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latest progress report under the DFG.

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DEVELOPMENT PROGRAM GRANT

Grant AID/pha-G-1122

P R O G R E S S R E P O R T

FOR THE PERIOD JANUARY 16, 1977 THROUGH JULY 15, 1977

Prepared by:

International Programs Division

National Rural Electric Cooperative Association

Washington, D. C. 20009

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

DEVELOPMENT PROGRAM GRANT

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I. SUMMARY

NRECA/IPD, in cooperation with AID/W and USAIDs around the developing world, has made excellent progress toward the objectives of the Development Program Grant, AID/pha-G-1122, during the present reporting period. As previously reported, three professional staff and one staff assistant have been employed and trained. Numerous short-time expert consultants have been used, both in field projects and in the head-quarter's office to increase our effectiveness and efficiency - both in the preparation and design of materials and procedures and in response for assistance in the Lesser Developed Countries. The permanent staff and short-term specialists have given assistance and/or made evaluations in 21 of the developing nations in Africa, Asia, the Middle East and Latin America. More than half of these countries are calling on NRECA for additional assistance. Two major rural electrification seminars have been held. Three others are in the planning stages. More than 100 persons from LDCs have participated in U. S. based training and orientation programs. Contacts with such international lending agencies as the World Bank, the Inter-American Development Bank, and the Asia Development Bank continue to increase and requests for NRECA involvement continue to grow. Contacts over the years have developed into fruitful involvement and participation with the United Nations Development Program (UNDP). Contacts with other international and regional development organizations are growing. Thus, NRECA's in-house capability to assist AID, International Lending and Developmental Agencies and the Lesser Developed Countries in basic surveys, program design, establishment of on-going training programs and self-evaluation systems in rural electrification continues to increase. NRECA is working with AID to combine the DPG and Task Order No. 1 under a single General Support Grant.

Total monies obligated under the Grant from 3/1/75 through 7/15/77 are \$498,041. (Through 7/25/77).

II. MAJOR PROBLEMS

No severe problems to report for this period. However, there was an occurrence which caused considerable concern among staff members of both NRECA and AID, and that is what was considered to be a somewhat inaccurate report by a consulting firm concerning the effectiveness of NRECA in carrying out its objectives under the DPG (and T.O. #1). We need not elaborate here because the matter has been thoroughly discussed by all parties concerned.

Both AID and Congressional Subcommittees have expressed the need for better information on the effectiveness of projects reaching the neediest people in the developing countries. Agreeing to this need NRECA emphasized project analysis and evaluation authorized in this grant. Guidelines drawn from the U.S. domestic program provided the bases from which to launch these studies. Although a pioneering effort involving overseas electric systems, these evaluations are showing ways to improve project development and the delivery of electric services to rural poor at reasonable rates.

III. PROGRESS DURING REPORTING PERIOD

A. Review

A review of the three previous Progress Reports (March 1, 1975 through January 15, 1976; January 16, 1976 through July 15, 1976; and July 16, 1976 through January 15, 1977), show considerable progress toward achieving the objectives of the Program Development Grant. NRECA has employed and trained three professionals and a program assistant authorized under the grant. Permanent and short-term professionals have given assistance to established rural electric cooperative systems, to countries wishing to establish rural electric cooperatives or to state and/or municipal rural electric systems in 18 countries in Africa, Asia, Latin America and the Middle East.

Professional staff members have participated in 12 Management and Evaluation Seminars. During the previous reporting periods, 84 persons representing 19 LDCs were trained in Management and Operations of Rural Electric Distribution Systems. Under the DPG, the staff has developed and refined a number of papers and instruments for improving the design for the establishment of rural electrification projects and evaluating the impact of on-going projects in Lesser Developed Countries, while working with AID and others in the refinement of the same. The DPG staff has assisted the Core staff in enlarging its contacts with the World Bank, the Inter-American Development Bank and other financial institutions and development agencies who have an interest in rural development and rural electrification.

DPG staff has examined closely the impact of rural electrification on the low income and on the role of women and through their contact with the LDCs have highlighted the need for distribution systems to provide both the service and the means for these groups to benefit from the provision of electricity to rural areas.

All of the above was done and is continuing to be done to achieve the primary objectives of the DPG, i.e., to enable NRECA to expand its capabilities in the areas of management, program and project design, analysis and evaluation in order that it increases its effectiveness in program planning in the developing countries.

B. Prop and Grant Agreement

DPG and Core Staff personnel have faithfully adhered to the agreements as outlined in the Prop and Grant documents. This can be verified by reviewing our written reports and supplementary materials.

C. Measurement of Progress (Objectively Verifiable Indicators)

1. Quality of Planning for Surveys, Design Studies and Evaluations Improved.

a. Surveys

(1) George Doud's survey in Egypt, February 17 - March 11, 1977 - Follow-up of previous visit. Conferred and worked with top Ministry of Electricity Officials, Senior Officials of the Egyptian Electricity Authority, the Rural Electrification Authority (REA), and USAID Officials in Egypt, for the reorganization of the REA and the rural distribution systems organization. Extremely fruitful visit. See Trip Report, Attachment A. More detailed report in NRECA files.

(2) George Doud's survey in Iran, March 11 - 19, 1977. Met with Ministry of Energy Officials. Learned about rural electrification legislation in the Parliament. Conferred with the new Rural Electrification Authority Officials and with USAID personnel. Was enthusiastically received by all. Report, Attachment A. More details below, Section III.C, 1.b.(5).

(3) George Doud's survey in Jordan, March 19 - 24, 1977. Met with Jordanian Electricity Authority, other Government Officials and with USAID Officials. Jordan wants assistance in rural electrification. USAID willing to give assistance. Doud brought two parties together. Areas of Jordan were identified. It was proposed that NRECA work with JEA on feasibility studies, training and technical assistance. Mission agreed to fund one JEA participant in May-June 1977 USDA/REA-NRECA Management Training Program. Report, Attachment A. Doud also returned to Jordan on July 2 - 5, 1977, but found out that USAID was allocating no monies for real rural electrification, so he could see no further NRECA involvement at the present time.

(4) Jim Lay's visit to Chile, March 15 - 26, 1977. Met with Officials of USAID, FENACOPEL (The Chilean Federation of Electric Cooperatives) and visited nine of the 14 rural electric cooperatives. Also attended the Annual Meeting of the Rural Electric Cooperatives. Cooperatives want and need assistance but lack of financing continues to be a problem. If financing is forthcoming, FENACOPEL wants training and would request management assistance from NRECA. Report, see Attachment B.

(5) George Doud's survey to Ivory Coast, March 25 - 30, 1977. Continuation of previous visit to further develop NRECA working relationships with the fourteen African Countries' Association (Union of Producers and Distributors of Electricity - UPDEA) and to continue discussions with the Energy Electric of the Ivory Coast concerning plans for a country-wide rural electrification program. Both UPDEA and the Energy Electric would like NRECA assistance to develop plans for rural electrification and NRECA technical assistance in pre-engineering, engineering and feasibility studies. (Please see previous Progress Report for details on William Reed's Study for World Bank.) Report, Attachment A.

(6) Jim Lay's survey to Argentina, March 28 - 31, 1977. No visit had been made to Argentina by NRECA staff since 1969, although contact with FACE, the Argentine Federation of Electric Cooperatives, had been maintained through correspondence and international meetings. Lay met with officials of FACE, private consulting firms and with the Direccion Nacional de Energia Electrica, Rural Electrification Section. (The latter is a State Agency). At the time of the visit the various parties involved were trying to find a method of disbursing a rural electrification loan of some \$83 million (combined IDB and Banco de la Nacion - Argentine - monies.) In said loan there were no monies for membership education, power use or management assistance. NRECA sees no direct involvement in Argentina at this time, but will maintain contact with the second largest Federation of Electric Cooperatives in the world (some 600 plus members). See Report, Attachment C.

b. Design Studies

(1) Everett Bristol study in Ecuador, March 25 - 30, 1977. Purpose and Scope of Study were to provide technical assistance for the rural electrification program in Ecuador. Conclusions and recommendations included in report, copy of which was previously submitted to AID/W. Work done by Bristol led to several requests from the Ecuadorian Institute for Electrification (INECEL), the National Power Authority, for additional assistance from NRECA, but by close of reporting period no agreement had been reached for long-term assistance.

(2) George Doud worked extensively with Egyptian Officials, USAID/Cairo, AID/W & USDA, and personnel at the World Bank for the entire reporting period to develop a comprehensive manpower training and planning program for the personnel of the Ministry of Electricity, the Egyptian Electricity Authority and the Rural Electrification Authority. This led to visits by high level Egyptian Officials to the U.S. to study our rural system in more depth, training of two Egyptian Electrification personnel in May-June and plans for additional training in the fall.

(3) Jim Lay and Jim Cudney's visit to Ecuador, July 6 - 18, 1977. Jim Lay's part of visit entailed the giving of technical assistance to both INECEL and the staff of the National Polytechnic School in the design of a system to measure socio-economic impact of rural electrification and to design an instrument for future evaluations.

(4) Jim Cudney's visit to Afghanistan, May 21 - 30, 1977. Worked on preliminary plans for NRECA assistance to this country through cooperation with the United Nations Development Program.

(5) George Doud's preliminary work during survey visits and work in the U.S. culminated in a visit to Iran, June 20 - July 2, 1977 and the signing of a working agreement (sub-contract) with Parsmain Engineers of Tehran, "for certain services required for rural electric projects in Iran, as set forth in basic agreement with the Ministry (of Agriculture)..." on June 28, 1977. Doud will continue to work with Iranian Officials, Parsmain personnel and Charles T. Main in Boston to develop the design of the assistance package and NRECA's role in the various projects indicated.

c. Evaluations - Evaluation materials sent to AID/W for perusal and comments. Improvements are being made as present materials are field tested. DPG staff developing methodology to design instrument and technique to adequately measure impact on personal and family income.

(1) Preliminary evaluation reports on five functioning cooperatives sent to AID/Washington. Those reports cover the rural electric cooperatives of Santa Cruz and Ciudad Quesada, Costa Rica; and Osorno, Los Angeles and Casablanca, Chile.

(2) Phil Costas, based on his previous work in Bangladesh and the Philippines as well as his work with CFC, has assisted in the refinement of the evaluation instrument. Copies of Costas' work have been shared with AID/W.

(3) As discussed with AID/W personnel the evaluations submitted show significant impact in the areas of education, health, level of living, domestic chores, role of women, leisure time activities, public services such as street and park lighting and the provision of potable water. Impact on increased agricultural production and agro-industries in rural areas is significant.

(4) The evaluations show that the rural electric cooperatives need to be doing more in the areas of power use, membership education and most particularly the use of electricity in agriculture among the middle income farmers of the areas served. The studies also show that more training in management and operations could improve the operational efficiency of these

cooperatives. Efforts will be made to train these systems to assist rural people, including poor, to make better use of electric service.

2. NRECA reduces lead-time necessary to undertake requests from AID/W and USAIDs.

NRECA continues to reduce the lead-time it takes to undertake requests from AID/W and the USAID Missions because of increased activity in pre-development and in evaluations, contacts have been made with host country officials, AID/W and the Mission personnel prior to the time when assistance is needed.

3. Institutional capability developed so that World Bank, Inter-American Development Bank, Asian Bank, etc., requests assistance from NRECA.

- a. Numerous requests from World Banking institutions from assistance and consultations with NRECA - Liberia, Pakistan, Egypt, Ecuador and many others.
- b. James A. Cudney's work with UNDP and the Government of Afghanistan.

4. NRECA field projects as a result of design and evaluation training more efficiently and effectively implemented.

- a. George Doud's implementation of development and manpower training programs in Liberia, Egypt and Iran.
- b. Jim Lay's assistance and training in program management, operations and evaluations programs in Latin America, particularly in Costa Rica and Ecuador.
- c. Phil Costas' work in Indonesia in the pre-engineering and economic feasibility studies.

5. Other progress not specifically zeroed in on Objectives of Project Purpose but certainly part of Sector Goals and Inputs.

- a. Training of leaders in rural electric distribution systems. Some 21 persons participated in the eight-week USDA/REA-NRECA Management Seminar, many as a direct result of work by the DPG staff.
- b. Orientation of some 20 host-country officials at NRECA, REA and member cooperatives in the United States.
- c. Preparation of multi-media presentation on the history of rural electrification of Ecuador by James Cudney and James Lay at the request of INECCEL and USAID/Quito.

IV. FINANCIAL STATUS

See attached Financial Report for Status through July 15, 1977.
Attachment D.

V. FUTURE PLANS

1. Permanent staff and short-term specialists will continue follow-up contact with LDC and project evaluations will continue.
 - a) George Doud will continue working with Liberia, Egypt, Jordan, Iran and the 14-Member African UPDEA in the development and design of rural electrification plans and projects for those countries. He will also continue plans for training of host-country nationals in Management and Operations of Rural Electric Distribution Systems - particularly those from Egypt.
 - b) Jim Lay will continue evaluation of and/or management assistance to Chile, Colombia, Ecuador, Costa Rica and other Latin American Countries. Jim is also scheduled to participate in an Electrical Power Symposium in Lima, Peru in September and the 7th Bi-annual Latin American Conference on Rural Electrification to be held in Quito, Ecuador in September.
 - c) In concert with AID/W, evaluation instruments will be reviewed, revised, field tested again and updated.
2. Working closely with AID/W, we expect to combine the DPG with Task Order No. 1. Documentation and justification for this has already been given to Harold Datta.

VI. ATTACHMENTS

- A. - Summary Trip Reports - Egypt, Iran, Jordan, Ivory Coast, Liberia. George Doud
- B. - Rural Electrification Visit to Chile - Jim Lay
- C. - Rural Electrification Visit to Argentina - Jim Lay
- D. - Financial Status
- E. - Host-Country Trainees, AID-Sponsored Course, May-June 1977
- F. - DPG & T.O. No. 1 Travellers, FY July 1, 1976 - Sept. 30, 1977

1/18/78

Transmitted herewith for your general information, is the latest evaluation report prepared by the NRECA.