

PROJECT AUTHORIZATION AMENDMENT #1

Entity: Worldwide
 Project Number: 936-5738
 Project Name: Private Sector Energy Development

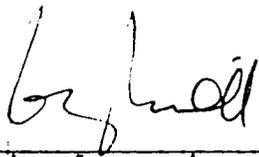
1. Pursuant to Sections 103 and 106 of the Foreign Assistance Act of 1961, as amended, the Private Sector Energy Development project, which is centrally funded, was authorized on May 15, 1989. That authorization is hereby amended as follows:

To extend the final FY of obligation from FY 1994 to FY 1996. The PACD will be extended from September 30, 1994 to August 24, 1996.

To increase of Life of Project Grant Costs from \$9,760,000 to \$21,772,000.

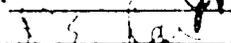
Funds authorized under Section 103 and Section 106 may be used, subject to the availability of funds and in accordance with the A.I.D. OYB/Allotment process, without regard to previously authorized dollar limits for each appropriation so long as the total authorization of \$21,772,000 for the project is not exceeded.

2. The authorization cited above remains in force except as hereby amended.

Signature: 
 Richard E. Bissell
 Assistant Administrator for
 Science and Technology

Date: 4/26/91

Clearances:

S&T/EY:JSullivan	(draft)	Date: 4/10/91
S&T/EN:JVanderryn		Date: <u>4/25</u>
S&T/PO:DSheldon		Date: <u>4/11/91</u>
GC/S&T:GWinter	(draft)	Date: 4/11/91

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number <u>1</u>	DOCUMENT CODE <u>3</u>
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2. COUNTRY/ENTITY Worldwide	3. PROJECT NUMBER <input type="checkbox"/> 936-5738
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4. BUREAU/OFFICE S&T/Office of Energy	5. PROJECT TITLE (maximum 40 characters) <input type="checkbox"/> Private Sector Energy Development
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY <input type="checkbox"/> 08 <input type="checkbox"/> 24 <input type="checkbox"/> 96	7. ESTIMATED DATE OF OBLIGATION (Under "B:" below, enter 1, 2, 3, or 4) A. Initial FY <input type="checkbox"/> 89 <input type="checkbox"/> 90 <input type="checkbox"/> 91 <input type="checkbox"/> 92 B. Quarter <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 C. Final FY <input type="checkbox"/> 89 <input type="checkbox"/> 90 <input type="checkbox"/> 91 <input checked="" type="checkbox"/> 92
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY <u>89</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(1,655)	()	(1,655)	(21,772)	()	(21,772)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Mission Buy-in				5,580		5,580
2.						
Host Country						
Other Donor(s)						
TOTALS	1,655		1,655	27,352		27,352

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ARDN	744	878		3,064		10,397		18,157	
(2) PSEE	744	878		1,448		1,615		3,615	
(3)									
(4)									
TOTALS				4,512		12,012		21,772	

10. SECONDARY TECHNICAL CODES (maximum 5 codes of 3 positions each) 840 819 710	11. SECONDARY PURPOSE CODE
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code DEL INTR BU TNG B. Amount	

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of the PSED Project is to assist in creating a favorable environment to encourage the private ownership, financing and operation of energy facilities in developing nations concentrating on the electric power sector.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY <input type="checkbox"/> 09/94 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> 08/96	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

To increase Life of Project Grant Costs from \$9,760,000 to \$21,772,000.
 To reschedule the Final FY of Obligations to FY 96 and to change the PACD to 8/24/96.

17. APPROVED BY	Signature James B. Sullivan	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
	Title Director	Date Signed MM DD YY

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR
FOR SCIENCE AND TECHNOLOGY

FROM: S&T/EN, Jack Vanderryn

SUBJECT: Extending the Private Sector Energy Development
Project (936-5738)

Problem: Your authorization is needed to amend the subject project authorization to extend the final fiscal year of obligation from FY 1994 to FY 1996 and to increase life of project grant costs from \$9,760,000 to \$21,772,000. The PACD will be extended from September 30, 1994 to August 24, 1996.

Discussion: On May 15, 1989, I authorized the funding of a six-year Private Sector Energy Development project (PSED) at \$15,340,000 in life of project costs (\$9,760,000 in S&T grant funding and \$5,580,000 in mission and regional bureau buy-ins and OYB transfers).

The PSED Project endeavors to help host countries examine and improve their national energy/power sectors by harnessing the capabilities of the private sector, as a means of creating a stronger base for economic and social development in these countries.

The demand for the services of the PSED Project from developing countries and the private sector have been substantially higher than anticipated by the initial Project Paper. The six year PSED Project is only one and one-half years old and has nearly committed all of its \$9.76 million funding.

Generally, within its first 18 months, the PSED Project has achieved over 40% of its objectives. What makes this even more surprising is that this has been done without any of the \$3.28 million of buy-ins, which were anticipated in the Project Paper and used to estimate the targeted quantity of outputs. With only 25% of its time expired, the PSED Project has completed 45% of its projected outputs of 11 conferences and seminars; 30% of its projected output of 25 feasibility studies; 50% of its projected output of six country assessments; 40% of its projected output of five special studies; 50% of its projected output of 10 technical assistance teams; 33% of its project output of nine study tours; and 100% of its projected output of one overseas regional energy consultant.

Also, the PSED Project should be expanded to emphasize two new areas: (1) contracting out and privatization of energy activities and (2) trade and investment promotion. Numerous

developing countries are requesting the PSED Project to provide technical assistance in identifying specific energy activities and services that could be transferred from the parastatal public utilities to the private sector, such as billing and revenue collection and facility maintenance/operation services. Additionally, recent changes in international and domestic markets have encouraged U.S. energy development companies, particularly in electric power equipment and services, to seek market opportunities overseas. The PSED Project needs to provide U.S. firms additional market data and market entry assistance consistent with the economic development objectives of A.I.D.

Because the private sector is a priority area of interest and demand by developing countries for assistance with private power has increased more rapidly than expected, we find the project budget projections need to be increased. A new life of project budget for \$21,772,000 is attached. In addition, we plan to award a new five-year contract with a Gray Amendment firm to perform the management and coordination of all work tasks under the PSED project and coordinate the Feasibility Study Fund.

The Office of Energy requests an extension of the project to August 24, 1996. The PACD and final year of obligation need to be extended to accommodate this five year contract. The scope of the original six-year project remains the same except for increased level of effort.

The proposed PACD does not exceed ten years from initial obligation of the project.

Recommendation: That you approve the attached PAF Amendment No. 1 extending the Final FY of Obligation from FY 1994 to FY 1996, and changing the PACD from 9/30/94 to 8/24/96, and that you approve the increase of Life of Project Grant Costs from \$9,760,000 to \$21,772,000.

Attachment:
PAF Amendment

Clearances:
S&T/EY:JSullivan (draft) Date 4-10-91
S&T/PO:DSheldon (draft) Date 4-16-91
GC/S&T:GWinter (draft) Date 4-11-91

S&T/EY:CKiser:cak:4/5/91:33320
redrafted 4/25/91

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Attachment

PRIVATE SECTOR ENERGY DEVELOPMENT PROJECT

BUDGET
(\$000)

FY 1989	1,655
FY 1990	2,857
FY 1991	3,600
FY 1992	2,785
FY 1993	3,200
FY 1994	3,200
FY 1995*	2,650
FY 1996*	1,825
TOTAL	21,772

*Budget amount for Gray Amendment contract only.

April 9, 1991

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