

PD-ABY-976

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

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RPPR II QUARTERLY REPORT

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Prepared By

NRECA INTERNATIONAL, LTD.

In Partnership With

RURAL ELECTRIFICATION BOARD OF BANGLADESH

And

USAID MISSION TO BANGLADESH

QUARTERLY REPORT FOR 01/03 TO 03/03
*Technical Assistance for Rural Power For
Poverty Reduction II Program*

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I. Executive Summary

The following serves as a summary of the progress made on various activities under each of the four Activities and the subsequent Tasks, with additional details included under section III:

Program Activity A: Planning and System Engineering

Task A.1: Service Territory Database

- Completed identification of all satellite imagery required for the PBSs in the GIS project for Program Year #1 and began the procurement process.
- Conducted presentation to selected REB's System Engineering & Design Directorate personnel and the participating consulting firms on the results of the GIS project completed during the pilot GIS project of RPPR 1.
- Participated in detailed discussions with REB concerning the establishment of a GIS Cell within REB.
- Assisted REB with the negotiation and execution of contracts with the consulting engineers to provide fieldwork for the GIS phase I project activities for Year #1.
- Conducted "kickoff" seminar/workshop with all personnel that will be involved with the field data gathering for GIS project phase I.
- Completed 95% of the field work at Pabna-2 for the GIS project.

Task A.2: PBS Short and Medium Range Planning

- Completed recruitment of Short Term Planning Specialist, and completed the contracting requirements.
- E&O Advisor made a number of field trips to the PBSs to familiarize himself with the planning and analysis needs they have. (Note: Additional similar trips were planned, but were postponed due to travel restrictions imposed with the advice of USAID that resulted from the situation leading up to the Iraq conflict.)
- Consulted with REB concerning selection criteria for PBSs that would be participating in the pilot planning project. With the concurrence of REB, selected Manikganj PBS and Dhaka PBS-1 to participate in the pilot planning project.
- Initiated preparatory activities at the two selected PBSs in anticipation of the planning and analysis projects to be commenced at their respective PBSs.
- Continued the recruitment process for a local professional Utility Engineer to support the work associated with the planning process.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Completed recruitment of short term maintenance specialist, and completed the contracting requirements.
- E&O Advisor made a number of field trips to the PBSs to familiarize himself with the unique maintenance and operations challenges they have. (Note: Additional similar trips were planned, but were postponed due to travel restrictions imposed with the advice of USAID that resulted from the situation leading up to the Iraq conflict.)
- Began the evaluation of existing line and equipment maintenance practices and potential enhancements within the PBSs visited.

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

- Per the Work Plan for Year #1, this Task is scheduled to begin in June 2003, thus there was no activity on this task during this quarter.
- Continued efforts with the ongoing search for a short-term expatriate Materials Systems Specialist who will serve as the expert for completion of this Task.
- E&O Advisor made a number of visits to some PBSs to develop a feel for the extent of the material needs of the O&M effort. (Note: Additional similar trips were planned, but were postponed due to travel restrictions imposed with the advice of USAID that resulted from the situation leading up to the Iraq conflict.)

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Continued with ongoing work in area of curriculum development with piloting testing of four programs.
- Finalized trainer and trainee manuals for a Finance program and completed Curriculum Outlines for five new programs
- Completed final draft of new Management Program and began preparation for pilot testing.
- Continued with additional work on planning for the "training needs assesment" which will be completed as part of this Task including development of training needs assesment tools.
- Completed implementation of US program for State Mininster of Power and REB Chairman involving their attendance at the NRECA Annual Meeitng in Nashville, TN and the Forum on Rural Electrification conducted in in Washington, DC.

Task C.2: Enhance Computerization in REB and PBSs

- Continued work with the REB Rates and Contract Cell in proving ongoing support for the implementation of the REB version of the Statistical Database (Form 550). Considerable progress

continues to be made in receiving the electronic version of Form 550 from the PBSs. Some of the PBSs have already started to send the Form 550 data files as e-mail attachment following the training they received on Internet usage.

- Initiated full-scale implementation of the installation and training for Exploring Internet at the PBSs. During the reporting period, the Internet software was installed at 39 PBSs and 175 employees received the related training. Participants included General Managers (39), Assistant General Managers (48), and Engineers (37).

Program Activity D: Supplemental Tasks

Task D.1: Updating Engineering and Construction Standards

- Continued to provide broad support to REB on engineering issues including equipment safety features that was investigated as safety issued..
- Advised REB on findings related to a study conducted to determine the engineering and technical impacts of the loss of neutral on many of the distribution lines in the PBSs.

Task D.2: Socio-Economic Impact Assessment

- Completed updating of computer software at four PBSs and trained 25 operators on the new system.
- Implemented the new Refresher Training course on the Baseline Data collection to PBS staff and provided training to 200 enumerators.
- Examined various PBSs as potential sites for expanded implementation of Data Base System.
- Continued dissemination of the Socio Economic Study that was completed in October 2003 including arranging Dr. Barkat's participation in the Forum on Rural Electrification conducted in Washington DC as well as meeting held at World Bank and USAID.

II. Quarterly Reporting and Overview of RPPR II Program

Background on Quarterly Reporting:

Under the terms of NRECA International, Ltd's Contract with USAID, Quarterly Reports are to be submitted to provide information as to the status of the technical assistance provided under the Rural Power For Poverty Reduction (RPPR) II Program. It should be noted that this technical assistance effort follows a similar approach as to the RPPR Program in that it is "result oriented" and is very specific in terms of what is to be accomplished during the 5-year program. Unlike earlier Host Country Contracts (HCCs) between NRECA and REB where NRECA provided overall assistance to REB in all aspects of the RE Program, the RPPR II includes only specific Activities and Tasks. For this reason, it should be understood that Quarterly Reports for the RPPR II Program will present information as to the status of these activities and will not provide the same "broad-based" reporting on the entire RE Program as was done by NRECA under the previous HCCs with REB.

Comments on various other observations made by NRECA on the overall RE Program will be included, but for the most part will be primarily related to those areas that have direct and/or indirect impact on RPPR II activities.

General Description of RPPR II Program:

The objective of the RPPR II is to continue USAID's support of rural electrification in Bangladesh by concentrating on strengthening business operations and sector management so as to ensure institutional self-sufficiency and sustainability. Ultimately, the RPPR II will support USAID's overall objectives of poverty reduction in Bangladesh. The activities undertaken by REB and NRECA during this first year of the RPPR II program will be aimed at beginning the process of strengthening management and technical capability of the a group of selected PBSs. These activities will promote credibility and viability among these entities so that IFI and MDB donor funding will continue to be available for infrastructure and ongoing technical assistance; and will assist in preparing the REB system for the changes in the Bangladesh electric industry.

RPPR Mission Statement:

"To reduce rural poverty by enhancing the capacity of the PBSs to provide efficient user-owned electric service for the benefit of the customers."

RPPR II Program Objectives:

The overall RPPR II Program will promote the sufficiency and sustainability of the RE Program as a means of ensuring that the gains made over the last twenty five years will be continued with a reduced need for foreign assistance. Specifically the RPPR Program involves the completion of the eight specific Tasks under four Program Activities that support the following four main objectives:

- ***Planning and System Engineering:*** This Activity involves the completion of two tasks, including extending the geographic information systems (GIS) to an additional seven PBSs beyond the four systems developed under RPPR; developing improved planning capabilities at REB and the consulting engineering firms serving two PBSs. These efforts will be led by a long term Engineering and Operations Advisor supported by two short-term specialists. The GIS Specialist will provide specific technical support for development of the GIS task. The Planning Specialists will provide training to the consulting engineers in advanced analysis techniques. The expertise developed from the work in these limited number of PBSs will be expanded to additional PBSs.

- **Operations and Maintenance Program:** The focus of this Activity will include undertaking two tasks - strengthening preventive maintenance programs at two PBSs and working with the REB to institutionalize maintenance materials procurement and warehousing at REB and the PBSs. This Activity will be led by the Engineering and Operations Advisor and will be supported by two short-term specialists. The Maintenance Systems Specialist will provide specific guidance on execution and planning of line and equipment maintenance tasks. The Materials Specialist will work with REB and the PBSs to streamline maintenance material acquisition and warehousing.
- **Strengthening Utility Performance:** This focus area will involve two tasks. NRECA will work to strengthen the REB training function and complete the computerization task begun under RPPR I. The effort will be guided and managed by the Team Leader. The Team Leader will be supported by two short term specialists with expertise in training and computerization. Because of the demands on the Team Leader's time and the limited funding available to support the specialists, the bulk of the responsibility for execution of both the training support and computerization programs will fall to seasoned local professionals, all of whom are long term NRECA employees
- **Supplemental Tasks:** This focus area includes Tasks of a specific nature which have been requested by REB and which do not fall into any of the categories above. One task consists of a review and updating of the engineering and construction standards in use at REB with an eye to adapting them both to changing times and to new requirements for such things as construction of primary line in densely populated urban areas taken over from BPDB. In addition, the need for a socio economic assessment of the impact on rural poverty of electrification has been recognized for some time, and this focus area will include the further institutionalization at REB of capability for evaluating such impacts. The standards review will be carried out by an Engineering Specialist under the supervision of the Engineering and Operations Advisor, while the socio economic assessment will be conducted by local professionals on NRECA's staff under the supervision of the Team Leader.

RPPR Program Elements:

- **Implementing Agency:** Rural Electrification Board
- **Duration:** Five Years: Sept 26, 2002 through September 30, 2007
- **Total Amount:** US\$ 9.69 million (Tk.56.2 crore)
- **Donor Funding:** US Agency for International Development (USAID) - Contract

Program Implementation Strategy As "Partnership"

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

III. Quarterly Status & Planning on Program Activities with Tasks

Program Activity A: *Planning and System Engineering*

Task A.1: Service Territory Database

Status as of this Quarter:

- Completed the ordering of all the satellite imagery required for the three PBSs in the GIS project for this year. The development of the landbase for Pabna PBS-2 was initiated.
- Conducted a presentation on the results of the four GIS Pilot projects for the concerned REB officers and representatives from the participating Engineering firms.
- Conducted further detailed discussions with REB concerning establishment of a GIS Cell within REB. This will include the provision of detailed data on hardware, software, staffing requirements and divisions of responsibilities between REB, the PBSs and the consulting firms.
- Assisted REB with negotiation and execution of compensation agreements with the Consulting Engineers participating in the GIS program. These are now completed.
- Conducted a "kickoff" seminar/workshop for personnel from the new participating PBSs, the Consulting Engineering firms serving the participating PBSs and concerned REB personnel from System Engineering & Design Directorate. At that time, we presented the plan for completing the "data collection" process associated with the RPPR II GIS field work.
- Began the fieldwork at Pabna PBS-2 and progressed to about 95% completion by the end of the reporting period. This included conducting the necessary field training for the staff from the consulting engineering firms (field teams), as well as began the geo-referencing of the existing facilities for Pabna PBS-2.

Plans For Next Quarter:

- Complete the GIS fieldwork for Pabna PBS-2 that was initiated in 2nd quarter.
- Initiate and complete the GIS fieldwork for Natore PBS-1 including the establishment and training of field teams and completion of all GPS data gathering.
- Begin incorporating the GIS field data from Pabna PBS 2 into the main GIS database for this PBS.
- Work with REB in developing appropriate areas of responsibilities for the concerned stakeholders – REB, PBSs, engineering consulting firms, and NRECA.
- Identify some of the preliminary training requirements for the various stakeholders.

Task A.2: PBS Short and Medium Range Planning

Status as of this Quarter:

- Completed recruitment of Short Term Planning Specialist and also completed the contracting requirements.
- E&O Advisor took some field trips to the PBSs to familiarize himself with the PBSs and determine what their greatest needs are in terms of planning and analysis. The remainder of this effort had to be postponed due to travel restrictions imposed at the advice of USAID.

- Consulted with REB in development of criteria to be used for selection of which PBSs were to be used in the pilot-planning project for RPPR II.
- Based on the agreed upon criteria, selected two PBSs to participate in the pilot planning project for RPPR II. These are Manikganj PBS, and Dhaka PBS-1.
- Initiated activities at the participating PBSs that will support the completion of the ongoing data collection (e.g., transformer cards, operational data, etc.) that will be needed for implementing the various studies associated with the planning process.
- Continued the recruitment process (including interviewing potential candidates) for a local professional Utility Engineer to support the work associated with the planning process.

Plans For Next Quarter:

- Continue visits to the selected PBSs by the E&O Advisor to explain some of the general issues concerning this project. Discuss with the PBSs the means for them to accumulate and forward to NRECA, data required for the pilot planning project.
- Conduct initial visits to the offices of the consulting engineers serving Manikganj and Dhaka PBS-1 to discuss general issues associated with the pilot-planning project, as well as to assess their computer hardware, software and technical capabilities. The E&O Advisor and concerned REB officers will complete these visits.
- Complete mobilization requirements to bring the short term Planning Specialist in for his first visit to Dhaka, and proceed with plans for implementation of the RPPR2 planning task.
- Begin developing the computer models that will be used by the Milsoft Software for performing the various engineering analyses required in the planning task.
- Develop initial training plan for this task with consideration being given to the responsibilities being assigned to the various stakeholders.
- Continue the recruitment process for local professional Utility Engineer to support the work associated with the planning task.

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- Completed the recruitment and contacting requirements for the expatriate Short Term Maintenance Systems Specialist and developed plans for his utilization with consideration having been given to security concerns due to Iraq crisis.
- Initiated the recruitment of a local professional as maintenance engineer in support of this task.
- Initial visits to a number of PBSs was conducted by the E & O Advisor to develop better understanding of the O&M activities of the PBSs and the unique challenges they face. Additional trips were planned for other PBSs but security concerns required that these be postponed due to travel restrictions imposed per the advice of USAID.
- Began the evaluation of existing line and equipment maintenance practices and potential enhancements within the PBSs visited through the following processes:
 - Interviewed PBS and REB staff;
 - Evaluated maintenance record keeping;

- Conducted initial investigations of available resources for completing advanced diagnostic techniques such as gas-in-oil analysis;
- Completed initial investigations of repair shop facilities, equipment, tools and staff at both REB and at PBSs visited.

Plans For Next Quarter:

- Continue visits to PBSs to better understand the O&M activities of the PBSs and the unique challenges they face.
- Develop initial training plan for this task.
- Complete additional visits to REB's Savar Repair Workshop to develop an understanding of the overall capabilities of this facility, as well as the skill levels of the assigned personnel.
- Make preparations to bring the short term maintenance specialist in for their first visit to Dhaka, and develop plans for implementation of the RPPR2 maintenance task. Initial planning called for the Short Term Maintenance Specialist to come to Dhaka Q2, but plans had to be revised and travel rescheduled for the early part of 4th quarter to coincide with his next availability.

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

Status as of this Quarter:

- Due to other priorities, there was limited activity on this task this quarter, and as per the Work Plan, work was not scheduled to begin on this Task until June 2003.
- Continued recruitment efforts to identify a STS having the necessary skill sets for the Materials Specialist position.
- Completed preliminary assessments through visits to some PBSs in order for the E&O Advisor to develop a feel for the extent of the needs of material for the O&M effort. These trips had to be suspended due to travel restrictions imposed at the advice of USAID.

Plans For Next Quarter:

- Note: As per the Work Plan, specific work is not scheduled to begin until June 2003.
- Begin the selection process to determine which two PBSs will participate in the pilot material supply project.
- Continue with recruitment efforts for identification of a short term Materials Specialist
- Identify some of the needed changes to related policies with regard to delegations of authority and assigned responsibility to allow for streamlined maintenance material acquisition by doing the following:
 - Conduct interviews with PBS and REB personnel to evaluate the work related to O&M materials that was completed under RPPR I, as well as the current process for maintenance material acquisition and distribution.
 - Prepare the necessary revisions to the related policies with regard to delegations of authority and assigned responsibility according to results of findings.
 - Begin preparation of a plan of action with consideration that it will require REB approval to proceed.

Program Activity C: *Strengthen Utility Performance*

Task C.1: Strengthen Training Program and Procedures

Status as of this Quarter:

- Continued with a number of ongoing curriculum development subtasks including:
 - Based on the findings of the pilot test, finalized the revisions and submitted the final copies of the following training manual to REB's Training Directorate:
 - ▣ Operation and Maintenance of OCR/ACR for Lineman (TL 040) – Bangla version)
 - Completed the pilot test of the following training manual and proceeded with the revision work which is being carried on with the assistance of the REB's Training Directorate:
 - ▣ Operation and Maintenance of OCR/ACR (Automatic Reclosers - Oil and Electronic) for Engineers (TO 220)
 - After completing the pilot test, made necessary revisions, finalized and submitted the final copies of the following manual to REB's Training Directorate:
 - ▣ REB General Accounts Manual (IF 500)
 - Proceeded with the development work, prepared and submitted "draft" training manual to REB's Curriculum Review Committee and monitored the conduction of pilot test of the following manual:
 - ▣ REB Accounting Procedures (IF 505)
 - Based on feedback from the review of the Curriculum Outline, the "draft" of the following training manuals were developed and submitted to REB's Curriculum Review Committee:
 - ▣ Management: Its Nature and Scope (IM 105)
 - ▣ Management: Its Nature and Scope (IM 106)(Note: Initiated work for translation of the above mentioned training manuals.)
 - Initiated work on the preparation of the "draft" of the Curriculum Outlines for the following training programs:
 - ▣ Repair and Maintenance of Voltage Regulator for Lineman (TL 044)
 - ▣ PBS General Accounts Manual (IF 300, IF 305, IF 310)
 - ▣ PBS Accounting Procedures Manual (IF 315)
- Initiated work on the development of the concept paper outlining the proposed strategy for conducting an assessment of training needs for the REB and PBSs and conducted initial discussions with the concerned REB Training Directorate officials. The proposed Training Needs Assessment will involve the following:
 - Evaluation of some of the major performance issues related to various REB and PBS positions and determining what activities can be addressed through training interventions.
 - Collaborative work with the concerned Training Directorate personnel in order to structure the approach in such a way as to properly ensure the required interaction with the concerned officers, supervisors, and staff of both REB and PBSs.
 - Completion of a task/job analysis of various jobs within REB and PBSs and conduct interviews with REB and a sampling of PBS staff using a series of questionnaires.

- Initiated some preliminary work on the preparation of the various elements of the Training Needs Assessment including the following:
 - Preliminary development of some of the assessment tools (e.g., job task analysis questionnaires, reporting formats, etc.) and other materials to be used for training needs assessment;
 - Researched the various resources to locate relevant materials on the development of training needs assessments in an attempt to access existing tools that would be appropriate for this particular assessment effort.
- Completed planning and successfully implemented consultations in US for officials associated with the RE Program.
 - Arranged for the participation of the State Minister for Power and REB Chairman in NRECA's Annual Meeting in Nashville and the Forum on Sustainable Rural Electrification sponsored by NRECA in Arlington, VA.
 - Arranged for Dr. Barkat of Human Research Development Centre to attend the Forum on Sustainable RE and present some of the highlights of the socio-economic Study on the impacts of RE in Bangladesh. As part of his program, other similar presentations were arranged at NRECA, The World Bank and USAID.
- In response to specific requests, provided the REB Training Directorate with various background documents related to the initial planning and preliminary feasibility investigations that were previously prepared for the proposed Training Academy.

Plans for Next Quarter:

- Continue with curriculum development subtasks including:
 - Proceed with the revision, finalization, and submission of the final copies of the following manuals to REB's Training Directorate:
 - ▣ Operation and Maintenance of OCR/ACR (Automatic Reclosers - Oil and Electronic) for Engineers (TO 220)
 - Based on the findings of the pilot test, complete necessary revisions, finalize and submit the final copies of the following manual to REB's Training Directorate:
 - ▣ REB Accounting Procedures (IF 505)
 - Conduct the pilot tests, complete necessary revisions, finalize, and submit the final copies of the following manuals to REB's Training Directorate including work on the Bangla translation:
 - ▣ Management: Its Nature and Scope (IM 105)
 - ▣ Management: Its Nature and Scope (IM 106)
 - Proceed with the preparatory work on the preparation of the "draft" Curriculum Outlines for the following training programs:
 - ▣ Repair and Maintenance of Voltage Regulator for Lineman (TL 044)
 - ▣ Repair and Maintenance of Voltage Regulator for Engineers (TO 235)
 - ▣ PBS General Accounts Manual (IF 300, IF 305, IF 310)
 - ▣ PBS Accounting Procedures Manual (IF 315)
 - Proceed with further development of the concept paper with proposed strategy for assessment of training needs for the REB and PBSs and appraise the concerned authority of REB.
- Proceed with work on various elements of the Training Needs Assessment including the following:

- Ongoing development of assessment tools (e.g., job task analysis questionnaires, reporting formats, etc.) and other materials to be used for training needs assessment;
- Initiate the planning needed for conducting a regional consultation for REB senior officials in order to investigate the Distribution Training Academy in Islamabad, Pakistan and the TBN Training Academy in Malaysia in order to examine options for the proposed REB Training Academy.

Task C.2: Enhance Computerization in REB and PBSs

Status as of this Quarter:

- Continued work on the establishment of internet communications at PBSs to support e-mail file transfers with REB and other PBSs.
 - Implemented training on Internet usage and browsing in the field which included the following PBS and REB Officials: General Managers (39); Executive Engineers/ Assistant Engineers (37); Assistant General Managers (48); Accountants/Accounts Assistants (51)
 - Organized training program on the usage of Internet for the following PBSs

Gaibanda	Rangpur-1	Bogra	Sirajganj
Joypurhat	Naogaon	Nawabganj	Rajshahi
Natore-1	Natore-2	Pabna-1	Pabna-2
Sherpur	Netrokona	Kishoreganj	Jamalpur
Bhola	Mymensingh-1	Mymensingh-2	Mymensingh-3
Bagerhat	Rajbari	Faridpur	Gopalganj
Magura	Madaripur	Meherpur	Kustia
Jhenaidah	Jessore-1	Jessore-2	Satkhira
Khulna	Barisal-1	Barisal-2	Pirojpur
Patuakhali	Jhalukathi	Shariatpur	

- Started testing Material Management software package with the real data from the Directorates of MPSS, CS&M, Procurement and Accounts.
 - A mini LAN is currently planned in the Directorate of CS&M to test the Material Management software package.
- Provided ongoing support to the Rates and Contract Cell for implementing the Statistical Database through on the job training being provided by the assigned NRECA System Analyst.
 - Worked with REB and PBSs to help ensure the softcopy (through floppy, CD and e-mail attachment) of Form 550 data from the PBSs is being sent to REB Rate Cell and support its being successfully uploaded into the main Data Base in the Rate Cell.
- Provided support and training to PBSs at NRECA offices on an as needed basis with regard to the Statistical Data Base and the Payroll software applications.
- Assisted REB Payroll Section with preparation of the Financial Budget for REB personnel.
- Completed necessary updates of the PBS Payroll application, as per discussions with REB Office Systems personnel and arrange deployment of changes to PBSs.

Plans For Next Quarter:

- Complete the installation and training on Internet usage to be conducted General Managers and other employees for the following PBSs.

Thanurgaon	Dinajpur-1	Dinajpur-2	Rangpur-2
Nilphamari	Kuri/Lalmonirhat	Cox's Bazar	Chittagong-1
Chittagong-2	Feni	Noakhali	Comilla-1
Comilla-2	Laxmipur	Chandpur	

- Continue with ongoing support for software development tasks at REB and the PBSs including the following:
 - Continue testing of Material Management software at REB HQ based on plan within REB to establish a "mini-LAN" with participation of the four participating Directorates (Accounts; Material Planning Standards & Specifications; Procurement; and Clearance, Storage & Movement)
 - Provide support and training to PBSs at NRECA offices on an as needed basis with regard to the Statistical Data Base and the Payroll software applications.
 - Assist with ongoing deployment of REB version of Statistical Database in REB Rates and Contract Cell and continue with on-the-job training for REB staff.
 - Continue working with REB and PBSs to help ensure the softcopy of Form 550 data from the PBSs is being sent to Rate Cell and support its being successfully uploaded into the main Data Base in the Rate Cell.
- Continue to support the ongoing development of the REB Computer Cell and provide direction for the utilization of the World Bank funding for the installation of the LAN/WAN at the headquarters.
- Initiate development of a plan to begin the *evaluation of the current level of* computerization at REB and the PBSs, especially with respect to the extent that computerization has streamlined business operations. This will be incorporated into the development of an overall IT strategy for the RE Program.
- Establish advanced security feature in the PBS Statistical Database (Form 550) software package with restricted privileges to different levels of users in the PBSs and train the relevant personnel on how to use it.
- In response to a request from REB, initiate work on the design and development of a software package to maintain records of PBS equipment. This effort will be useful in supporting a number of the RPPR II Tasks (e.g., GIS, Short and medium-range planning, and Improving O&M Practices). For this purpose visit some PBSs and discuss with the relevant REB officials
- In response to REB's request, initiate the design and development of a software package for managing the transactions associated with the Revolving Fund of REB.
- Deployment of Payroll software package in the following PBSs.

Shariatpur	Bagerhat	Rajbari	Faridpur
Gopalganj	Magura	Madaripur	

Program Activity D: *Supplemental Tasks*

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

Status as of this Quarter:

- Participated in meeting with REB on findings related to a study conducted to determine the engineering and technical impacts of the loss of neutral on many of the distribution lines in the PBSs and the potential options for resolving the problems associated with it.
- Continued to provide broad support to REB on various engineering issues including equipment (ACRs) safety features that was investigated an accident and concern over safety.
- On behalf of REB, continued investigations related to significant changes in the ratings of the Australian Slash Pine species that are being proposed for use as wooden pole in RE Program in order to determine if change can be properly substantiated. Process included a complete review of the REB Specifications for wooden pole. This review identified concern that was expressed in writing to REB about the change in the methodology used for determining CCA retention requirements from the previous "weight per unit volume" to a "weight/weight" method.

Plans For Next Quarter:

- Complete the report on recommended system changes required to deal with neutral theft based on the field assessment work that was completed during RPPR I and which has already been discussed with REB.
- Examine the issues initially raised by World Bank regarding its interest in having NRECA's assistance to support the establishment of standards and specifications to help resolve problematic issues (e.g., meter installations, etc.) that are becoming more widespread due to the PBS takeover of "pockets" and load centers from BPDB under the new World Bank project.
- As part of standard practice, advise and assist REB regarding engineering related issues in support of ongoing changes in equipment and new technology that requires a review prior to making changes in equipment specifications and standards.
- Being that the issue has not yet been resolved, continue to work with REB to resolve the questions related to the wooden pole specifications and implications associated with the Australian Slash Pine species and the methodology for determining CCA retention requirements.

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

Status as of this Quarter:

- Continued support to PBSs for implementing the Socio-economic Baseline Database System.
 - Conducted a two-day "refresher training" program on the Socio-economic Baseline Database System at seven different PBSs, for 200 enumerators (includes 18 new) from PBS head offices & Zonal offices:

- Completed installation of the revised Data Entry Program in 17 computers of four PBS and their 13 Zonal offices and trained 25 operators on the Data Entry Operation.
- Participated in various meetings with a number PBS's General Managers, Assistant General Managers-Member Service, Deputy General Managers, REB's Executive Director and Deputy Director-SEMEC and discussed the current status of the socio-economic baseline data collection (quantitative and qualitative, including the reliability of data)
- Completed preliminary selection of thirteen(13) PBSs, in consultation with relevant officials of REB, for extension of the Socio-economic Baseline Database System to additional PBSs in different geographical locations of the RE Program.
- Continued to work with REB, HDRC and concerned donor agencies for further dissemination of the findings of the Economic and Social Impact Evaluation Study(ESIES).
 - Provided a number of hard copies of the ESIES report and 100 CDs including to the NRECA office, Arlington, USA. Copies of the CDs were made with some having only the Study Report, while others contained both the Report and the data.
 - Worked with HDRC and others to support presentation of Study findings at NRECA's Forum on Sustainable RE as well as a briefings held at the World Bank and USAID in Washington, DC.
 - Met in discussions with the visiting consultants regarding findings of the ESIES report, particularly to JBIC.
 - Initiated preliminary planning for a Conference on the finding of the Socio-Economic Assessment Study that was completed in October.
- Participated in new initiative undertaken by USAID to conduct sessions with other USAID partners as part of a program involving the Bangladesh Islamic Foundation.
 - Facilitated a 1½ hours presentation on the RE Program to 100 Immas at the Immam Training Academy in Chittagong and organized a half-day visit Chittagong PBS-1.

Plans For Next Quarter:

- Proceed with installation of the revised SE Baseline Data Entry Program/Software to remaining 20 computers in 3 PBS head offices and 17 Zonal offices which includes training of at least one staff of each office.
- Evaluated the TOT materials on the SE Baseline Database System and prepare necessary revisions to make the materials more appropriate and effective for the target populations.
- Consult with REB for the final selection of additional 9 PBSs from the 13 previously selected for expanding the SE Baseline Database System.
- Provide support to requests by the concerned General Managers for assisting them with the required training, etc that is needed for the implementation of the data gathering system.
- Continue to provide appropriate feedback to PBS officials including the General Manager(s) and AGM(MS) about progress in SE Baseline data collection (quantitative and qualitative) and provide support as needed.
- Continue to interact with REB's Socio-Economic Monitoring & Evaluation Cell (SEMEC) about progress in SE Baseline data collection and to support to the overall development of the SEMEC.
- Continue to assist with the dissemination of information regarding the major findings of the Study.

- Work in collaboration with USAID, REB and HDRC to plan the upcoming conference on ESIES findings that is expected to be held in either June or July.

IV. Quarterly Status & Planning of Project Management For RPPR II

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Continued ongoing work with REB in development of new TAPP for RPPR II that will require review and approval by Ministry, Planning Commission, and others.
 - At the request of REB's Program Planning Director, participated in a meeting with the concerned personnel within the Ministry regarding the TAPP that had been submitted earlier by REB.
- The Arlington office continued with recruitment and processing of candidates for the various short-term positions.
 - Completed the processing of the following short-term specialists: Planning Specialist and the Maintenance Systems Specialist.
 - Recruitment efforts identified a suitable candidate for Computer Systems Specialist.
 - Work continued for recruitment of the Materials Management Specialist, and the Training Specialist.
- Dhaka Office conducted interviews of several candidates for the two Engineering positions, however no adequately qualified candidates have yet been identified.
- After consultation with USAID, the Dhaka office completed the procurement and installation of modular office units for improving the work environment and staff productivity in the office areas used by the Computer Team.
 - Based on the results of these installation, it is expected that consideration will be given to equipping the Training and the Engineering sections in a similar manner.
- Initiated the procurement action for equipping the Dhaka office with new computer equipment that will improve efficiency and effectiveness of the staff.
- Continued with investigations of various potential medical insurance providers for incorporating this coverage for local staff. These investigations involved communications with various providers as well as customers of these various providers.

Plans for Next Quarter:

- The Arlington office will complete processing of the following short-term specialists: Planning Specialist, Maintenance Systems Specialist. Recruitment efforts will continue for selection of Computer Systems Specialist, Materials Management Specialist, and Training Specialist.
- The Dhaka office will continue recruitment efforts to find suitable candidates for the two local engineering positions.
- Continue with procurement and required installation actions for new computer equipment (CPU's, monitors, UPS, laptops, etc.) for Dhaka office.
- Based on results of modular office units in Computer Section, the Dhaka office will pursue the procurement and installation of modular office units for improving the work environment and staff productivity in the office areas used by the Training Team and the Engineering section.
- Continue with earlier investigations of potential medical insurance providers for incorporating this coverage for local staff including consultation with USAID/Embassy and other NGOs.

V. Brief Summary of Related Observations & Other RE Activities

Key Operational Information

The following table reflects key operational information regarding the sixty seven (67) commercially operating PBSs included in the RE Program for the months of December, January, February, and March as contained in the selected REB Management Information System (MIS) Reports:

Description	Dec 2002	Jan 2003	Feb 2003	Mar 2003	Change - 3 Mos Per'd
System Loss (12 mo. Avg.)	17.15%	17.40%	17.35%	17.44%	+0.29%
System Loss (this month's Avg.)	18.63%	17.42%	12.53%	17.26%	-1.37%
Percentage of Collection (12 mo. Avg.)	97.18%	96.25%	96.55%	96.82%	-0.36%
Percentage of Collection (this mo. Avg.)	98.33%	101.86%	88.68%	106.71%	+4.85%
Accounts Receivable (# mo. Outstanding)	2.42	2.44	2.44	2.38	-0.04
Total Villages Energized	37,101	37,283	37,441	37,723	+622
Number of New Meter Connections	72,873	53,436	39,333	37,203	+129,972
Total # of Meters Connections	4,435,717	4,489,192	4,528,525	4,565,728	+130,011
Total Km of Energized Line	149,935	150,752	151,561	152,451	+2,516
MWH Purchased YTD - % of chng last yr.	24%	25%	24%	23%	--

- As of the end of the reporting period (March 2003), the operational statistics for the 67 energized PBSs continue to reflect that the overall RE Program shows significant expansion with 130,011 *new connections* made during this reporting period. This averages out to 43,337 per month or 1,699 per work day based on an average of 25.5 day working days/month. As part of this ongoing expansion, 622 *new villages* received electric service. Also, the total amount of *energized line* increased by 2,516 km during these three months for an average of 839 km/month or 32.9 km/day for an average 25.5 work days/month.
- As of the end of the reporting period, the overall *12-Month Average System Loss* for all 67 operating PBSs decreased slightly by 1.37% over the three-month reporting period. As noted in previous reports with the process of taking over of lines and facilities from BPDB and DESA continuing, the increases in losses are to be expected for a period of time and will require continued monitoring by REB and joint efforts to bring these new areas under control in order to bring the losses down to appropriate levels. Conscious efforts to monitor system loss must be made in order to continue to contribute to the Program's ability to have positive results in this indicator. While there continues to be steady improvements for some PBSs with large takeovers (particularly Dhaka II, Munshigonj and Narsingdi I), there are some (e.g., Cox Bazaar, Mymensingh 2, etc.) that are still struggling to bring higher losses down to acceptable levels. The pattern of a lower losses is a positive sign that loss reduction efforts are

working in some of the PBSs. Efforts to control system loss must remain a priority item for all PBSs. As noted in an earlier report, the extensive takeovers are being implemented under the new World Bank/IDA and these will require a significant effort to control the losses in these new areas.

- There was a reduction of 1.37% in the *Average Monthly System Loss* for the reporting period which bringing this statistic to 17.26%. This figure indicates a break in the previous trend of slight increases over the past several months. As was noted under comments for *12 Mos. Average for System Loss*, several PBSs have losses that are well above the acceptable levels and proper attention must be given to assist these PBSs with corrective action.
- The overall *Percentage of Collection (12 mos average)* shows a slight decrease of 0.36% dropping down to 96.82%. However this decline in overall percentage does not reflect the 4.85% improvement for the *Percentage of Monthly Collection (this month Average)*, which moved to 106.71% , which is an improvement of 18.03% above February's collection rate of only 88.68%,
- The total *Accounts Receivable* showed a very slight improvement of 0.04% during the reporting period thus resulting in a total to 2.38 months outstanding as of March 2003. As mentioned in previous reports, further progress on this indicator is expected due to this being an issue that was raised by the World Bank/IDA to the GOB over accounts receivable payments pending with GOB offices and religious institutions. These non-payment of these bills should not become a burden to the PBSs, particularly some of the ones that are struggling to attain financial viability.
- Another indicator that identifies positive growth is the one related to *MWH Purchased Year to Date*. The continued growth in demand is reflected by the monthly increases for the three months of the reporting period showing increases of 25%, 24% and 23% for each of the respective months in the reporting period. These figures represents the percentage of positive change in the total number of MWH purchased for the year when compared to the same period in the previous year. These increases continue to document some of the findings of the October 2002 "Economic and Social Impact Assessment" related to increased economic activities due to having electric service in rural areas.

Other Related Activities and Relevant Information

- NRECA Continued as active member of RE Donors' Group that has been formed to improve donor coordination in RE Sector and also participated in the LCG's meeting that was held in early February.
- In support of the RE Donors' Group, worked as Committee member along with representatives from the Netherlands, DFID, and Norwegian Embassy to develop the initial draft of the TOR that outlined the functioning of the Donor Group, which would in turn be discussed and agreed upon by other representatives within the Group.
- In addition to its participation in regular RE Donor's Group, NRECA staff participated in meetings with representatives from JBIC and the World Bank.
- Continued involvement with RE Donors and participation various meetings with representatives from The Netherlands Embassy and USAID regarding development of Terms of Reference related to technical assistance that would be funded by their Development Corporation and delivered by NRECA International Ltd. Dhaka. This worked involved in development of a formal description as to the how this TA Fund would function.
- Participated in regularly scheduled meetings of USAID's Energy Team contractors that are now being

held at the Mission.

- At REB's specific request, continued with NRECA's representation on the REB Revolving Fund Committee that meets on monthly basis to review loan requests from the PBSs and provide general management of the Fund. Some of the key actions included the following:
 - Worked jointly with REB personnel to finalize the procedures for administration of the Fund and for loan accounting in preparation for review by the REB management.
 - Continued work with REB Finance personnel to improve the loan accounting procedures for the Fund.
- Worked with REB's Program Planning Directorate for making necessary revisions to the original RPPR II TAPP that resulted from participating in meeting with Ministry personnel. These revisions included changes to both the narrative portion, which described the overall program with Activities and Tasks from the approved Scope of Work, as well as the presentation of the budget information taken from the approved budget that was included in NRECA's contract. This submission also involved the development of a summary of accomplishments made during the RPPR I Program.

Quarterly Report Exhibits

A. Implementation Schedule

The Implementation Schedule presented in this Quarterly Report reflects the Annual Work Plan for the RPPR II Program prepared for Year #1.

The Implementation Schedules have been developed using *Microsoft Project* in order to monitor progress and modify as necessary. Subsequent Quarterly Reports will reflect progress on each activity and the various subtasks

EXHIBIT - A

**IMPLEMENTATION SCHEDULE
With Focus on Year #1**

RPPR II First Year Workplan and Implementation Schedule

ID	Task Name	2003											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
44	Support REB training academy development												
45	Curriculum development improvement program												
46	Regional & other training tours												
47	Task C.2: Enhance Computerization Program												
48	Computerization assessment report												
49	Implementation plan for HQ LAN												
50	Continue application software development at PBSs												
51	Develop exit strategy for NRECA computerization support												
52	Evaluate internet communications between HQ and PBSs												
53	Activity D: Optional Programs												
54	Task D.1: Engineering and Construction Standards												
55	Recommend system changes required to deal with neutral theft												
56	Review distribution construction standards												
57	Review equipment specifications												
58	Task D.2: Socio Economic Impact Assessment												
59	Baseline data collection												
60	Strengthen monitoring and socio-economic analytic capability at REB												

2 Project: RPPR II Date: September 2002	Task	Summary	Rolled Up Progress	Project Summary
	Progress	Rolled Up Task	Split	Group By Summary
	Milestone	Rolled Up Milestone	External Tasks	

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