

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

USAID Contract No. 388-C-00-02-00124-00
USAID Project No. 388-0287-06

RPPR II QUARTERLY REPORT

1 April 2005 Through 30 June 2005

Prepared By

NRECA INTERNATIONAL, LTD.

In Partnership With

RURAL ELECTRIFICATION BOARD OF BANGLADESH

And

USAID MISSION TO BANGLADESH

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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 the entire GIS projects for Dhaka-1, Natore-1 and Pabna-2 PBSs and submitted final reports on each of these projects to REB and the concerned PBS.
- Initiated and completed GIS field survey work at Nilphamari PBS.
- Initiated and completed the integration of the transformer record card data into the GIS database for Tangail PBS.
- Completed the satellite imagery processing for the service territory of Tangail PBS for incorporation into the initial GIS database.
- Continued to provide hands-on GIS training for PBS consultants' staff at NRECA offices
- Completed processing field data for Tangail PBS related to development of its GIS database

Task A.2: PBS Short and Medium Range Planning

- Revised PBS policy 100-23, System Plan and Construction Work Plan for Electric Distribution System and submitted to REB for approval.
- Completed what we consider as the "production" version of the transformer section of the Equipment Record Card (ERC) software package
- Continued to assist PBSs in the implementation of the engineering & operations record update process including support to the PBSs, which have begun using the newly developed customized "Electronic Record Card" (ERC) software.
- Continued to support Manikganj PBS's effort to complete the updating of transformer records since updated data will be necessary to update the previously developed Construction Work Plan

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Continued follow-up with REB on the approval of the proposed revisions of the two main PBS Maintenance Guidelines (PBS Policy Instruction 100-29 (Substation Operation, Inspection and Maintenance Manual) and 100-30 (Distribution Operation, Inspection and Maintenance Instructions), which were previously submitted to REB.

- Conducted a seminar for the concerned REB/PBS personnel in order to appraise them on the status of the maintenance work after the completion of the "hands-on maintenance" training in 37 substations at the pilot maintenance PBSs

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

- Assisted REB/PBS officials with the procurement of local purchase materials required for the next season of annual substation maintenance at the three pilot-PBSs under Task B.1.
- Assisted REB/PBS officials with the re-tendering process for maintenance materials required for the PBS substation maintenance activities that will be beginning in November under Task B.1
- Continued the review and refinement of the existing OMRR policy in light of the most recent experience with tendering for the OMRR materials for Task B.1.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Completed the task of developing Training Manual on Equipment Record Card (ERC) for the PBS Technical Personnel and a comprehensive "Guidebook on the Use of ERC Software" for the Data Entry Operators and users of this software
- Initiated work of developing Training Manuals on Operation, Maintenance and Repair of Transformer for Engineers, Technicians and Lineman (TO 230, TO 232, TL 042) and monitored the REB responses after submitting the first draft Curriculum Outline
- Continued with the translation of training manual entitled Training of Trainers (TOT) Course with which has a special emphasis to Instructional Techniques (Expansion of REB Course IM 275)
- Submitted the revised draft on suggested corrections on the REB Materials Accounting Policy to get it approved by REB concerned authority in order to develop the training manual on REB Material Accounting Procedure (IF 520).
- Continued the work of developing training manual on Understanding Financial Reports (IF 335) meant for the PBS General Managers and Board Members
- Developed curriculum outline and reference materials, organized and facilitated the Participatory Workshop entitled "Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment" held during May 29 to June 02, 2005
- Participated in the development of communication toolkit for Good Governance Initiative developed jointly by seven USAID-financed technical assistance projects having objective of improving local governance by empowering local citizens and making them active partners in determining the use and allocation of resources in their areas.

Task C.2: Enhance Computerization in REB and PBSs

- Continued with the on-going software development, deployment, field-test, debugging, fine-tuning activities of the CIS software package. The specific tasks accomplished during this quarter include
 - Organized CIS software demonstration for the senior REB and PBS management
 - Held numerous meetings/discussions with relevant REB personnel to finalize the PBS Electricity Bill Format.
 - Conducted a test printing of bills at Mymensingh PBS 3 and completed other field testing of the software.
 - Completed the MS-ACCESS screens to capture/enter the required basic data into the CIS database for use in next eight PBSs scheduled for CIS implementation
- Updated the ERC software modules as required in support of the Engineering and Planning Tasks being implemented under RPPR II
- Continued to provide ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

Program Activity D: Supplemental Tasks**Task D.1: Updating Engineering and Construction Standards**

- A Short Term Engineering Specialist was brought to Bangladesh to complete his initial assignment related to the development of standard criteria for determining whether to reuse (as is), repair, or replace substations and distribution lines and equipment "taken over" from the BPDB
- Developed a rough draft of PBS policy # 100-61 concerning the renovation of taken over substations and power lines

Task D.2: Socio-Economic Impact Assessment

- Conducted the four Refresher Training courses in the offices of PBSs participating in the socio-economic baseline data collection system
- Participated in a three-day Imam Orientation Course under the USAID-funded Leader Outreached Initiative (LOI) Program being implemented by the Asia Foundation
- Carried out intensive follow up of the baseline data collection activities by the participating PBSs
- Continued with the ongoing collection of actual stories related to positive socio-economic impacts for individual PBS consumers stemming from their having access to electricity.

II. Quarterly Reporting and Overview of RPPR II Program

Background on Quarterly Reporting:

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

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

General Description of RPPR II Program:

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

RPPR Mission Statement:

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

RPPR II Program Objectives:

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

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

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

RPPR Program Elements:

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

Program Implementation Strategy As "Partnership"

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

III. Quarterly Status & Planning on Program Activities with Tasks

Program Activity A: *Planning and System Engineering*

Task A.1: Service Territory Database

Status as of this Quarter

- Completed the GIS projects in their entirety for Dhaka-1, Natore-1 and Pabna-2 PBSs, including the final reports submitted to REB, PBSs and RE consulting firms
- Initiated and completed GIS field survey work at Nilphamari PBS
- Initiated and continuing the integration of the transformer record card data into the GIS database for Narsingdi PBS 1.
 - The data found to be lacking on some feeders and returned to the PBS Consultant
- Initiated and completed the integration of the transformer record card data into the GIS database for Tangail PBS.
 - It should be noted that the transformer data provided by Tangail PBS far exceeded the completeness and accuracy of data provided by any other PBS that has participated in the GIS project thus far. This greatly reduced the time requirements for this portion of the project and will lead to early completion of the entire project at Tangail PBS
- Completed the satellite imagery processing for the service territory of Tangail PBS for incorporation into the initial GIS database.
- Completed processing field data for Tangail PBS for development of its GIS database
- Initiated and continued with the satellite imagery processing for the service territory of Nilphamari PBS for incorporation into its initial GIS database.
- Initiated the integration of transformer record card data into the GIS database for Nilphamari PBS.
- Continued with ongoing GIS training of PBS Consultants staff at NRECA offices

Plans for Next Quarter

- Complete the integration of the transformer record card data into the GIS database for Narsingdi PBS 1
 - This is contingent on being provided with sufficiently complete and accurate data by the PBS in a timely manner.
- Complete the satellite imagery processing for the service territory of Nilphamari PBS for incorporation into its initial GIS database
- Complete the integration of transformer record card data into the GIS database for Nilphamari PBS.
 - This is contingent on being provided with sufficiently complete and accurate data by the PBS in a timely manner.
- Complete economic viability analysis of Narsingdi-1, Tangail and Nilphamari PBSs
- Complete the GIS project in its entirety for Tangail PBS.

Task A.2: PBS Short and Medium Range PlanningStatus as of this Quarter

- Completed the final draft the revision to PBS Policy Bulletin 100-23, System Plan and Construction Work Plan for Electric Distribution System and submitted to REB for approval/comments.
- Continued with the implementation of the Equipment Record Card (ERC) system and software in a number of PBSs including the following:
 - Completed what NRECA considers as the "production" version of the transformer section of the Equipment Record Card (ERC) software package (Note: This software is expected to receive minor revisions annually. Other sections on power transformers, capacitors, voltage regulators, meters, and automatic circuit reclosers will be added to the database at a later date)
 - Continued to assist PBSs with the implementation of the engineering & operations record update process including the use of the newly developed "Equipment Record Card" (ERC) software package.

Installed updated version of ERC software in five PBSs where the earlier version was previously in use.
 - Followed up on the Data Flow Process in the PBSs and the use of the Training Manual on ERC software
- Continued to assist Manikganj PBS in implementation of the procedures to keep their Engineering & Operations records current and complete in preparation for doing an update of their Construction Work Plan.
 - The updated Construction Work Plan requires updated data
- Input the initial transformer data into ERC software for Manikganj PBS.
- Consulted with REB and selected Tangail PBS as the second PBS to participate in the RPPR II Planning Task.
- Submitted to REB for signature of the "Trilateral Agreement" duly signed by other two parties related to the use of the available MilSoft software packages by ECBL, REB and NRECA
- Introduced and trained Tangail PBS personnel the use of Varcorder Meter and Simple Data Logger for monitoring feeder load and voltage variation over a period of 24-hours
 - This data will be helpful in developing the computer model of the Tangail PBS power distribution system for various analyses necessary during preparation of their Construction Work Plan under the RPPR II Program
- Initiated the development of a transition plan to take the participating PBSs from the current process of using the Master Plan to using the 3-year Construction Work Plan process that is described in the existing PBS Policy 100-23 (System Plans and Construction Work Plans for Electric Distribution Systems)
 - Because the 1979 REB approved PBS Policy 100-23 has in actuality never been followed in all respects, NRECA is working with REB in the development of a transition plan that will bring the pilot PBSs involved in this RPPR II Planning Task

into proper compliance with this established PBS Policy

Plans for Next Quarter:

- Continue to work with the development of a transition plan from current practice of following Master Plan to following the Construction Work Plan as per Policy 100-23.
- Continue to advise and assist Manikganj PBS regarding their efforts to properly implement the procedures to keep their Engineering & Operations records current and complete in anticipation for requiring accurate data for updating their Construction Work Plan.
- Continue with the Electric Record Card (ERC) implementation including the following.
 - Install production version of ERC software in the seven PBSs where the earlier version is currently in use.
 - Follow up on the Data Flow Process in the PBSs and the use of the Training Manual on ERC software.
 - Conduct a training workshop for the Data Entry Operators of PBS consultants using the production version of ERC software
- Follow-up with REB for obtaining the necessary signatures and facilitate the execution of the "Trilateral Agreement" related to the use of the available MiSoft software packages by ECBL, REB and NRECA.
 - This software will be used by ECBL during the training period that is related to development of the updated Construction Work Plan, which is part of the integrated planning methods being demonstrated at Manikganj PBS
- Collect load and voltage variation data over a period of 24-hour for all the 11KV feeders (25 Nos.) of Tangail PBS

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter

- Conducted a seminar for the concerned REB/PBS personnel concerning substation maintenance.
 - The purpose of the seminar was to appraise seminar participants on the status of the maintenance programs at the PBSs that had observed by NRECA, and also to discuss the benefits of the current maintenance practices that are being introduced at the PBSs that are participating in the pilot maintenance project of RPPR-II
 - At total of thirty-seven substations were maintained during the "hands on" maintenance training that took place during the past maintenance season (Nov 04 to Mar 05)
- Continued follow-up with REB on the approval of the proposed revisions of the two main PBS Maintenance Guidelines (PBS Policy Instruction 100-29 (Substation Operation, Inspection and Maintenance Manual) and 100-30 (Distribution Operation, Inspection and Maintenance Instructions)) which were previously submitted to REB

- Continued the search for a firm specializing in testing and maintenance of protective relays to test and calibrate the relays in the "taken over" substations of the three PBSs participating in the Pilot Maintenance Program of RPPR-II
 - These "taken over" substations contain equipment that is very different than the equipment found in the traditional outdoor substations of the PBSs

Plans for Next Quarter:

- Evaluate the impact on RPPR II Task B.1 and B.2 with respect to Narsingdi PBS-1 having been split up with a portion of its territory being included under the newly formed Narayanganj PBS.
 - The newly formed PBS will now have 16 out of total 22 substations with Narsingdi PBS 1 being left with only six of their original 28 substations
 - Given the scope of these changes, a determination will be made in conjunction with REB as how best to accommodate these changes under the substation maintenance program
- Coordinate with REB to initiate planning for the upcoming substation maintenance program at the pilot PBSs and monitor progress of maintenance material procurement under Task B.2
- Continue the search for a firm specializing in the testing and maintenance of protective relays
 - The current plan involves locating a qualified firm capable of doing this work, observing their work at the three pilot maintenance PBSs and then recommending to REB that this is the best option for them to improve the relay testing and maintenance being done at their taken over substations

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

Status as of this Quarter:

- Continued the review and revision of the existing OMRR policy and continued working in consultation with REB and PBS personnel to identify provisions of the policy that still require further revision, particularly in light of the recent experiences, in order to make the policy more comprehensive and effective based on the current situation
- Advised and assisted REB/PBS officials with the procurement of materials from local vendors required for the annual maintenance program at substations in the three pilot PBSs that will begin during the month of November.
- Advised and assisted REB/PBS officials with the process of re-tendering for the balance materials, which are not likely available in local market, but would still be required for the substation maintenance in these three pilot PBSs.
- Initiated planning of the work to be accomplished for the short-term Materials Specialist who will be on assignment during the upcoming quarter

Plans for Next Quarter:

- Continue to focus efforts to assure that as much of the OMRR material as possible will be purchased and made available by the pilot PBSs during the substation maintenance

training that will be conducted by the ST Maintenance Specialist during Nov-Dec '04, and the following February.

- Offer assistance to the three pilot maintenance PBSs as various options are explored in support of efforts to properly organize and store the OMRB material in their warehouses.
- Approach RED to sort out problems of substation maintenance material procurement in view of roll-up of Nanning PBS 1 as described under Task B.1.
- Continue to gather relevant information related to problems arising within RED and PBSs with respect to the implementation of the OMRB policy and seek solutions to the identified problems, as well as other information that will support improvements in both practice and in the content of the OMRB Policy Instructions.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

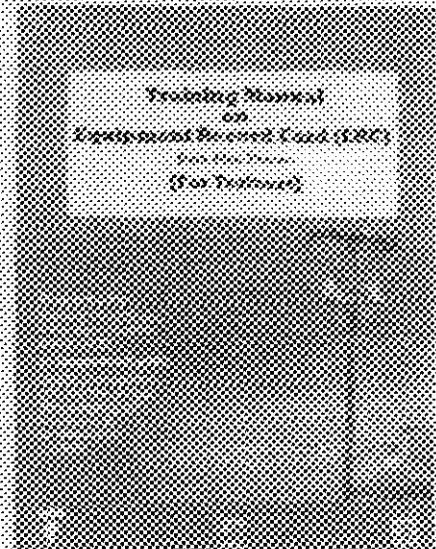
Status as of this Quarter

- Continued with following curriculum development activities in consultation with the concerned personnel of RED's Training Directorate:

- Finished and submitted the curriculum materials (Frames and Frames Manual) for the following training program intended for the concerned personnel of PBSs who are associated with the maintenance and record keeping of various electrical equipment (e.g. transformer, OLR, M.B., Voltage Regulators etc. used in PBSs).

- Equipment Record Card (ERC) Software and Data Flow Techniques

(Note: In addition, a comprehensive Guidebook on the operation of the customized software has also been developed and submitted to RED to be used as the "desktop guide" for the users of the software)



Desktop Guidebook

Use of Equipment Record Card (ERC) Software

Project: Strengthening Electric Distribution
 Activity: Training
 Title: Equipment Record Card (ERC) Software and Data Flow Techniques
 Date: 2005-06-30



- Proceeded with the task of developing training manual of the following training programs and continued to monitor the progress of actions undertaken by REB Training Directorate for organizing the Curriculum Review Committee meeting on the Curriculum Outline of the same:
 - ≡ Operation, Maintenance and Repair of Transformer for Engineers (TO 230)
 - ≡ Operation, Maintenance and Repair of Transformer for Technicians (TO 232)
 - ≡ Operation, Maintenance and Repair of Transformer for Lineman (TL 042)
- Proceeded with the work for developing training manual on the following training program after receiving comments and recommendations from REB Curriculum Review Committee on its Curriculum Outline
 - ≡ Material Accounting for Assistant Directors (Finance) and Accountants of REB (IF 520)

(Note: As it has been identified that development of this training manual needs a precedence of some relevant modification in REB Instructional Series and Policy, extensive review of the same has been undertaken thorough consultations with REB concerned authority. Accordingly, draft recommendations has been submitted to REB for modification of the REB Material Accounting Policy in this quarter)
- After receiving recommendations from REB Curriculum Review Committee, proceeded with the task of developing following curriculum materials for the following program which is meant for the General Managers and Board Members of PBSs for their efficient contribution in cooperative management
 - ≡ Understanding Financial Reports (Form 550) (IF 335)
- As per REB's specific request, proceeded with the task of translating draft training manual on the following training program
 - ≡ Training of Trainers (TOT) Course with Special Emphasis to Instructional Techniques (A Further Extension of the REB Course IM 275) for the REB and PBSs employees who act as trainers in the training events
- Proceeded with finalizing the draft report on the Training Needs Assessment (TNA) of employees of REB and the PBSs
- Participated in the development of communication/training toolkit for Good Governance (Project name: The Shoshashoner Annesonnay - Bangla translation for "Zone of Good Governance") Initiative, which was developed jointly by seven USAID-financed technical assistance projects with the overall objective of improving local governance by empowering local citizens and making them active partners in determining the use and allocation of project-related resources in their areas
- Developed curriculum outline and reference materials, organized and facilitated Participatory Workshop entitled "*Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment*" during May 29 to June 02, 2005 which includes a review of the roles and responsibilities in view of the changing situation of the RE Program in Bangladesh, as well as enhancing their leadership capabilities and skills
- There was excellent participation from the GM during the numerous discussions and small group activities conducted as part of the Workshop

- The Chairman and all Members attended the Workshop's final session where the GMs made presentations of their recommendations with respect to various issues that were included as part of the Workshop which also provided an opportunity for an open exchange of ideas on these key issues
- The GMs provided positive feedback about the relevance of the Workshop and expressed interest that more such events be scheduled

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

- Contributed in the development of graphical work in support to different components of RPPR program including:
 - Cover design for PBS Instruction 100-23 (System Plan and Construction Work Plans for Electric Distribution System) prepared by NRECA in consultation with REB and PBS personnel for submission to REB for formal approval
- Continued with further revisions to the draft Training Needs Assessment (TNA) of the employees of REB and the PBSs
 - The Short-Term Training Specialist, Dr. Dupont provided some additional information relevant to the development of PBS Board and Management with is relevant for the Training Needs Assessment.
- During the reporting period following number of participants were involved in various training programs arranged by REB, PBS and NRECA

Month	Organization	Male	Female	Total
April 2005	REB/PBS	370	82	452
	NRECA	98	7	105
May 2005	REB/PBS	366	197	563
	NRECA	5	6	11
June 2005	REB/PBS	341	122	463
	NRECA	19	0	19
Total		1,199	414	1,613

Plans for Next Quarter

- Continue with curriculum development subtasks including
 - Proceed with the task of developing curriculum materials (Trainer and Trainee Manuals) for the following engineering/technical programs
 - ≡ Operation and Maintenance of Transformer for Engineers and Lineman (TO 230, TO 232, TL 042)
 - ≡ Operation and Maintenance of Equipment and Materials used in Sub-stations Takenover from PDB by PBSs
 - Proceed with the task of developing the following finance curriculum materials (Trainer and Trainee Manuals)

(Note: The actual Bill will be printed in this PBS after the Bill Format was approved by REB but prior to the preparation of the preprinted bill forms by the PBS.)

- Prepared reports that related to the PBS Consumer Billing, as specified in the Instruction series and tested the accuracy.
- Completed programming changes to successfully accommodate several exceptions within various modules and sub-modules of the CIS software package.
- Accommodated various suggestions and recommendations, received from several workshops/demonstrations organized for the REB and the PBS senior management.

(Note: These suggestions and recommendations were mostly based on the interpretation of the details of the Instruction Series related to the "business processes" as outlined in the Instruction series)

- Tested the performance tuning of the CIS database and its several modules and completed necessary debugging.
- Prepared the draft of the Implementation Plan of the CIS software deployment to be used by the Vendor Implementation Team members after the initial pilot-test has been successfully completed in Mymensingh-3 and Kishoreganj PBSs.
- Completed the MS-ACCESS screens to capture enter the required basic data into the CIS database.
 - ⇒ This data entry module will allow the data entry process to begin at the upcoming PBSs prior to their procurement and installation of the Oracle RDBMS, thus it will enhance the development of the initial database that must be built from all the consumer data before the CIS package can begin preparing bills.
 - ⇒ Once the Oracle software installed at the PBS this MS-ACCESS database can be uploaded into the CIS software package and the functional utilization of the CIS package can begin.

(Note: The delays associated with the PBSs having the Oracle packages available at the Kishoreganj Zonal offices has delayed the full implementation of the CIS at this pilot site and this new approach will hopefully "jump-start" the labor-intensive work associated with the development of the initial database.)

- Updated the ERC software modules as required in support of the Engineering and Planning Tasks being implemented under RPPR II.
- Continued to provide ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

Plans for Next Quarter

- Continue with the on-going activities of the CIS software package. The specific tasks involved in these activities are as follows:
 - Organize workshops/demonstrations on the CIS software package for the Vendor Implementation Team (VIT) members.

(Note: This type of workshop will help vendors to realize that they are part of the process and will ensure their full involvement in CIS deployment in the remaining PBSs)

- Organize CIS training for the users of the next phase of eight PBSs where the Vendor Implementation Teams members will implement CIS software package with the assistance from NRECA.
- Print the actual Bills in the pilot PBSs with the data entered and accuracy check completed.

(Note: This task is dependent on the availability of the preprinted Bill Format. After the approval of REB Board, this bill format is to be preprinted in the PBSs for enabling NRECA computer team to test printing on the preprinted forms and also to prepare the computer generated final bills)

- Continue with "fine tuning" the related modules of the CIS package with the real data in the field, specially aging with real receipt of the bills prepared by CIS software.

(Note: The proper 'aging' test can only take place when at least three months of bills are received)

- Design, layout, prepare and test the reports as were identified from different participants attended in the previously organized workshops/demonstrations
- Organize Workshop to review the Billing Instruction manual prepared by ST consultant to accommodate the CIS aspect of the functionality in it

Note: These test reports area apart from those that are reflected in the Instruction Series

- Install CIS software package in Kishoreganj Zonal Offices and train the relevant users on the operation of this software package

(Note: There has been a very extended delay in the procurement of the required hardware and software at these Zonal Offices)

- Install and then test the MS-ACCESS data entry modules in the PBSs to enter the CIS data and training the relevant users on how to enter data in it
- Finalize the report of "Strategic Information Technology Planning (SITP)" and distribute to the participants attended the workshop organized for this purpose
- Implement the Material Management software package into the LAN environment comprising the REB Directorate of MPSS, CS&M, Procurement, Accounts and Inspection and Testing and train relevant users of these Directorates
- Also, test the functionality of this software package in REB with the actual data to be entered from the relevant Directorate

- Test the data communications to and from the Warehouses to be used in the Material Management Database, the data server being in setup in the REB Headquarters

(Note: This activity depends on the setup of the said LAN as was discussed previously with Director, MPSS)

- Implement the General Ledger software package into the REB General Accounts section.

(Note: There has been a prolonged delay associated with this software due to problems within REB for determining what the "opening balance" would be at the time this new

package was installed and under initial operation. This task was due for last two quarters.)

- Update ERC software modules as required in support of the Engineering and Planning Tasks being implemented under RPPR II.
- Continue to provide ongoing support and training to PBS and REB personnel at NRECA Office or if necessary at the PBSs on an "as needed basis"

Program Activity D: Supplemental Tasks

Task D.1: Updating Engineering and Construction Standards

Results as of this Quarter

- Arranged for ST Engineering Specialist to be brought to Bangladesh to complete his initial assignment related to the development of a Policy Instruction related to the process of renovation takeover of lines and substations from the BPDB
 - The purpose of this Policy is to outline standard criteria for determining whether to reuse (as is), repair, or replace Taken Over Substation and Distribution Lines and Equipment
- Prepared a rough draft of PBS Policy 100-61 concerning standards for renovation of taken-over substations and distribution lines
- As part of standard practice, continued to advise and assist REB regarding engineering related issues in support of ongoing changes in equipment and new technology that requires a review prior to making changes in equipment specifications and standards

Plans for Next Quarter

- Scheduled the ST Engineering Specialist to return to Bangladesh to conduct a review meeting with REB/PBS personnel to finalize the newly developed Policy Instruction 100-61 on renovation of taken over lines and substations.
- Prepare a final draft of Policy Instruction 100-61 and submit to REB for formal approval
- As part of standard practice, continue to advise and assist REB regarding engineering related issues in support of ongoing changes in equipment and new technology that requires a review prior to making changes in equipment specifications and standards

Task D.2: Socio-Economic Impact Assessment

- Conducted three refresher courses on baseline data collection for 69 staff (62 male and 7 female) of the Sylhet PBS and one refresher course on data entry system for 11 staff (5 male and 6 female) of the Noakhali PBS.
- Carried out intensive field-visit for reviewing the progress of the baseline data collection by the involved 17 PBSs and provided some troubleshooting as needed
- Collected 10 success stories of the RE Program which includes collection of a number of photographs from many different villages

- Conducted one Refresher Training course on Baseline Data Entry Operational Procedure for 11 staff (5 males and 6 females) of the Noakhali PBS.
- Shared NRECA's socio-economic activities with the USAID's Gender Consultant Team and provided feedback on the Team's draft report.
- Developed relevant materials and participated in a three-day Imam Orientation Course under the USAID-funded "Leader Outreached Initiative (LOI) Program" for 100 imams (religious leaders) that is being implemented by the Asia Foundation.
 - NRECA involvement included the development of handouts, preparation for classroom presentation and organizing of the field-visit to Khulna PBS Headquarters, as well as providing a feed back report to Asia Foundation.

Plans For Next Quarter:

- Proceed with completion of gathering the baseline data collected in the FY 2004-'05 from all of the 17 participating PBSs.
- Conduct ongoing training for PBS personnel involved in the data collection system at the 17 participating PBSs
- Prepare a formal report on "PBS Performance in Baseline Data Collection" for the FY 2004-05 reporting period
- Continue follow up supports to PBSs and assistances to SEMEC/REB, if and when required
- Proceed with continuation of the follow up and troubleshooting support to the 17 PBSs that are involved in collection of the socio-economic baseline data

IV. Quarterly Status & Planning of Project Management For RPPR

Project Management/Administration For Program-Related Issues

Status as of this Quarter

- Completed processing by the Arlington office for Mr. Robert Saint as a candidate for the short-term Engineering Specialist to assist with Task D.1 (Engineering and Construction Standards) for his initial first assignment in Bangladesh

(Note: As has been noted in previous Quarterly Reports, an alternate candidate for the ST Engineering Specialist was sought in order to do a portion of the work initially planned for completion by Mr. James VanCoevering who has been unavailable to address all the work Task D.1 due to various scheduling conflicts)

- Completed the required Country Clearances for the following Short Term Advisors who completed assignments during the reporting period. Dan Waddle, Jim VanCoevering, Sam West, Bud Stanley, and Randal Dupont
- Continued with investigations with USAID, US Embassy and other NGOs in order to locate suitable medical insurance providers for incorporating this coverage for local staff. These investigations involved further communications with various providers as well as customers of these various providers
- Obtained a copy of the newly established pay structure for the local staff at the US Embassy (Embassy and USAID staff) to compare with NRECA salary schedule to ensure compliance with contractual requirements
- Continued consultations with the local Ford deal in an attempt to determine solutions for obtaining spare parts for the Ford Explorers that were imported under RPPR I.

(Note: As noted in previous Reports, having the proper service from the local dealer has been problematic for NRECA and other USAID partners who purchased the Ford Explorers in 1998. There have been limited solutions to this problem so efforts were made to again attempt to see if the dealer will provide the service and spare parts to keep the vehicles on the road)

Plans for Next Quarter

- The Arlington office will complete logistical processing (ticketing, visas, etc) for the following ST Specialists who are scheduled for assignments in Bangladesh during the upcoming quarter: Sam West, Jim VanCoevering, and Craig Dickson. The final processing requirements for pursue the recruitment of an alternate candidate for the ST Engineering Specialist to do a portion of the work initially planned for completion by Mr. James VanCoevering who has been unavailable to address all the work Task D.1
- 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 PPSs included in the RE Program for the months of April, May and June 2005, as contained in the selected REB Management Information System (MIS) Reports.

Item/Item	March 2005	April 2005	May 2005	June 2005	% Change 3 months Period
System Loss (12 mo. Avg.)	14.85%	14.33	13.83	13.78	-0.31%
System Loss (30% month's Avg.)	13.33	13.12	13.64	13.67	+2.34%
Percentage of Collection (12 mo. Avg.)	97.02	96.46	96.48	97.93	+0.93%
Percentage of Extension (this mo. Avg.)	96.63	95.14	104.45	148.72	+51.66%
Accounts Receivable (# mo. Outstanding)	1.26	2.31	2.34	1.85	-0.43
Total Villages Energized	43.2%	43.23	43.76%	44.33%	+0.56
Number of New Water Connections	41,319	42,252	43,200	44,218	+1,897
Total # of Meters / connections	5,970,167	6,021,759	6,064,224	6,122,617	+1,50,230
Total Km of Energized Line	182,433	183,531	184,557	188,203	+1,564
SPWH Purchased YTD - % of change last yr	6.23%	7.18%	7.71%	8.65%	

The statistics from the MIS Report indicates that there were strong efforts on the part of the PPSs to reach their established targets under their Performance Target Agreements (PTAs) for FY 2004-05. Noteworthy results include major effort in bill collection for the month of June, which resulted in the PPSs being able to realize arrears from their member consumers and which in turn reduced the Accounts Receivable from 2.23 months in May to 1.85 months in June.

Other Related Activities and Relevant Information

- A follow up review meeting in the Report entitled "Bangladesh Rural Electrification Program at the Crossroads: An Analysis of Barriers, Threats and Opportunities to Enhance Program Sustainability" was held at REB on April 14th with representatives from REB, the Ministry of Power (including State Minister and Secretary), Prime Minister's Office, and Finance Ministry (ESD) as well as representatives from all the donor agencies including USAID Mission Director and the IDIC Country Director.
 - The purpose of the meeting was to provide an opportunity for REB and the GDB to respond to the findings of the Report and to initiate plans (short and long term) for addressing the issues that were raised in the Report.

- The reactions to the Report and its findings continued to be mixed with a number from REB and GOB indicating that many of the opinion that some of the issues raised in the report (e.g. indications of increasing presence of corruption, ongoing political interference, PBS investments in RPC, etc.) were not that widespread and in some cases there were reasons for some of the circumstances.
- A separate breakfast meeting was arranged by NRECA on April 21st for providing an opportunity for donor representatives to meet with the REB Chairman and Members to discuss the Study Report and other key issues impacting the RE Program in a smaller group setting.
 - The results of this meeting provided better results as frank and open discussion took place with all the stakeholders with respect to specific actions that had been taken with respect to the recommendations made in the Report and specifically for RPCL and other of the more sensitive issues.
- As was stated in the referenced Study Report, NRECA continues to have strong reservations about the extent to which PBS "patronage capital" is being used for investments in RPC ventures. NRECA believes that capital for good generation projects are available from other sources (e.g. private investors) and these PBS funds should remain available to support distribution efforts, which still require significant investments and where low interest capital is not easily accessible
- Participated in discussions with representatives of NARUC who are engaged with the Bangladesh Energy Regulatory Commission (BERC) with respect to plans for a Bangladesh delegation visiting the NRECA offices in Arlington, VA, as well as potential impacts of regulation on the RE Program
- NRECA continued its discussions with DFID, which is planning to co-finance project supervision and some technical assistance through an agreement with USAID whereby NRECA would provide the stipulated services that are in the process of being determined
- NRECA continued its participation in additional meetings with other development partners working on USAID projects in hopes of developing some meaningful ways of working collaboratively to establish "zones of good governance" involving projects being implemented in the same geographical areas as a possible pilot site.
 - Other participating partners included the Winrock and MACH Project, ARD and the LGI Project, Pathfinder and the NGO Services Delivery Project, Save the Children-USA with different earlier childhood education programs, and IRG and the Nishorgo Support Project

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 #3

The Implementation Schedules have been developed using *Microsoft Project* in order to monitor progress and modify as necessary.

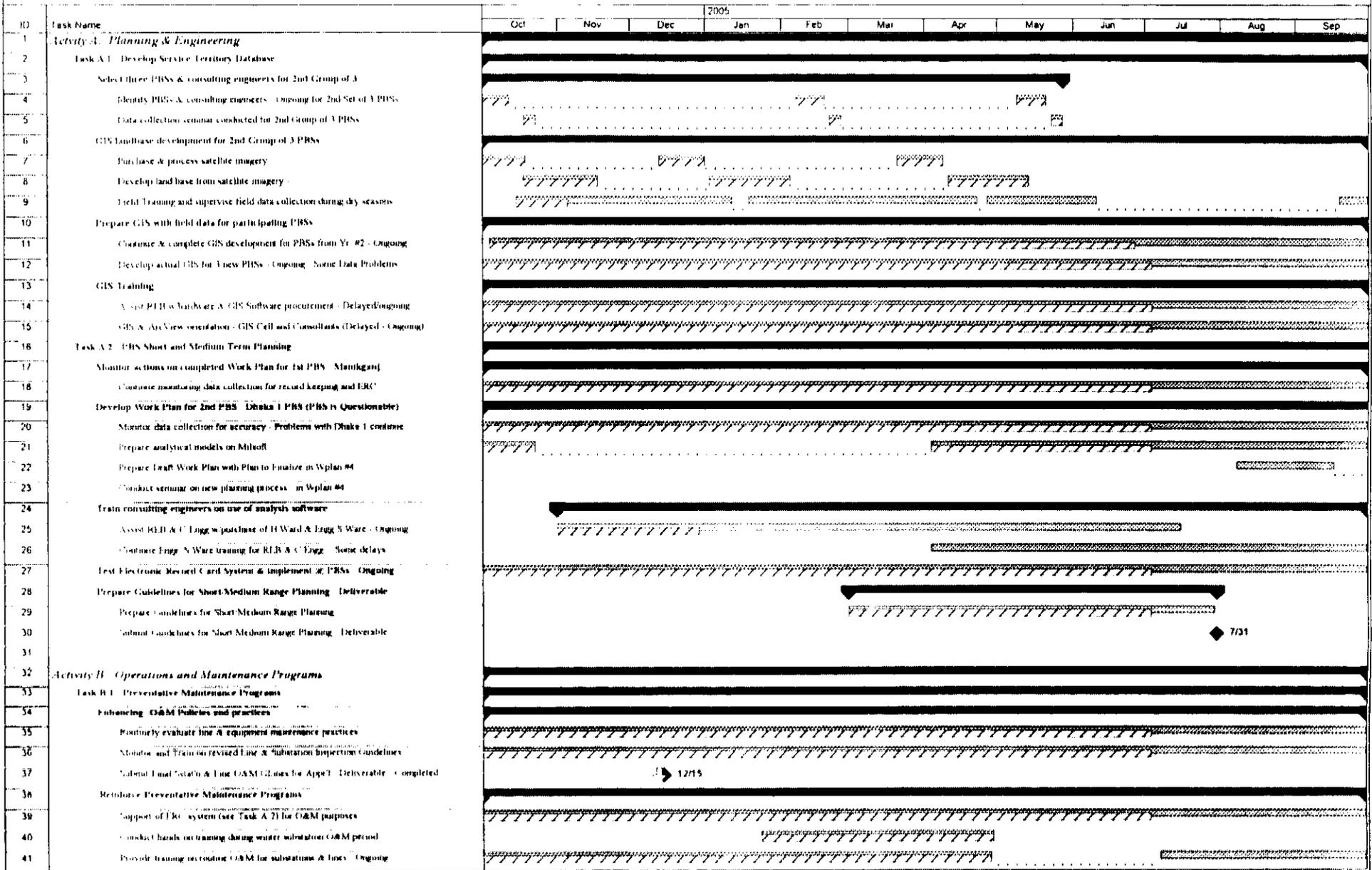
B. Budget Information

The Budget information presented in this Quarterly Report reflects the total budgeted amounts for the four individual Activities and it also reflects the expenditures for each line item for this Quarter and provides a remaining balance.

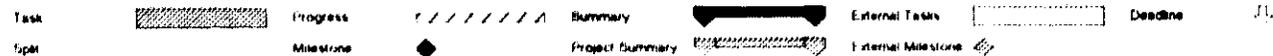
EXHIBIT - A

**IMPLEMENTATION SCHEDULE
With Focus on Year #3**

RPPR II Third Year Workplan and Implementation Schedule - 3rd Quarter

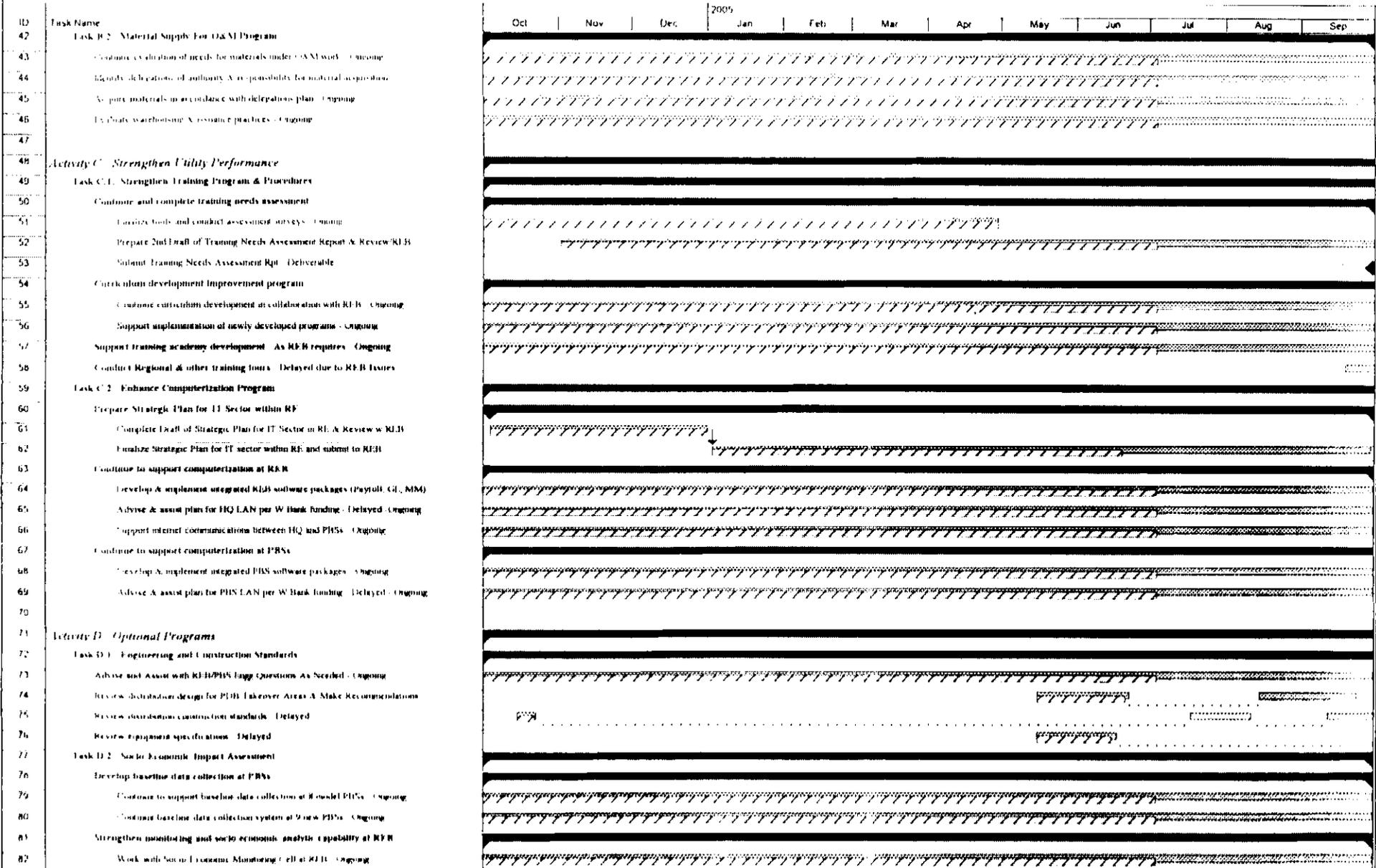


RPPR II Work Plan
Year #3
10/04 to 09/05 - 3rd Qtr



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RPPR II Third Year Workplan and Implementation Schedule - 3rd Quarter



RPPR II Work Plan
Year #3
10/04 to 09/05 - 3rd Qtr

Task		Progress		Summary		External Task		Deadline	JL
Spot		Milestone		Project Summary		External Milestone			

EXHIBIT - B

**BUDGET INFORMATION
With Focus on 3rd Quarter of USG's FY 2004-05**

RPPR II Program

Budget Information - 3rd Quarter FY 2004-05 (April to June)

Exhibit B

Page 1 of 2

	Total Amount Budgeted	Cumulative Thru 06/30/05	Cumulative Thru 03/31/05	Expenditure 3rd Qtr FY 04-05	Balance Available Thru 9/30/07
Activity A					
Cost Elements					
Material and services	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Labor	1,036,182	441,454.76	477,035.97	\$ 35,581	\$ 559,146
Indirect Costs	522,340	305,554.95	326,099.07	\$ 20,544	\$ 196,241
Other Costs					
Travel	\$ 118,061	73,936.29	80,263.02	\$ 6,327	\$ 37,798
Consulting	\$ -	83,596.30	86,113.78	\$ 2,517	\$ (86,114)
Other Direct Costs	\$ 184,213	118,637.59	128,183.18	\$ 9,546	\$ 56,030
Administration Allocated to Activities	\$ 476,849	522,828.47	578,142.70	\$ 55,314	\$ (101,294)
Total Costs	\$ 2,337,645	1,546,008.36	1,675,837.72	\$ 129,829	\$ 661,807
Activity B					
Cost Elements					
Material and services	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Labor	\$ 753,376	198,264.32	236,763.59	\$ 38,499	\$ 516,612
Indirect Costs	\$ 420,573	115,055.11	134,564.63	\$ 19,510	\$ 286,008
Other Costs					
Travel	\$ 87,726	47,968.22	54,739.87	\$ 6,772	\$ 32,986
Consulting	\$ 270,000	158,935.58	215,595.58	\$ 56,660	\$ 54,404
Other Direct Costs	\$ 90,795	14,605.57	20,633.83	\$ 6,028	\$ 70,161
Administration Allocated to Activities	\$ 214,919	139,215.36	1,539,444.04	\$ 1,400,229	\$ (1,324,525)
Total Costs	\$ 1,837,389	674,044.16	2,201,741.54	\$ 1,527,697	\$ (364,353)
Activity C					
Cost Elements					
Material and services	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Labor	\$ 1,840,559	660,460.65	744,055.62	\$ 83,595	\$ 1,096,503
Indirect Costs	\$ 615,908	178,908.23	205,923.64	\$ 27,015	\$ 409,984
Other Costs					
Travel	\$ 132,564	58,769.96	69,232.17	\$ 10,462	\$ 63,332
Consulting	\$ 180,000	118,500.00	126,437.50	\$ 7,938	\$ 53,563
Other Direct Costs	\$ 87,849	60,647.31	74,063.18	\$ 13,416	\$ 13,786
Administration Allocated to Activities	\$ 1,522,324	338,730.70	374,567.75	\$ 35,837	\$ 1,147,756
Total Costs	\$ 4,379,204	\$ 1,416,017	1,594,279.86	\$ 178,263	\$ 2,784,924