	Line Construction, km	8,000	8736	
		Line Renovation, km	2,000	1,233	
		Consumer Connections	250,000	172,252	Facilities created for 421,471 consumers
10 Lac	June 2010	Consumer Connections	1,000,000	307,101	Of the 307,101 cons. connected, 23,200 are commercial & irrigation
67 PBS	Closed in June 2008	New Construction and Renovation, km	13,000	12,397	
		Consumer Connections	100,000	259,823	Facilities Created for 580,524 consumers
Master Plan & Construction Verification	December 2010	Field Inspection & Data Collection for Sample Construction Projects	9 PBS	9 PBS	Field data collected, analyzed and results provided to PBSs
Monitoring of Material Usage	December 2010	Data Collection for Sample Construction Projects and stock statements	9 PBS	7 PBS	Significant Progress Being Made
TASK B – MEMBER AWARENESS & BOARD DEVELOPMENT PROGRAMS					
Sub-Task B.1 Expanded Assistance for PBS Member Education					
Project Name	Closing Date	Component / Work	Target	Progress	Remarks
Member Awareness Building	December 2010	Member Awareness Workshops Implemented in 50% of PBSs	35 PBS	46 PBS and REB	140 MAE Workshops 7,159 participants, 770 female participants.
Member Awareness Building	December 2010	Workshops for PBS Member Services Dept.	35 PBS	55 PBS 643 Participants	100 percent employee participation with 45 female participants
		Village Advisors – Member Education	9 PBS	Under Development	
Women's Participation	December 2010	Women Participation in AGM at 9 PBS increased 5%	Average of 130 Females (per PBS)	Working with REB Training Directorate	Pilot Workshops developed and presented to REB Training Directorate
Sub-Task B.2 Expanded Assistance for Board Development					
PBS Director's Accountability	December 2010	PBS Board Member Orientation Training – 5 day workshops for 50% of new board members elected in past 2 years	149 New Board Members elected in 2007-2009	354 total participants 91 (26%) female participants	17 Five-day workshops with 68 PBSs represented
PBS Director's Strengthening	December 2010	PBS Directors Strengthening program completed in 50% of PBS	35 PBS	55 PBSs 699 total participants 17% female	99.9 percent Board Participation
TASK C – SOCIO-ECONOMIC PROGRAM EVALUATION					
Project Name	Closing Date	Component / Work	Target	Progress Mar. 10	Remarks
Socio-Economic Program Evaluation	February 2010	Program Evaluation	9 PBS + 6 non-poverty PBS	Mid-term evaluation completed	Brahmanbaria Micro-finance report distributed to program partners

Rural Electrification Development Program Quarterly Report

April through June 2010

SECTION 1: INTRODUCTION

1.1 Background to the Rural Electrification Development Program (REDP)

The REDP is five year program of activities designed to support the continued development of REB program management capacity, and to support improvements of selected PBS electric distribution systems that are part of the REB rural electrification program in Bangladesh. REDP was designed to provide support for electricity network expansion and intensification within the Second Rural Electrification Master Plan (2000-2020). Support provided directly to REB through DFID funding will finance up to 1.35 million new electricity connections to households and rural businesses, directly benefiting approximately 10 million people. The original REDP/DFID program included a micro-finance component to enable poorer and female led households along with small businesses to cover the connection charge and develop new income earning opportunities. Unfortunately, for a number of reasons, the micro-finance portion of REDP was limited to a pilot program in Brahmanbaria PBS.¹

In an effort to stimulate economic growth, reduce poverty and improve the quality of life in rural and peri-urban Bangladesh, REDP focuses on increasing access to affordable and sustainable electric services. Outputs include: 1) Increasing the number of customers using and paying for electric service within existing distribution areas; and, 2) Increasing the number of poor people receiving electric service providing for income generating opportunities.

The overall REDP programme cost is £ 161 million with the GOB contributing £ 122 million through the Annual Development Programme (ADP). The original DFID contributions to the REDP program totalled approximately £ 50 million (\$87.6 million USD). With the devaluation of the British Pound Sterling the contribution amounts have been reduced slightly. Of the total, DFID is contributing approximately \$ 58.6 million to finance electric system expansion and improvement. Funding is also provided for program management, supervision and monitoring (\$ 1.49 million); and education and awareness building (\$ 1.49 million). NRECA International was contracted by DFID through USAID to design and manage the REDP work program with a total life of project budget of \$2.99 million.

On June 24, 2009, Contract Modification #4 – Enhanced Scope of Work was signed. Based on the findings of the REDP Annual Reviews, the REDP ESW calls for the expansion of activities under Task B entitled “Member Awareness/Education and Board Development Programs”. To provide additional detail, Task B has been divided into two Sub-tasks, as follows:

REDP Sub-Task B.1: Expanded Assistance for PBS Member Education

REDP Sub-Task B.2: Expanded Assistance for Board Development

Sub-Task B.1 will focus on improving PBS member awareness with respect to rights and responsibilities. Sub-Task B.2 will provide additional training and guidance to support development of PBS Boards. Both activities will promote improved governance within the Bangladesh RE Program and are supported by an additional grant of \$1.95 million.

This is the 17th in a series of quarterly reports, providing a summary of activities, progress, and issues for the period April through June 2010.

¹ The Micro-finance portion of the REDP program was discontinued December 31, 2008.

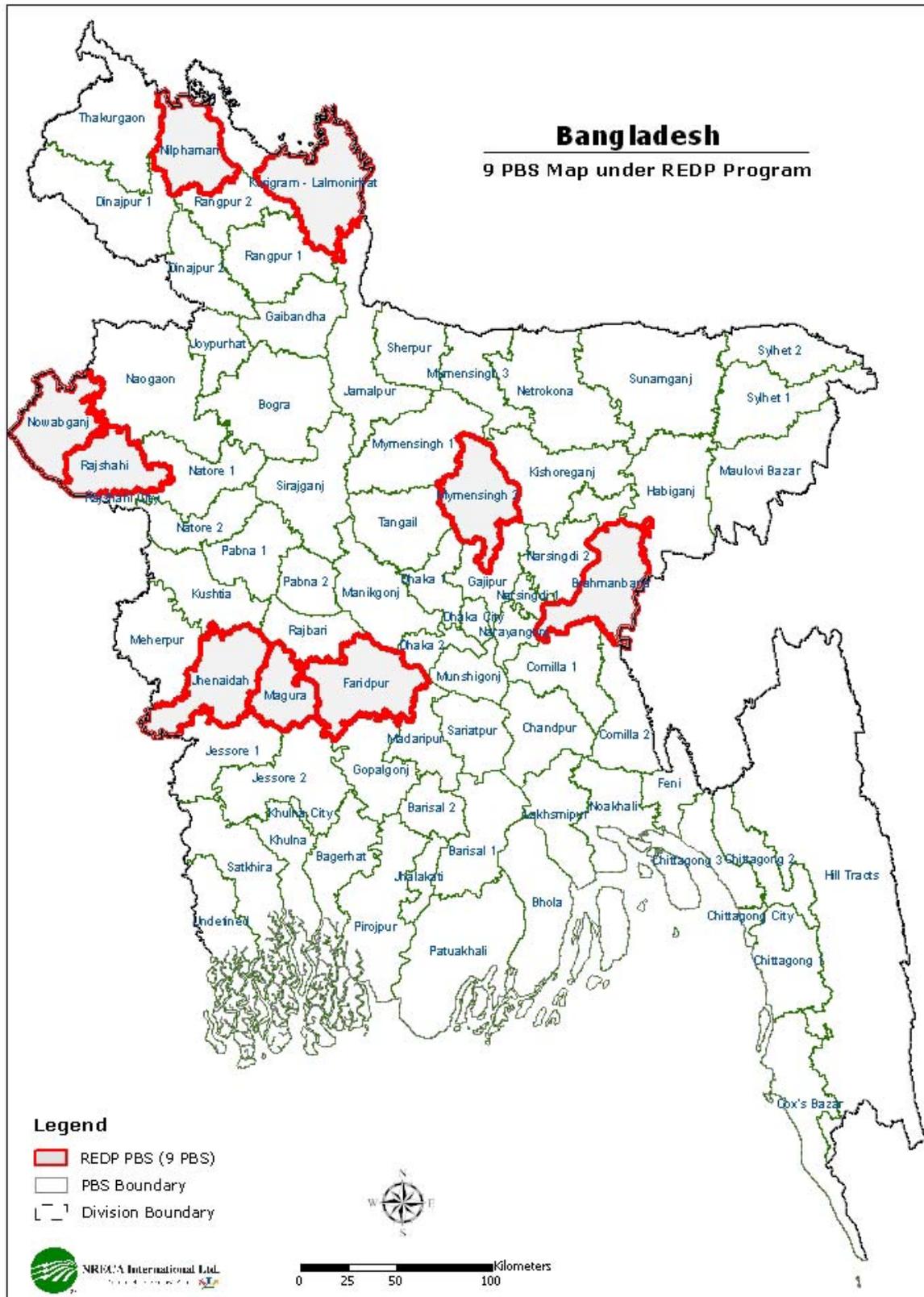
1.2 The primary objectives of REDP managed by NRECA

- To verify that material selection by REB is consistent with REDP requirements and the procurement process is in compliance with GOB Public Procurement Policy 2003.
- To review REB bid evaluation processes, providing concurrence when required/requested; to assist REB to retender and re-evaluate unacceptable bids, and, to participate in pre-delivery inspections of materials and pre-contract factory inspections, whenever necessary.
- To monitor and substantiate that materials purchased under REDP are used in accordance with REB Master Plan, REDP investment requirements and, the PBS Construction Work Plans.
- Support ongoing implementation of member education programs by enhancing the capability of the PBS personnel to establish a sustainable education training program for Board Members, Village Advisors and PBS Members.
- Work with the REB Training Directorate and PBS personnel to “institutionalize” delivery of member education programs through village meetings and direct involvement of Village Advisors.
- Design and provide program support for the training of newly elected PBS Board Members using the courses, “Orientation to RE Program” and “Understanding the Financial Reports.”
- Establish baseline socio economic data for REDP areas, effect socio-economic surveys within REDP areas midway and on completion of REDP to include a full report on the socio-economic influence of REDP.
- Present quarterly progress reports and thematic reports on REDP activities and challenges

1.3 PBSs Targeted for Assistance under REDP

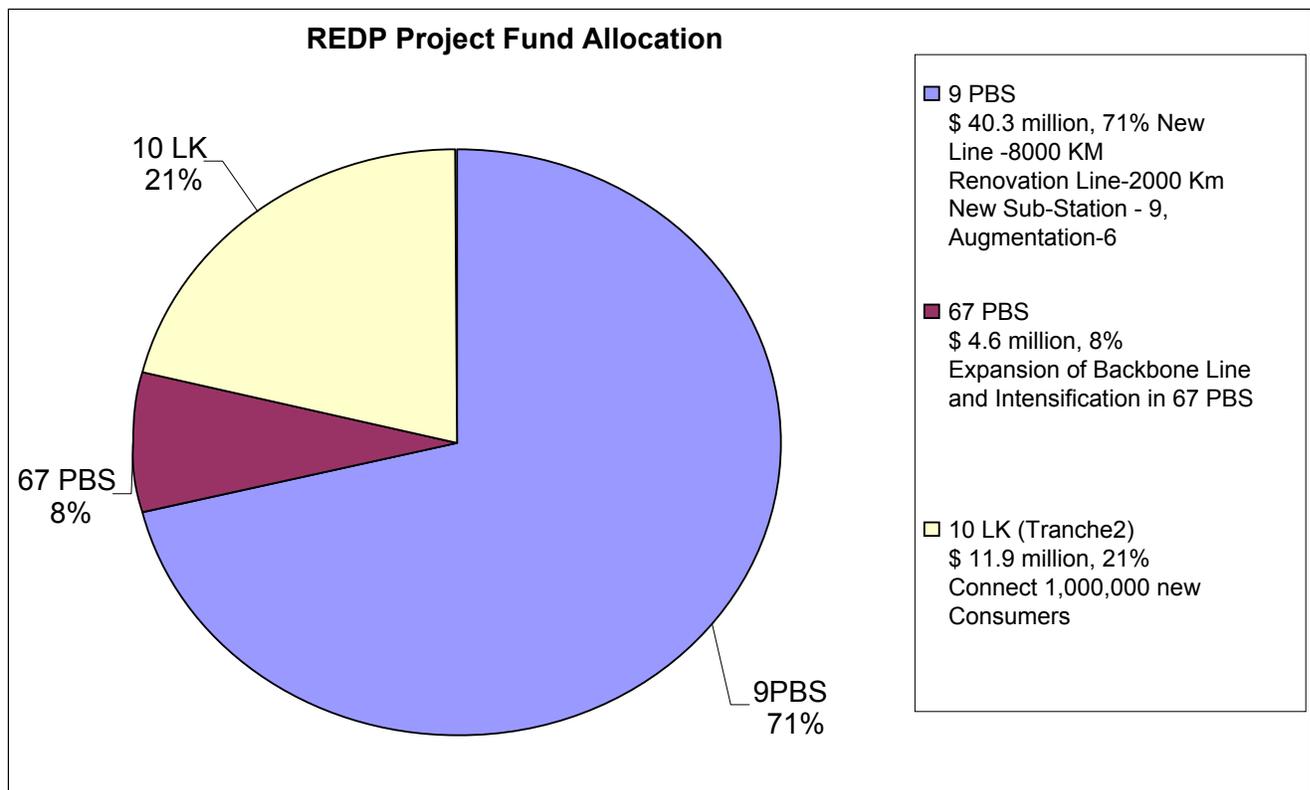
While the REDP was designed to provide support for the rural electrification countrywide, the program contained targeted support to nine PBSs. The nine PBSs were identified during the REDP design phase as PBSs providing electric service to more marginal, less affluent rural communities, with consequently lower revenue generating potential. The nine REDP PBSs are: Brahmanbaria, Faridpur, Jhenaidah, Kurigram-Lalmonirhat, Magura, Mymensingh-2, Nilphamari, Nowabganj, and Rajshahi. The map and chart on the following pages describe the 9 PBSs.

1.3.1 Map - PBSs Targeted for Assistance under REDP



Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population	Name of PBS	Name of Thana	Name of District	Area (Sq.Km.)	No. of Villages	Population		
Rajshahi	Boalia	Rajahahi	96.68	-	294,056	Nawabgonj	Bholahat	Nawabgonj	123.52	91	70,507		
	Durgapur	Rajahahi	195.03	122	137,640		Gomastapur	Nawabgonj	318.13	235	191,972		
	Godagari	Rajahahi	472.13	396	217,811		Nachole	Nawabgonj	283.68	190	97,119		
	Mohanpur	Rajahahi	162.65	154	126,396		Nawabgonj	Nawabgonj	451.80	192	389,524		
	Paba	Rajahahi	280.42	261	213,379		Shibgonj	Nawabgonj	525.43	367	422,347		
	Tanore	Rajahahi	295.39	207	138,015		Bhaluka	Mymensingh	444.05	102	264,991		
Brahmanbaria	Akhaura	Brahmanbaria	99.28	125	112,982	Mymensingh-2	Gafargaon	Mymensingh	401.16	218	379,803		
	Banchharampur	Brahmanbaria	217.38	118	258,371		Trishal	Mymensingh	338.98	160	336,797		
	Brahmanbaria	Brahmanbaria	495.85	398	659,449		Sreepur	Gazipur	465.24	186	320,530		
	Kashba	Brahmanbaria	209.76	236	243,833	Magura	Magura	Magura	406.50	252	286,925		
	Nabinagar	Brahmanbaria	353.66	198	378,539		Mohammadpur	Magura	234.29	182	160,340		
	Nasinagar	Brahmanbaria	311.66	129	234,090		Shalikhha	Magura	228.64	118	132,291		
	Sharail	Brahmanbaria	239.52	146	254,481		Sreepur	Magura	179.18	160	144,471		
	Harinakunda	Jhenaidah	227.19	129	162,078		Faridpur	Alfadanga	Faridpur	136.00	118	90,873	
Jhenaidah	Jhenaidah	467.75	283	333,192	Bhanga	Faridpur		216.34	227	214,702			
Kaligonj	Jhenaidah	310.16	196	219,126	Boalmari	Faridpur		272.34	255	190,159			
Kotchandpur	Jhenaidah	165.66	79	107,193	Char Bhadrasan	Faridpur		141.59	129	69,876			
Maheshpur	Jhenaidah	416.96	194	246,350	Faridpur	Faridpur		407.02	298	335,386			
Shaikupa	Jhenaidah	373.42	258	293,341	Madhukhali	Faridpur		230.20	238	165,438			
Bhurungamari	Kurigram	236.00	124	176,822	Nagarkanda	Faridpur		379.02	335	267,193			
Kurigram	Chilmari	Kurigram	224.97	152	100,516	Sadarpur	Faridpur	290.21	287	172,059			
	Fulbari	Kurigram	163.63	165	129,668	Nilphamari	Dimla	Nilphamari	327.00	58	160,000		
	Kurigram	Kurigram	276.45	256	217,311		Domar	Nilphamari	251.00	47	152,000		
	Nageshwari	Kurigram	415.30	367	279,775		Jaldhaka	Nilphamari	326.00	77	199,000		
	Rajarhat	Kurigram	166.23	180	158,648		Kishoreganj	Nilphamari	265.00	130	202,000		
	Ulipur	Kurigram	504.19	418	345,205		Nilphamari	Nilphamari	351.00	107	242,000		
	Total Area (Square km)			15,371			Total Population			11,696,570			

The Following Pie Chart Illustrates the DFID Funding Contribution for Material Procurement Identified by Projects - 9PBS, 67 PBS & 10 Lac (1 million consumers) - \$ 56.8 million



1.4 Project Team

The NRECA project team assigned to support REDP includes the following team members, by position:

Person	REDP Duties	Tenure
Robert O. Ellinger	Chief of Party	Full Time
James VanCoevering	Engineering Director	Part Time
Judith A. Burnett	Co-op Institutional Advisor	Full Time
Md. Hasibur Rahman	Project Engineering	Full Time
Maruf Hasan Bhuiyan	Project Engineering	Full Time
Md. Shafiquzzaman	Project Engineering	Part Time
ATM Selim	GIS Team	Part Time
Narayan Chandra Saha	Education and Training Specialist	Full Time
ABM Ali Hossain Syed Nurul Islam	Board and Institutional Development Specialists	Full Time
Brig. M.A. Malek (Rtd.)	PBS Board / Member Development Consultant	Contracted Part Time
Ruh Afza Ruhi Shahana Jannat	Gender Specialists	Full Time
Reza Khasru Shajedul Karim	Program Support Specialists	Full time
Mohammad Y Malik Sakil Bradley Gibson Gregory Boudreaux	HR Specialist Communications Specialist Board Dev. Specialist	Contracted Part Time
Shital Krishna Das	Socio Economic Consultant	Contracted Part Time

SECTION 2: KEY ISSUES

2.1 Power Shortage

As has been the case for the past several years, the shortage of power dominates the operation of all PBSs and continues to exacerbate public discontent with REB and the PBSs. Due to the importance of this issue with respect to PBS viability and service quality, because of its overall importance and relevance to the REDP we will continue this discussion in this Quarterly Report.

PBSs continued to experience power supply curtailments during the reporting period. The shortage of power, particularly at peak demand periods, and resulting load shedding affected all PBSs in the REB program. Maintenance issues at aging PBD power stations contribute significantly to the frequency of outages. Load shedding is most problematic during peak hours throughout Bangladesh, but also occurs during off-peak hours in selected PBSs. Until the necessary steps are taken to increase available capacity, load shedding will continue to negatively impact the RE Program and consequently deleteriously affect productivity of REDP interventions.

Power generation needs are a high priority of the new government. However, the lead time from project inception to completion is well over thirty six months for large, central station power plants, with estimated capacity deficits estimated in the range of 1,500MW – 2,000MW. Additional capacity is needed to serve load growth, with the balance required to replace aging plants the efficiencies of which continue to deteriorate with the resulting output being well below the installed capacity.

The inability of Petrobangla (nationally owned gas transmission and distribution company) to provide an adequate supply of gas to fuel the gas-fired plants is also seriously contributing to the power shortage. Declining production in some existing gas fields and “non-existent” pipeline regulation has reduced the availability of gas supply to the power plants, thus requiring plants to reduce power production. Exploration and development of new gas fields has not kept pace with the demand for gas supply. The limited capacity of the gas transmission/distribution system has also contributed to the power crisis. Gas rationing has been and continues to be employed to maintain existing reserves and to help make gas available for power at the newer power plants that are more efficient. In a positive development, Chevron was one of two companies recently awarded an exploration contract for several off-shore natural gas fields to determine capacity and reserves. Chevron is also working with Petrobangla to install compressor station(s) at key distribution system locations across the country.

In addition to scheduled load shedding during hours of peak demand, off-peak load shedding also occurs when system outages are triggered due to low system frequency in PBS areas. Frequent power outages and power quality issues are the cause of recurring difficulties for industrial and commercial operations, particularly export manufacturing processes that require continuous production and are subject to prolonged restart schedules after a power curtailment.

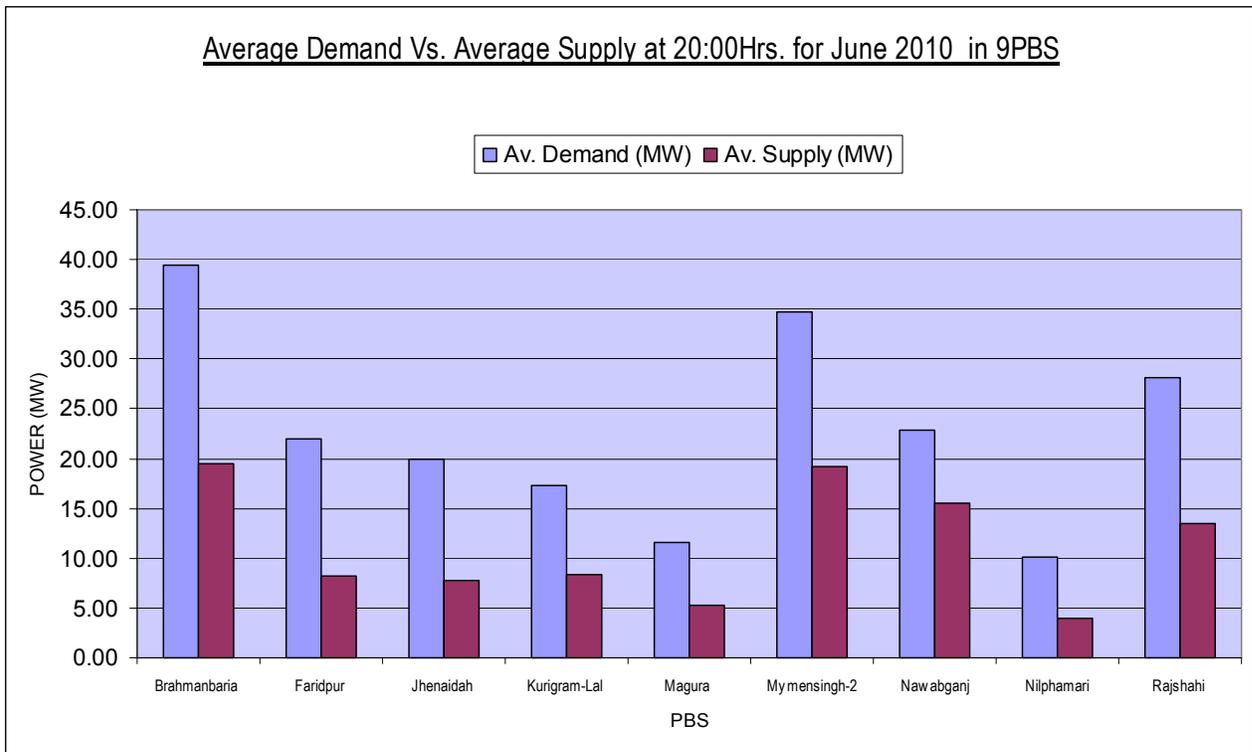
Taken as a whole, scheduled outages during system peaks, and unscheduled outages have introduced substantial and increasing frustration on the part of PBS members, and financial hardship for both PBS consumers, and for the PBSs themselves. PBS revenue is derived primarily through the sale of electricity, so as power availability is reduced, revenue decreases in nearly a direct proportion. Moreover, the less reliable the power supply, the more difficult it becomes for PBS staff to collect revenues from PBS membership.

Most PBSs sell over 85% of the commercialized electricity to low income, residential (“domestic”) customers. These PBSs have been extremely challenged to meet operating costs, resulting in delayed loan repayments to REB. In those PBSs that have relatively higher sales to industrial and commercial customers which have historically a more healthy financial position, the financial hardships are not as acute, but it is becoming significantly more challenging to balance costs with revenue. Serving to complicate this issue is the BERC’s decision to allow increases in the wholesale power rates being charged but limiting the amount of this wholesale power rate increase that is being allowed to be passed along to the consumers through an approved retail rate increase.

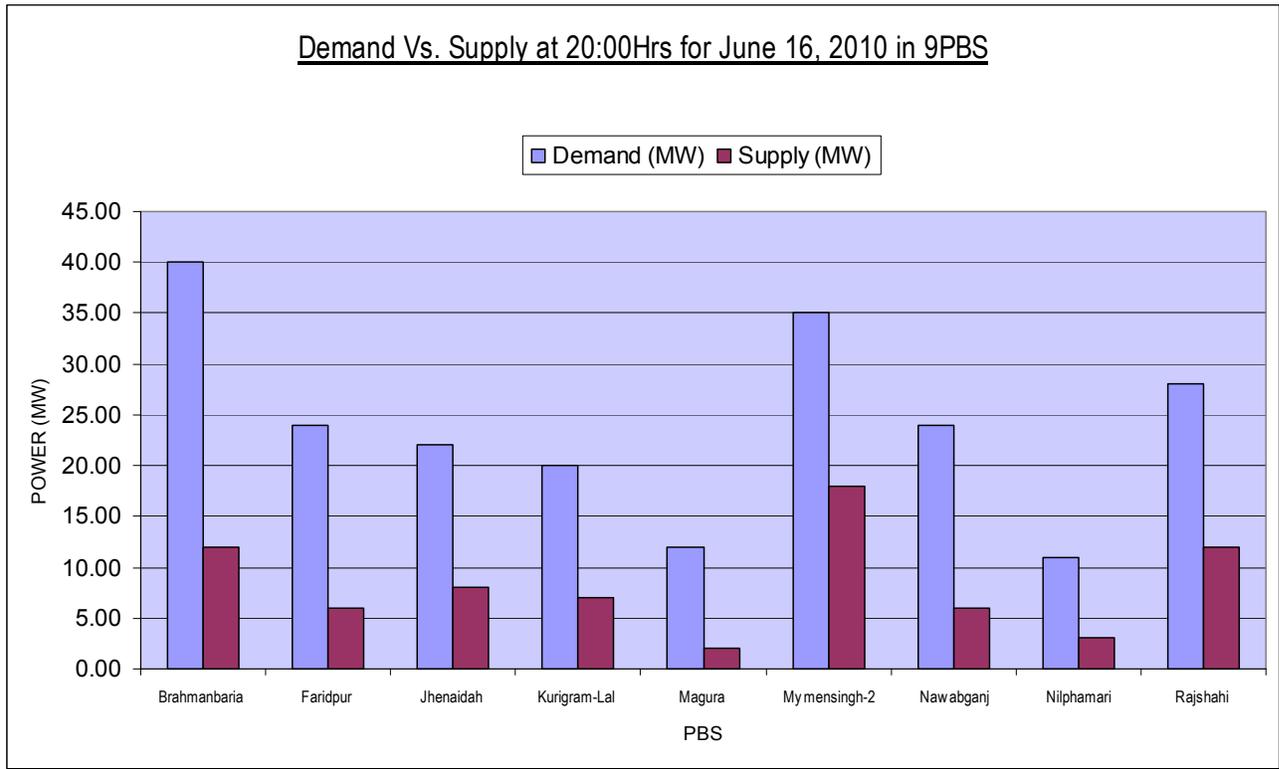
In the 9 PBSs participating in REDP, REB data reveals that the demand has increased at each of the PBS when compared with June 2009 (Graph 2.1.3). There is a major concern that there was an increase of incidents of load shedding in all PBSs except Kurigram, Magura and Nowabgaj (Graph 2.1.4). As can be seen from graph 2.1.1, Faridpur PBS experienced the highest average load shedding of 63% of their demand during evening peak hours during June. Average load shedding for the other PBSs varied from 32% (at Nowabgonj) to 61% (at Jhenaidah and Nilphamari). Overall daily load shedding was noted to be extremely high on June 16 (illustration 2.1.2). During this day Magura PBS experienced load shedding as high as of 83% followed by Faridpur and Nowabgonj (75%), Nilphamari (73%), Brahmanbaria (70%). On that day Kurigram, Jhenaidah, Rajshahi and Mymensingh-2 PBSs experienced 50-65% load shedding which is close to their monthly average.

The following graphs illustrate the load shedding situation in the 9 PBSs of REDP.

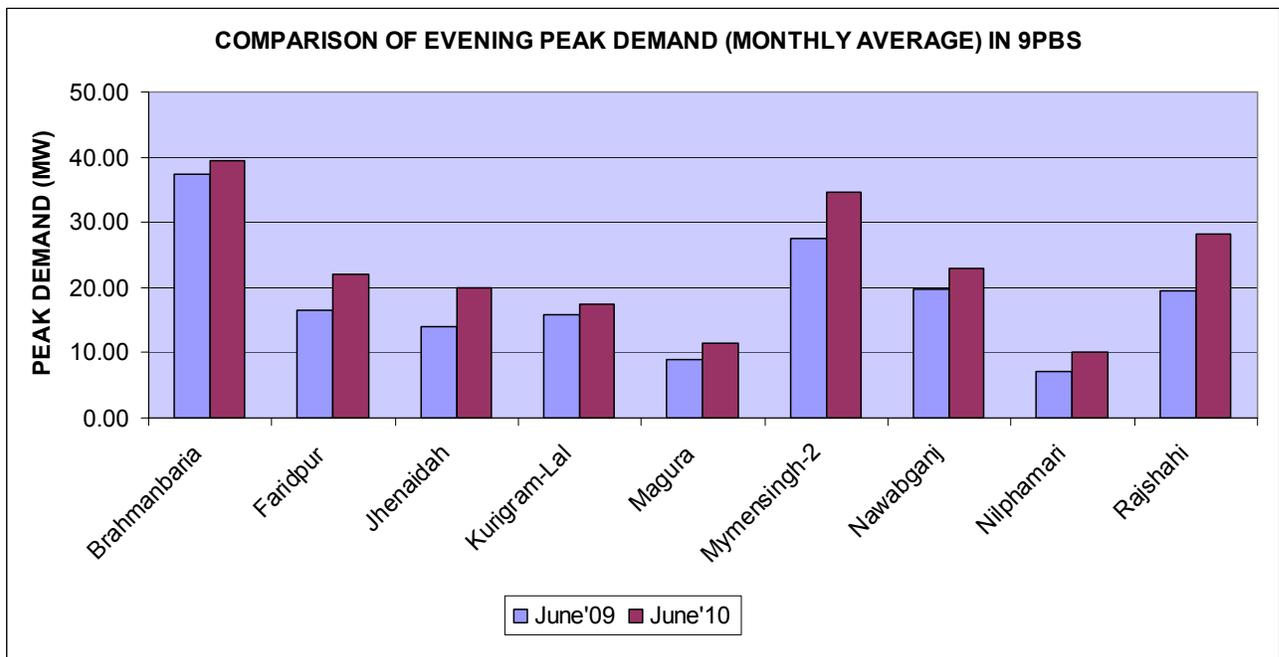
Graph 2.1.1: Average Demand and Supply at 20:00 Hrs in June 2010



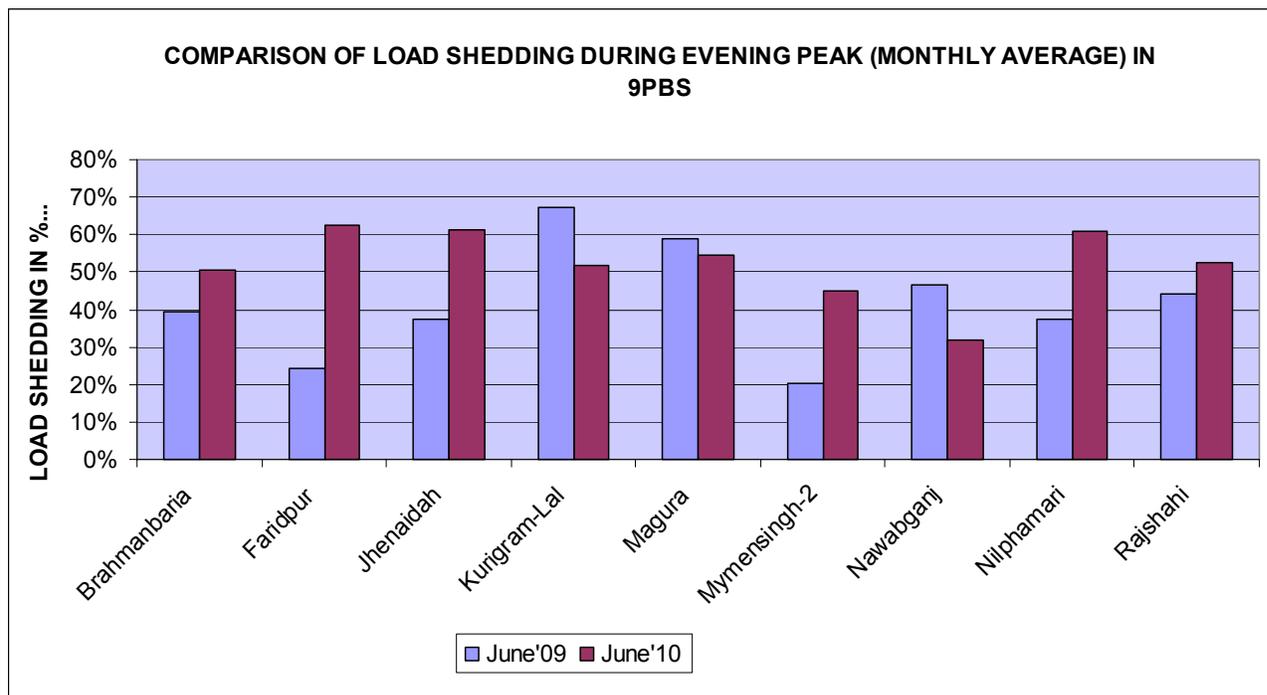
Graph 2.1.2: Peak Demand and Supply at 20:00 Hrs 9 PBS on June 16, 2010



Graph 2.1.3: Shows variation of evening peak demand with last year in 9PBS



Graph 2.1.4: Variation of Load Shedding during evening peak with last year in 9PBS



2.2 Bid Evaluations

During the review period REDP continued to focus significant effort to expedite the evaluation and selection process of bid packages, while fully complying with GOB procurement regulations. Although the review and approval process was not explicitly defined in the DFID/GOB agreement, REB has consistently sought NRECA approval of the tender process, seeking “no objection” or “concurrence” to the bid selection/award process.

It is worth noting that, final indication of “no objection” for bid packages has been granted only after clarification has been received and processed for proposals that have been deemed questionable in content. Once clarifications are presented and consultations with REB resolve pending issues, approval via notification of “no objection” has been forwarded by the REDP/NRECA review team.

The due diligence process has resulted in some delays in the bid evaluation process. However, the results of this process have illustrated to REB the importance of systematic and thorough due diligence of bid specifications.

2.3 Retail Power Rate Increase

It was announced that the Bangladesh Energy Regulatory Commission (BERC) moved to approve a retail rate increases for the PBSs averaging 6.5%. The new rates became effective December 1, 2009. For the residential consumer class the rate adjustments will range from less than 3% for minimum usage accounts to 13% for accounts using more than 500 kWh. Commercial and Industrial customers will see an average rate increase of 9.5%. The retail rate increase will provide some rate

relief to REB and the PBSs who have endured a tremendous financial hardship in trying to cover the expense associated with an increase in the wholesale power rate tariff since October 2008. Unfortunately for many of the PBSs the approved rate is not enough to fully cover their wholesale power costs and they will continue to experience a serious cash flow deficit.

2.4 Moratorium on Electrical Connections

During REDP we have seen two moratoriums on rural electrical connections imposed by the GoB. The first moratorium, while initially expected to last only three months was extended to one year (2007-08) ending in June. The second moratorium is currently in effect. The moratorium began in April and has been extended through September 2010. During these moratoriums the Ministry's position was to simply instruct REB to stop the PBSs from making new connections as a means of controlling the increase of demand for electricity. In effect the PBSs were bearing the brunt of the poor performance of BPDB and Ministry officials who had very limited success in being able to improve the power generation situation and thus the PBSs were not allowed to expand their customer base and enhance reviews. It should be noted that once the moratoriums are lifted the PBSs face the conundrum that adding new consumers to the system will exasperate the power deficit being experienced by all. The addition of new consumers could result in negative impacts on the financial condition of most all PBSs, and potentially jeopardize their long-term financial viability.

2.5 Additional Training

We have found that the thirst for knowledge among the groups we are visiting cannot be quenched with the amount of information, resources and time available. Most of our programs attempt to call the audience's attention to their rights, duties and responsibilities as board members, members and PBS employees. Invariably we get asked; why can't you spend more time with us? Please tell us more!! Can you provide us with the instructions and by-laws in Bangla? (We are prioritizing these documents for translation.)

The need among the people is tremendous and REB recognizes this need but they do not have the resources to address the issue. While much of the training material (trainer and trainee manuals) is available (developed by NRECA) the manpower resources and institutional knowledge at REB are lacking. The development (and funding) of a complete training and education program for REB staff and PBS members through the REB Training Directorate and presented at the REB training academy and regional sites around the country is an area in which program partners can make a positive impact to the long term sustainability of the organizations.

SECTION 3: MATERIALS PROCUREMENT

3.1 Materials Procurement

3.1.1 REDP Bid Evaluation Procedures

As presented in previous reports, REDP team members continue to participate in bid preparation and evaluation process for materials procured with funds provided through DFID/REDP. It should be noted that the majority of REDP materials have been ordered and delivered. Six sub-packages of the 10Lac Project were processed during the last quarter and the materials have been partially delivered for one sub-package and in full for three sub-packages.

In compliance with its internal policies and procedures, and as planned under the REDP, REB was the sole responsible party to manage the bid evaluation process. The tender process was managed in compliance with GOB PPR 2003 requirements.

To comply with its role under REDP, the NRECA evaluation team performs a parallel bid evaluation process, without REB participation. The parallel bid evaluation facilitates an independent verification of results. The parallel bid evaluation processes conducted by REB and NRECA follow similar methodologies. Evaluations undertaken focus on the following steps:

- Determination of commercial responsiveness.
- Determination of financial responsiveness.
- Determination of technical responsiveness.
- Financial adjustments to bid evaluation prices where applicable for late delivery, capitalized cost of transformer losses and qualifying local preference.
- Detailed evaluation of pre-selected bids.
- Other adjustments as appropriate.
- Preparation of bid evaluation report for Tender Evaluation Committee and recommendations for contract award.

GOB PPR 2003 requires an evaluation committee to be established to review results of each respective procurement action. For purposes of the REDP-financed procurement packages, the REB Tender Evaluation Committee is responsible for reviewing the tender documents, documenting the results of the evaluation process, and submitting recommendations to the REB Board. The results are thereafter submitted to the Ministry of Energy prior to finalizing selected contracts. Contracts with values of up to Taka 120 million, (approximately USD 1.71 million) are evaluated and approved internally by the REB Board of Directors. The Ministry of Energy approval is required for contracts with values exceeding the REB financial authorization limits.

As was done throughout this process, NRECA representatives continued to attend the REB Tender Evaluation Committee (TEC) meetings as observers. While NRECA/REDP specialists participated in evaluations in the capacity of observers; decision making authority for all tenders rests with the REB TEC, with no NRECA/REDP direct participation. In compliance with REDP design, the NRECA/REDP team simply monitors the procurement processes.

In those cases wherein the REB TEC recommendation agrees with the NRECA independent evaluation, NRECA issues a formal “no objection” in response to the results of the TEC presented to the NRECA team. In most cases, TEC evaluation conclusions have agreed with NRECA independent

evaluation results; the lowest price commercially acceptable bid was selected by REB for award of the contract. In those cases wherein the two results have not been in agreement, “no objection” statements have been withheld by the NRECA team. In these instances, NRECA presented detailed explanations to provide REB with guidance to resolve the differences that were noted in the two evaluations. While most of these cases have been resolved, some are still under review by REB. The status of the relevant sub-packages is presented in tables presented in Section 3.1.2.2 on page 13.

3.1.2 REDP Bid Tendering and Evaluation Results

3.1.2.1 Project 9PBS (1st Tranche)

One bid sub-package worth \$ 0.9 million for the supply of submarine cable was subsequently included in the revised procurement plan by REB and was ordered with NRECA concurrence. This consignment has been shipped from China. Execution of this order concluded the first tranche of procurement under 9PBS project.

3.1.2.2 Project 9PBS (2nd Tranche)

One bid sub-package worth \$2.98 million for the supply of wooden poles was ordered with NRECA concurrence. The second and final consignment of the goods was delivered during the reporting period. Execution of this order concluded the second tranche of procurement under 9PBS project.

3.1.2.3 Project 10Lac

REB awarded orders for the following six bid sub-packages worth \$ 6.62 million during this reporting period. Material delivery status is shown as below:

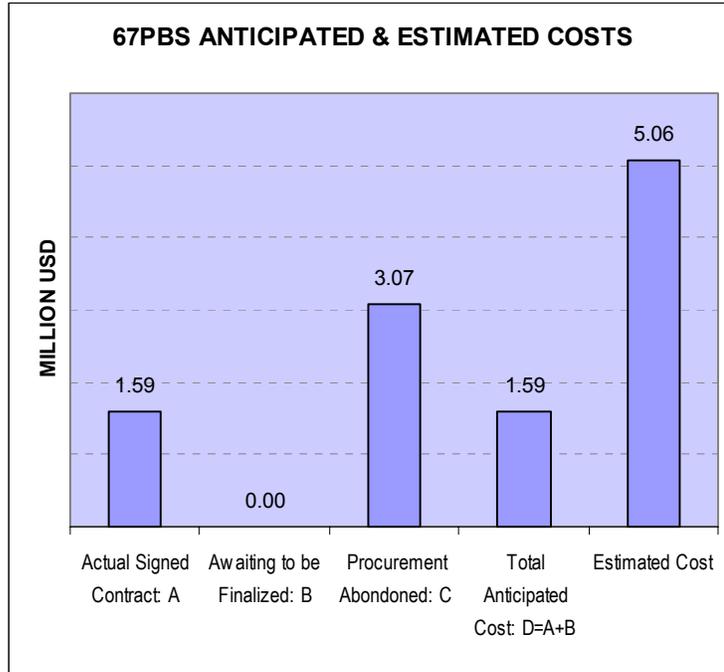
Sub-Package No.	Item	Bidder	Delivery Position
DFID (10Lac)-09-060	Conductor, 6 Duplex	M/s. SBS Cables Ltd.	50% delivered
DFID (10Lac)-09-061	Conductor, 6 Duplex	M/s. TPT Cables Ltd.	50% ready for delivery
DFID (10Lac)-09-062	Conductor, 3 Duplex	M/s. TPT Cables Ltd.	50% ready for delivery
DFID (10Lac)-09-063	Conductor & Guy Accessories	M/s. Trade East West Corporation Ltd.	Delivered
DFID (10Lac)-09-064	Fuse Cut-out & Lightning Arrester	M/s. Zhejiang People High Voltage Electrical Ceramics Co. Ltd.	Delivered
DFID (10Lac)-09-065	Twist Tite Meter Seal	M/s. Shenyang Shining Fortune Container Seal Co. Ltd.	Delivered

Table 3.1.2.2: Summary of Commodity Procurement Status against REDP through June 2010

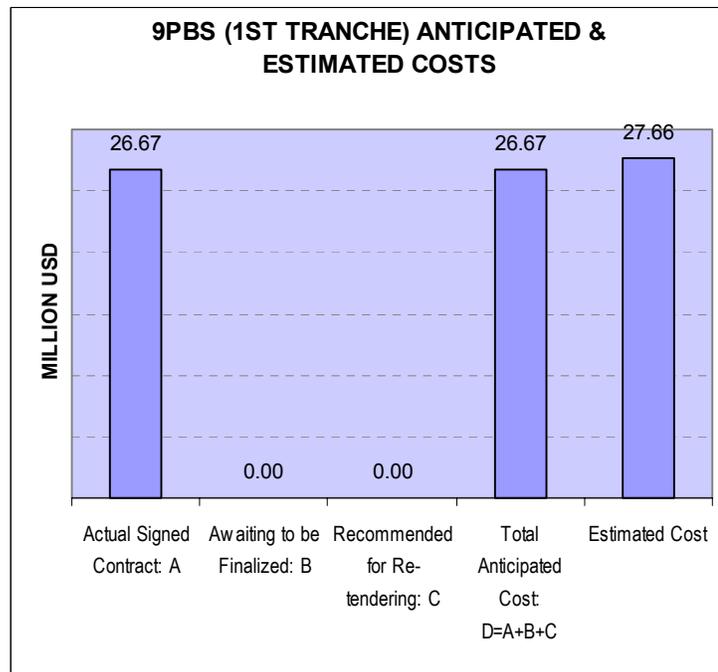
Item	Projects				
	67PBS	9PBS (1st Tranche)	9PBS (2nd Tranche)	9PBS (3rd Tranche)	10Lac
Available sub-package:					
Number	7	29	7	5	17
Estimated amount (Million USD)	5.064	27.664	14.291	5.109	12.55
Sub-package tendered:					
Number	7	29	7	5	17
Estimated amount (Million USD)	5.064	27.664	14.291	5.109	12.55
In % of total estimate	100%	100%	100%	100%	100%
Tendered sub-package under evaluation:					
Number	0	0	0	0	0
Estimated amount (Million USD)	0	0	0	0	0
In % of total estimate	0%	0%	0%	0%	0%
Tendered sub-package awarded:					
Number	4	18	5	5	14
Order amount (Million USD)	1.591	13.438	9.993	5.415	11.512
In % of total estimate	31%	49%	70%	106%	92%
Sub-package decided to be re-tendered:					
Number	3	11	2	0	3
Estimated amount (Million USD)	3.072	12.445	4.103	0	0.177
In % of total estimate	61%	45%	29%	0%	1%
Re-tendering of sub-package under process:					
Number	0	0	0	0	0
Estimated amount (Million USD)	0	0	0	0	0
In % of total estimate	0%	0%	0%	0%	0%
Re-tendered sub-package under evaluation:					
Number	0	0	0	0	0
Estimated amount (Million USD)	0	0	0	0	0
In % of total estimate	0%	0%	0%	0%	0%
Re-tendered sub-package awarded:					
Number	0	10	2	0	2
Order amount (Million USD)	0	13.234	4.830	0	0.197
In % of total estimate	0%	48%	34%	0%	2%
Sub-package abandoned:					
Number	3	0	0	0	0
Order amount (Million USD)	3.072	0	0	0	0
In % of total estimate	61%	0%	0%	0%	0%
PAYMENT SITUATION					
Amount ordered (Million USD):	1.591	26.672	14.823	5.415	11.709
Amount disbursed (Million USD):	1.560	26.498	14.367	5.291	6.656

The following graphs present information highlighting the US dollar amounts of the material purchases for the 67 PBS, 9PBS and 10 Lac procurements. The graphs show the dollar amounts of the contracts awarded, bids finalized and awarded, retendering amounts (loss of funds due to project closure prior to award – 67PBS) and the final projected costs compared to the initial project estimates.

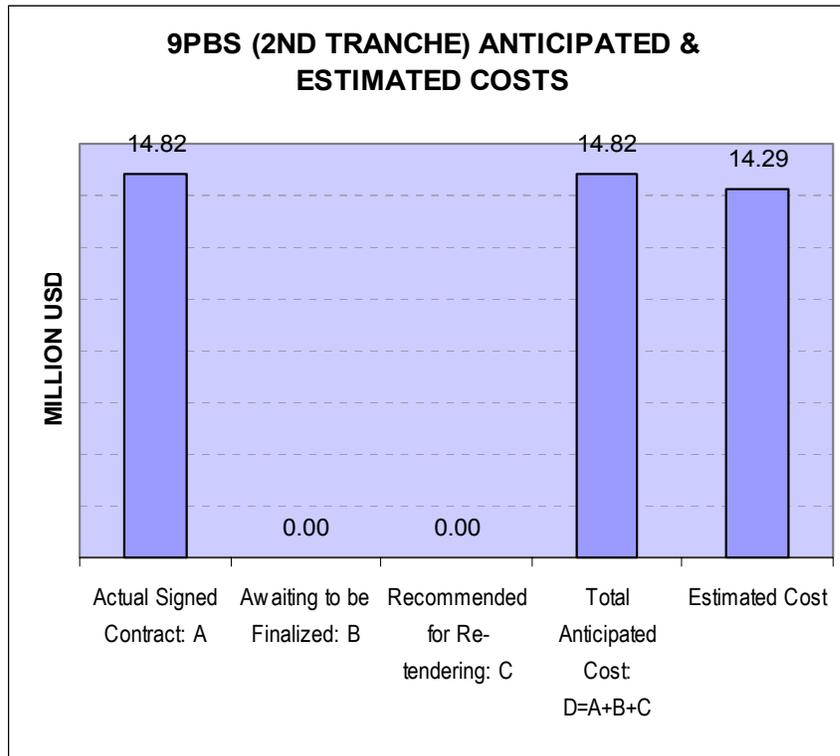
Graph 3.1.2.3: 67 PBS Materials Composition and Anticipated Contract Costs



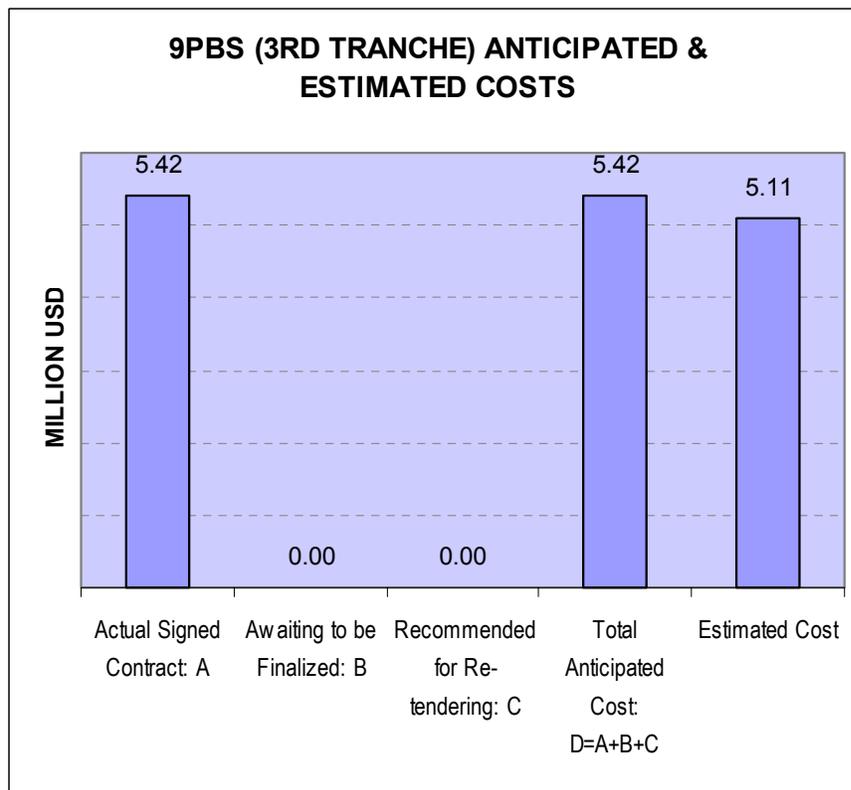
Graph 3.1.2.4: 9 PBS (1st Tranche) Materials Composition and Anticipated Contract Costs



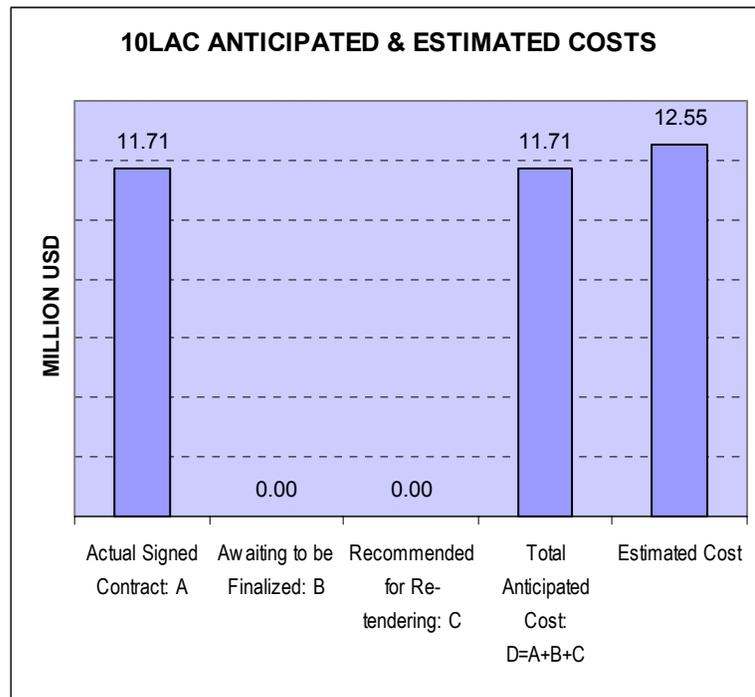
Graph 3.1.2.5: 9 PBS (2nd Tranche) Materials Composition and Anticipated Contract Costs



Graph 3.1.2.6: 9 PBS (3rd Tranche) Materials Composition and Anticipated Contract Costs



Graph 3.1.2.7: 10Lac Materials Composition and Anticipated Contract Costs



3.2 Materials Procurement – Second and Third Tranches

The second tranche of materials procurement process began in June, 2007. This second tranche is has provided an opportunity to provide positive feedback to REB derived from the first tranche procurement, while also attempting to diminish remaining poorly defined bid conditions, while focusing on increasing bidder competition. The third tranche procurement commenced in July, 2008 and clearly shows improvement in the process as procurement decisions are made faster and effectively.

Core procurement monitoring topics were selected with REB during the first tranche of commodity procurement. During the last reporting period, the core requirements were consolidated for the second tranche of material procurement. As noted in previous quarterly reports, REB has agreed to NRECA recommendations to enhance competitive bidding into the procurement documentation.

REB evaluation results concurred with independent NRECA evaluation results. In those cases wherein NRECA provided recommendations to REB, the recommendations were accepted and integrated into evaluation reports. REB completed revisions to the bid documentation for second tranche materials; NRECA drafted letters confirming no objection for bid evaluation reports.

3.2.1 Bid Conditions and Compliance with Core Monitoring Requirements-Second Tranche

In general, material procurement conditions complied with GOB PPR, and bids were submitted in accordance with good international practice. For the most part, core monitoring topics were addressed by REB. These core monitoring topics related to:

- Bid Package Size
- Fair Conditions for Bidders
- Advertising

Conditions in the REB bid documentation reflected the monitoring requirements, while REB procurement personnel complied with and respected monitoring conditions. In particular, core monitoring conditions were observed by REB in the following manner:

Bid Package Value

The principal requirement is for the bid package financial value to be sufficiently high to attract international bidders. However, the limit of REB financial authority now is \$ 3.5 million (previously it was US\$ 1.7 million); bid sub packages of values that exceed this value require Ministry of Energy approval. There is however no such bid package of value exceeding \$ 3.5 million pending for disposal. Given the desire to expedite REDP materials procurement, NRECA recommended that bid package values be allowed to drop below \$1.7 million.

Fair Conditions for Bidders

Bid documents were formulated to include all information necessary for potential international bidders to equitably compete with domestic bidders.

Advertising

The procurement exercise was advertised in four national newspapers and on the GOB Technical Procurement Unit website. As a further aid to disseminating the procurement information to potential international bidders, NRECA requested that copies of the newspaper advertisement be concurrently distributed to embassies and high commissions in Dhaka.

3.2.2 Procurement Program

Following NRECA concurrence, procurement advertising is conducted in accordance with GOB PPR with circulation of notices to an appropriate number of newspapers. During the reporting period there was however no procurement advertisement made by REB.

In addition to newspaper advertisements, the procurement notices are also sent by REB to GOB Central Procurement Technical Unit website. Concurrent with the newspaper and website advertising, information about the procurement was also sent to the trade sections of diplomatic missions in Bangladesh.

SECTION 4: MONITORING OF MATERIALS USAGE

4.1 Monitoring Methodology

The following are the basic considerations for monitoring the usage of DFID funded materials:

Sub-Task 1: Storing DFID funded materials at Khulna Warehouse

- Assist Khulna warehouse personnel to improve storage conditions and methods for DFID-financed materials.
- Where practical, DFID materials will be segregated from existing REB materials.

Sub-Task 2: DFID funded Material at PBS

- Randomly monitor assignment of materials to construction contractors; evaluate if quantities disbursed are correct.

Sub-Task 3: Monitoring of Construction Work in 9 PBS.

- Comparison of detailed construction plans with master plans.
- Inspections of construction projects in each PBS.
- Compare material quantities issued with work completed.
- Monitor construction quality and compare with REB standards.
- Monitor category of customer connections with reference to DFID criteria.

Sub-Task 4: Monitoring of materials usage in 67 PBS and 10 lac customers.

- Monitor progress of construction works and compare with disbursement of DFID-financed materials.
- Check meter issues and compare with new customer connections.
- Randomly monitor issue and installation of DFID-financed meters.

4.2 Progress

Monitoring of material usage by construction contractors: The methodology for this monitoring has been developed. During this reporting period data taken from selected close-out documents was analyzed for Faridpur, Jhenaidah and Magura PBSs.

Monitoring material movement by PBS warehouse: The methodology for this monitoring has been developed. During this reporting period stock statements collected from Faridpur, Jhenaidah and Magura PBSs have been analyzed.

Monitoring construction progress: Construction progress is regularly followed-up with the concerned Superintending Engineers and Executive Engineers of the Project Divisions for all the 9PBSs so that targets can be fulfilled within project period.

SECTION 5: SOCIO ECONOMIC STUDY

5.1 Background

It has been documented in numerous studies that access to affordable and reliable electricity is a key requirement for both economic development and poverty reduction. The Government of Bangladesh's (GoB) Poverty Reduction Strategy Paper (PRSP) of October 2005 emphasizes the importance of rural electricity for creating employment. Improved electricity coverage, particularly in rural areas of Bangladesh, will help achieve the Millennium Development Goals (MDGs). The overall objective of the Socio Economic Study is to examine the social and economic impact of the REDP with emphasis on electric connections to poor and women led households.

As indicated in the Key Issues Section of this report, a number of significant actions, including power supply shortages, impinge significantly on the anticipated benefits of the REDP and the REB program in general. Field evaluations show clearly that households will go to great lengths to gain access to electric service, but small and medium-scale enterprises will be reluctant to make investments until and unless power supply improves in rural Bangladesh. The socio-economic survey is designed to quantify the impact of the REB program in general, and REDP in particular against the backdrop of challenges with power supply in rural Bangladesh.

5.2 Progress

Micro-finance Component of REDP in the Brahmanbaria Pilot Project – The Brahmanbaria Micro-Finance report was completed by HDRC (hard copy and disk format) and distributed to program partners (DFID, USAID, REB).

Mid-Term Monitoring Review – We have successfully completed data collection and computer entry of this information for the monitoring review. Analysis tables have been prepared and a draft report is being revised for final presentation.

5.3 Micro-Finance Credit Program for the Poor

5.3.1 Background

The primary objective of the Micro-Finance Component of the REDP was to address the needs of disadvantaged households in rural Bangladesh by creating increased access to financing, thereby enabling households and small business to finance connection charges for PBS electric service. The rural poor were the main beneficiaries of this program. In addition, efforts were made to provide assistance to the extreme poor, such as single parent households or those with severely disabled family members. Traditionally, a rural household applies for an electrical connection only when they have the money to pay for the connection fee, as well as the cost of internal house wiring. In many cases, rural poor find PBS service connection and internal house wiring prohibitively expensive. This purpose of this task under REDP was to enhance the impact of the Rural Electrification Master Plan (2000-2020) on rural poor.

During annual and mid-term reviews of the REDP in October 2007 and 2008, a lack of coordination between the micro-finance program participants was identified. This lack of coordination severely limited the progress of the pilot project implementation led by Palli Karma-Sahayak Foundation (PKSF) and its partner Padakhep. It was determined that improving coordination specifically between Padakhep, Brahmanbaria PBS and REB was essential if this component was to make progress towards achieving the established project goals.

Following discussions with all stakeholders and at the request of DFID (and with the acknowledgment of USAID) NRECA was asked to take an active role in coordinating the work of the parties in an effort to ensure that the project stayed on track to meet or exceed program expectations. NRECA agreed to take a leadership role with notable progress being made.

5.3.2 Progress

The Microfinance component of the REDP was reviewed following the completion of the pilot project in Brahmanbaria. Representatives from DFID, the Pali Karma Sahayak Foundation (PKSF), Padakhep, the non-government organization (NGO) tasked with the marketing and servicing the micro-credit loans and NRECA reviewed the program projections and current status of the program. While all parties agreed that there have been many achievements made in terms of the provision of microcredit to a number of beneficiaries, the small number of actual electrical connections made under the pilot project (2,100) strongly suggested that the program will not meet original program projections. Following these evaluation sessions it was decided to support PKSF's decision to discontinue its involvement in the microfinance provision of REDP linked to providing loans to fund the electric connections for the extreme poor and female led households of rural Bangladesh. The loan program was discontinued in December 2008 and all accounts receiving financial assistance have been connected.

SECTION 6: PBS MEMBER AWARENESS EDUCATION AND BOARD DEVELOPMENT PROGRAM

6.1 Background

The primary objective of the PBS Member Awareness Education and Board Development (MAEBD) Program Task is to promote member/consumer participation levels throughout participating PBSs. The intended result is to empower membership to take responsibility for actions and decisions, as well to promote capacity building for PBS board members.

The focus of this task was to review previous member awareness programs undertaken in collaboration with REB and PBS by NRECA. From the outset of RE program in Bangladesh, NRECA has assisted REB to develop training programs to build capacity and to raise the awareness of member–consumers, as well as to build capacity of PBS Board members. The USAID-funded RPPR-II Program completed in September 2007 included a specific task to provide training assistance for both REB and PBS personnel including the development of effective curriculum materials for these programs.

The MAEBD Task involves working with the REB Training Directorate, as well as the REB Management Operations Directorates to ensure that the content and approach for these newly developed member education programs address specific PBS needs. At the PBS level, the PBS Member Services Departments are intended to involve themselves with implementation of member education programs. This component of REDP is focused on assisting REB and the PBSs to explore effective approaches to successful member and board orientation training, and assuring improved engagement of PBS Village Advisors. For PBS Board education programs, the REB Training Directorate and REB officers will be directly involved in the delivery of the programs while NRECA will assist with the development of effective curriculum materials.

After the development of the programs and initial implementation through the REB and PBSs, ongoing oversight and monitoring of this initiative will be incorporated into the overall Supervision and Monitoring Task. Female participation in all MAEBD programs is monitored and reported.

6.2 Progress

6.2.1 Annual Meeting Attendance

Every effort is made to have NRECA representation at the annual general meetings (AGM) of our nine REDP PBSs. We believe that attendance at the meeting helps us develop a bond with the PBS

employees and members opening the lines of communication to better serve one another. There were no annual meetings held during the reporting period of April through June 2010.

6.2.2 Member Awareness

In late April, REB requested us to refrain from most field activities during the months of May and June in deference to the heavy load shedding occurring during the May irrigation season (and their concern over associated member unrest) along with consideration being given to the extra work required for the end of the year document closeout activity completed in June including financial reporting and work on Performance Target Agreements (PTAs). As the quarter ended, our teams are meeting with REB to evaluate program activities and schedule a return to the field.

During April six Member Awareness workshops were held; three at Habigonj PBS and three at Pirojpur PBS. A total of 293 attended the programs of which 31 were female.

The NRECA team facilitated the workshops. The participants were Board of Directors, consumers of different types (such as teachers of colleges, schools and madrasas, imams of different mosques, Chairmen and Members of local government entities, NGO-personnel, businessmen, local “Elites”, Village Advisors, Village Electricians, and PBS staff.

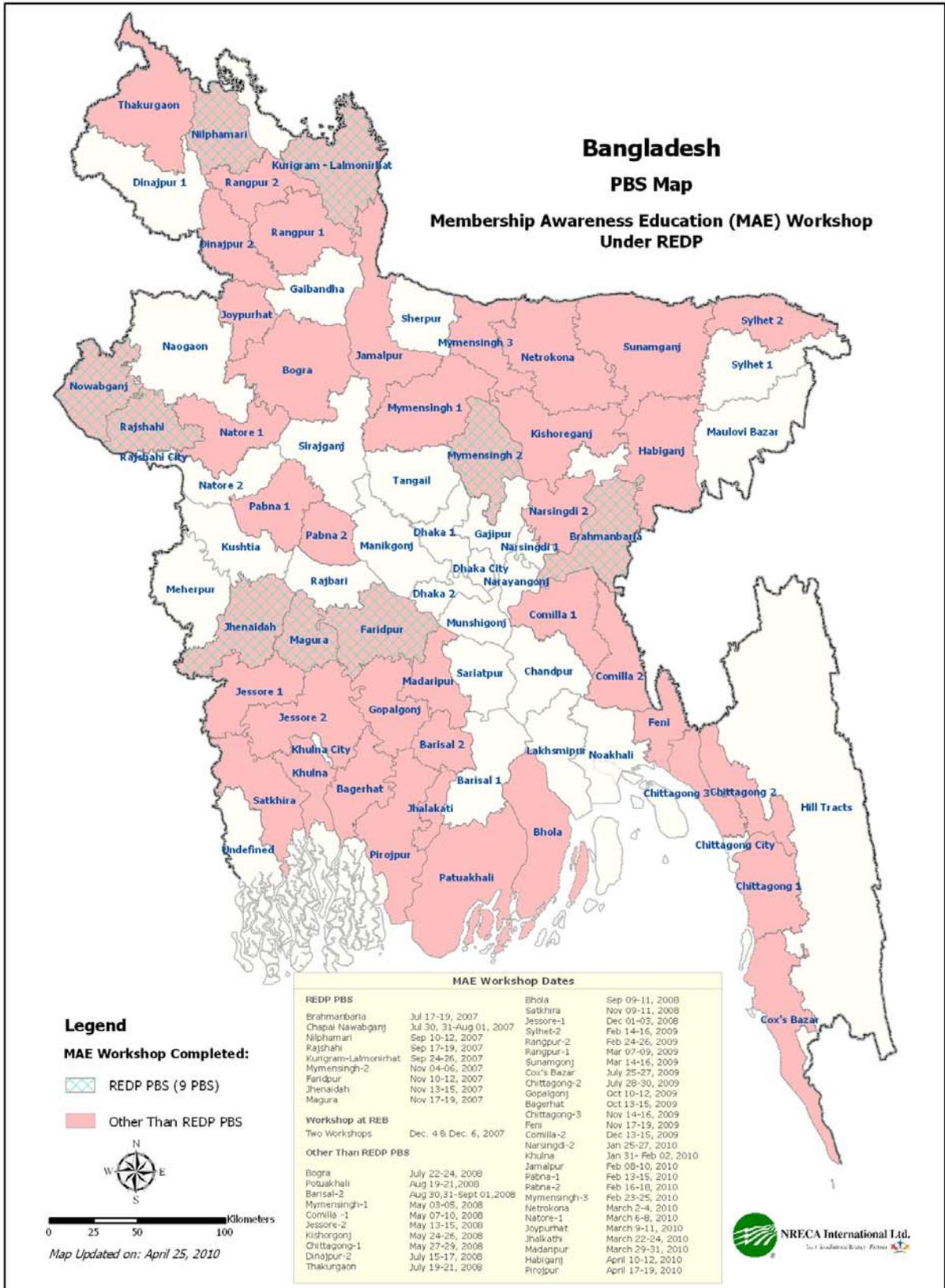
Representatives from REB are always asked / encouraged to attend these meetings and encouraged to work with the PBSs to continue the presentation of the information on a regularly schedule basis. The information presented at the workshops help the PBS employees as well as the consumers remain current on REB instructions and PBS activities. REB participation provides for an improved and more effective MAE workshop.

Details related to the various workshops conducted during the April through June reporting period are listed in the following table

Table 6.2.1: Member Awareness Education Workshop Status
 April through June 2010

PBSs	Date	Number of Participants		
		Male	Female	Total
Habigonj	April 10-12	121	15	136
Pirojpur	April 17-19	141	16	157
Grand Total: 2 PBS	6-Days	262	31	293

Map 6.2.1: Member Awareness and Education Workshops Completed



6.2.3 Board Development

While we reduced the number of our on-going programs per the request of REB, we continued to schedule the Strengthening the PBS Board and Member Services Department Dialogues because of their importance to the work of the PBS and due to the late start in the development and delivery of these programs caused by the delay in approving the enhanced scope of work.

Strengthening the PBS Board Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Board Member participation totaled 297 including 75 females (25%). We are finding that this board development program is being received very well by the local board members. In the comments put forth following the meetings, board members consistently ask for additional training to be conducted in the future. Many say they want training once a month but they understand that it is not possible. Additionally, they are asking for policies to be translated to Bangla including the Financial Form – 550.

The team expects to complete presentations for all 70 PBSs by the end of September. In one year's time, the team was hired, developed the program and supporting materials and completed program presentation throughout the country.

Table 6.2.2: Strengthening the PBS Board – A Dialogue – April through June 2010

PBSs	Date	Number of Participants			Total Possible Participants	Percentage Attending
		Male	Female	Total		
Comilla PBS-1 w/ Comilla PBS-2 & Chandpur	April 12	27	07	34	36	94.4%
Bhola	April 19	09	03	12	12	100%
Patuakhali	April 21	09	03	12	12	100%
Feni w/ Noakhali & Lakshmipur	April 28	23	09	32	32	100%
Jamalpur w/ Sherpur & Mymensingh PBS-2	May 12	24	07	31	31	100%
Bogra w/ Gaibandha and Joypurhat	May 18	26	08	34	34	100%
Tangail	May 24	09	03	12	12	100%
Kushtia w/ Jhenaidah & Meherpur	May 26	29	08	37	37	100%
Dinajpur PBS-1 w/ Dinajpur PBS-2 & Nilphamari	June 15	28	08	36	36	100%
Rajshahi w/ Chapai Nowabgonj & Naogaon	June 23	21	10	31	31	100%
Madaripur w/ Gopalganj & Sariatpur	June 29	17	09	26	26	100%
Grand Total: 27 PBS	11-Days	222	75	297	300	99%

Note: There is a case against two directors of Noakhali PBS and four directors of Tangail PBS. Two regular positions of Lakshmipur PBS are vacant. Chapai Nowabgonj has four Lady Directors (one elected) and there are Lady Director positions vacant at Meherpur and Nilphamari.

Greg Boudreaux, our Board Development Specialist made his first visit to Bangladesh in April. Greg's initial visit was an exploratory trip focused on meeting the key players in the Bangladesh rural electrification program and making some onsite visits to obtain a good understanding of REB and the PBSs. His initial observations are presented in terms of what was observed in classrooms and board meetings, in conversations with key stakeholders, and in a review of current courses and those being developed. Highlights of Greg's initial assessment include;

- There is strong recognition of the need to upgrade training programs and a commitment on the part of REB and NRECA International to implement this upgrade.
- Many directors, especially female directors, do not understand their duties or how to participate effectively in the boardroom.
- Many of the courses lack clear learning objectives. Many of the listed "objectives" are not learning objectives but instructions to the trainer. Learning objectives are not prioritized on the basis of "need-to-know" knowledge and skills. There is no formal course evaluation process.
- Many courses lack a clear title and a description that identifies its purpose and audience
- Courses, objectives and teaching techniques do not reflect the distinction between acquiring information and developing skills. Listening and reading convey information, but do not teach skills.
- There is no core Curriculum for directors (*i.e. "coherent collection of core courses that are planned and developed as a whole."*)
- Course manuals and classroom training do not reflect (modern) principles of adult education. Training programs that were observed primarily contained one-way presentation by instructors. Research in adult education demonstrates that this is a less than effective technique.²
- There is no formal process to train trainers.

We have developed a work plan for addressing PBS director education needs, including developing a draft needs assessment questionnaire, an outline of a proposed curriculum, and a draft PowerPoint presentation to be delivered to the REB Board. We are also working on reviewing past board development training programs and pulling this information together to form a new curriculum of five core courses for PBS Directors that focus on:

- The internationally recognized duties of Loyalty, Obedience and Care
- The need for Directors to master key governance documents, including REB By-Laws, the PBS Model By-Laws, Board Policies, and the Delegation from the Board to the GM
- Skills needed by Directors to participate effectively in Board Meetings, and skills needed by the Chair to preside at Board Meetings
- Electric utility fundamentals, including measures of system efficiency and reliability, and the need for the Board to develop guiding policies
- Understanding and using the Form 550 (financial report) in the Board Room

² See Malcolm Knowles, The Adult Learner (3rd edition), Gulf Publishing, 1984

6.2.4 Member Services Department Development

Strengthening the PBS Member Services Department Dialogue Program was presented eleven times to a total of twenty-seven PBSs. Employee participation totaled 337 including 38 females (11%). Member Service employees attending included AGM Member Service, Member Service Coordinator, Power Use Coordinator, Wiring Inspectors and One Point Service Providers. Additionally the programs have been attended by AGMs of different departments as well as Junior Engineers from the Construction, Operations and Maintenance department, Accountants and Consulting Engineers. Consistently, 100 % of the Member Service Department employees have participated in the program. We heard suggestions from the program participants that the Member Services training should be provided for all the management staff including AGMs and supervisors.

Table 6.2.3: Strengthening the Member Services Department –
 A Dialogue – April through June 2010

PBSs	Date	Number of Participants			Total Possible Participants	Percentage Attending
		Male	Female	Total		
Comilla PBS-1 w/ Comilla PBS-2 & Chandpur	April 12	44	08	52	52	100%
Bhola	April 19	13	02	15	15	100%
Patuakhali	April 21	15	0	15	15	100%
Feni w/ Noakhali & Lakshmipur	April 28	30	06	36	36	100%
Jamalpur w/ Sherpur & Mymensingh PBS-2	May 13	31	02	33	33	100%
Bogra w/ Gaibandha and Joypurhat	May 19	35	03	38	38	100%
Tangail	May 24	20	04	24	24	100%
Kushtia w/ Jhenaidah & Meherpur	May 27	29	04	33	33	100%
Dinajpur PBS-1 w/ Dinajpur PBS-2 & Nilphamari	June 16	28	0	28	28	100%
Rajshahi w/ Chapai Nowabgonj & Naogaon	June 24	29	07	36	36	100%
Madaripur w/ Gopalganj & Sariatpur	June 30	25	02	27	27	100%
Grand Total: 27 PBS	11-Days	299	38	337	337	100%

6.2.5 Board of Directors Orientation Program

During these training sessions NRECA participates by working alongside the REB Training Directorate during a five-day orientation program for the PBS Board of Directors. Our team provides the course materials and program support helping to facilitate the presentation when called upon to do so. One orientation program was held April 4-8 with a total of twenty seven participants, six of which were female.

6.2.6 REB / PBS Communications

A desk was established at REB in the Director of Publications and Public Relations office for Brad Gibson our Communications Specialist. From this desk Brad can observe day-to-day activity and provide direct input on various communication activities, publications, website development etc. We are working with REB to improve communications focusing on educating the publications directorate on the need for an editorial calendar; assisting with sample articles and explaining the importance of improving those articles; analyzing the methods used for internal communication, communication between REB & PBSs and communication between REB and vendors. Specific projects include;

- Working with the publications group on the need to use existing programs as opportunities to disseminate messages.
- Provided an initial assessment of technology needs to move forward with many of the communications programs required for modernization
- Website development - A proposed REB website is to a point where it can be officially presented to REB and pieces of the site are operational, demonstrating functionality and new technology integration. We worked with REB to update their web presence focusing on better information & information delivery, visual aesthetics, functionality for frequent updating, and content strategy for imagery, video, and text.

The first phase of the CFL distribution was completed and observed by a NRECA delegation. Following our observation of the process at Dhaka 1 PBS, we offered suggestions for program improvement to REB. The most significant changes will be addressed through the Director of Procurement as he includes these changes in the updated RFP for phase 2. Also, in consultation with REB, we developed a draft of a flier depicting the correct way to install a CFL bulb. The draft is currently in the review process with key REB officials and the discussions include how best to provide the flier to the PBSs for distribution.

We continue our efforts to gain a better understanding of the Village Advisor program and training efforts at the PBSs. During April we observed village advisor training conducted by the Jhenaidah and Faridpur PBSs. A draft report presenting the highlights of the findings was completed.

During April we observed village advisor training conducted by the Jhenaidah and Faridpur PBSs. The village advisor program has been analyzed by our staff and we are currently developing a strategy and presentation to update REB to obtain their support to move forward. This program has significant potential if a train the trainer program is integrated into the program, as well as a separate training session that assists "rookie" village advisors as they establish their relationship and understanding of the PBS.

Work continues on our translation of REB instructions to address this critical information need identified by the PBS management and board. We have committed to translating the 300 Series which deals with the PBS Board and Management along with instruction 200-7 - 550 Form including the "Understanding the 550 Form" (financial report) handout developed during RPPR II. Progress continues to be made in this area.

We have been asked to assist with the RFP rewrite for the mobile bill pay program that REB is attempting to put together. We meet with Staff to obtain a better understanding of this process is expected to develop.

6.2.7 Gender Awareness

Workshop – A Gender Awareness Pilot Program Workshop was held at Mymensingh PBS-2 on April 29, with thirty-six employees (including the GM) and two board members (one female) attending. The pilot program was directed toward female and supervisory employees. REB representatives attending included Deputy Directors from the office of Management & Operations Central and Training Directorate. Participant evaluations from the program indicated that the workshop was well received and that the information was important (and useful) in their professional and personal lives. Following the pilot testing for the Gender Awareness program at Mymensingh PBS-2, we finalized the draft of two gender awareness hand books in Bangla; one for PBS Directors and the other for PBS employees. We incorporated the valuable feedback and suggestions from REB and the REDP project staff. We prepared the other associated materials for the Gender Awareness Programs being scheduled at the various PBSs.

The Board of Directors Gender Awareness pilot program was held on May 18 at Mymensingh PBS-2. Approximately twenty-five participants including key senior staff attended.

We are in preliminary discussions on the development of a leadership and board room participation program for female directors. We are also holding discussion sessions to formulate a strategy to increase women participation at Annual General Meetings.

6.2.8 PBS Human Resources

We finalized our HR Assessment of the 9 REDP PBSs in May which explains the crucial needs of Human Resources at the PBS level. A modified organizational capacity assessment tool (OCAT) was used to track and assess internal capacity components of the PBSs to ensure effective cooperative functioning.

A total number of forty-five General Managers, Deputy General Managers and Assistant General Managers participated in this assessment sessions with thirty-three (33) surveys completed. The overall score registered four (4); which means, “needs to improve some aspects, but without urgency.” The most important issue that “needs urgent attention” is “Salary and Benefits.” “Staff” and “Human Resources Development” all with a score of three (3), which means “needs many improvements but without urgency.” The least urgent issue is Gender Diversity which registered a score of five (5).

We are using this information to develop a long term HR Development plan for the PBSs. Based on the recent HR Assessment at the nine REDP PBSs, it was clear that the PBS Senior Management lacks the thorough understanding of their job (i.e. Job Descriptions). As a result the need surfaced for Job Description re-orientation sessions at PBS and we are working with REB to move such a session forward.

From the HR Assessment, it was also clear that there is a dearth of leadership at the PBS level. Many of the senior managers have not received any such leadership training and, what training may have been received was presented years ago. Based on this need we have developed a leadership development workshop which will expose the PBS management to a sound business management leadership concept. We will submit the proposal to REB for review and with their support plan to pilot test such a program in our nine REDP PBSs.