

**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 01/06 TO 03/06
*Technical Assistance for Rural Power For
Poverty Reduction II Program*

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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 field data collection for updating the GIS database for Natore PBS 1 and made preparations to begin work on updating the GIS at Pabna PBS 2.
- Conducted a week-long training program for REB personnel on GIS technology and the processes being applied for the RE Program.
- Continued processing of field data for updating GIS database for Manikganj PBS.

Task A.2: PBS Short and Medium Range Planning

- Completed the refinements to the WindMil model for the existing 11kv system with future loads of Tangail PBS as part of the development of the Construction Work Plan which is actually the short-range planning document.
- Conducted a two-day follow-up training program for local consultants regarding the updating of Electronic Record Card (ERC) data.

Program Activity B: Operations and Maintenance Programs

Task B.1: Preventive Maintenance Programs

- Provided training to REB System Operations personnel on how to properly provide oversight to the PBS substation maintenance program.
- Continued to assist REB Savar Workshop to improve the quality and quantity of the equipment repair work being done at that facility through the delivery of relevant training to workshop personnel.

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

- Assisted REB in properly storing of substation maintenance items transferred from Khulna Warehouse to Savar Warehouse.

Program Activity C: Strengthen Utility Performance

Task C.1: Strengthen Training Program and Procedures

- Completed the task of reviewing the draft Training Manual on Operation, Maintenance and Repair of Transformer for Engineers (TO 230).

- Proceeded with the work of developing Training Manuals on Operation, Maintenance and Repair of Transformer for Engineers, Technicians and Lineman (TO 232).
- Proceeded with the work of developing Training Manuals on Interpersonal Communication for REB and PBS officers (IM 150, IM 151 and IM 152).
- Submitted the first draft small booklet on Understanding Financial Reports (IF 335) in Bangla version meant for the PBS General Managers and Board Members.
- Continued monitoring the REB actions on suggested corrections on the REB Materials Accounting Policy for getting it approved by REB authority in order to develop the training manual on REB Material Accounting Procedure (IF 520).
- Developed report of the Participatory Workshop entitled "Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment" for the 2nd and 3rd batches of General Managers held during the period of November 28 to December 08, 2005.
- Assisted with the preparation of handout materials related to the RE Program for distribution at the US Embassy/USAID sponsored America Week event held from March 14 to 16, 2006 at Hotel Agrabad, Chittagong.

Task C.2: Enhance Computerization in REB and PBSs

- Continued with the on-going activities related to Consumer Information System (CIS) viz. software deployment in the pilot PBSs, field-test, debugging, fine-tuning, bill printing, user orientation, preparation of Aging and DNP reports etc. The specific tasks accomplished during this quarter includes:
 - Continued assisting the cross-checking of the Aging reports at Mymensingh PBS – 3.
 - Processed CIS generated first Electricity Bills, printed and distributed bills to consumers for the Month of March at Nandail Zonal Office of Kishoreganj PBS.
 - Provided hands-on training on CIS operation for the Billing Assistants in Nandail and Kotiadi Zonal Offices of Kishoreganj PBSs.
 - Prepared and distributed the CDs with Consumer Information System (CIS) software package to all the eight Software vendor firms who are likely to be appointed by REB to implement CIS in the PBSs.
 - Held meetings/discussions with relevant REB personnel on various CIS implementation issues.
- 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

- Completed and submitted to REB proposed revisions to the material specifications.

- As part of standard practice, continued to advise and assist REB regarding engineering related issues that impact the overall RE Program.
- Completed a review of the subtasks to be completed under this Task in order to determine what sub-tasks would have to be dropped due to the RPPR II budget reduction which was announced during this quarter due to overall Mission budget cuts.

Task D.2: Socio-Economic Impact Assessment

- Conducted four Refresher Training programs on baseline data collection at different PBSs.
- Provided comments on IDA-REB Project's Baseline Report that is being prepared by a local consulting firm under World Bank/IDA funding.
- Completed editing of English and Bangla versions of the twenty nine cases stories describing the impact of access to electricity for specific PBS member/consumers which were previously collected.
- Continued follow up supports to PBSs and assistances to SEMEC/REB

Important:

- NRECA is very concerned about the problems related to the member/consumer unrest that developed in Chapainawabganj-Nawabganj PBS over a number of issues including load shedding during load shedding and other issues during this reporting period and how these problems were addressed. Contrary to previous years when similar problems would occur, it appears that REB did not take a proactive approach to the problems in this PBS and consequently the problems escalated due to REB management not becoming sufficiently engaged with the PBS management and Board to help diffuse the problems. Unfortunately the issues were not effectively addressed and eventually significant civil unrest developed which prompted the involvement of police and security forces which then resulted in more than twenty fatalities.
 - This incident clearly indicates the need for an enhanced effort by REB and the PBSs to revitalize the member education programs that were so strongly implemented in earlier years of the RE Program. With the rapid growth of the RE Program, thousands of new members are being connected each and every day but without having any real understanding of the PBS concept and their role as a member/consumer of that PBS. The role of the member consumer and his/her sense of ownership and involvement in the PBS is the only real difference between the RE Program and an individual simply having a connection from the BPDB or DESA.
 - This incident also highlights the need for having effective training programs for all PBS Board of Directors so the individual Directors have a proper understanding in terms of their role as a Board member in diffusing these types of situations on behalf of the PBS need for having proper. While many Directors have continued to serve on PBS Boards, there are many who have been elected but who have not received the necessary training which would prepare them to function properly as a PBS Director. This important activity has to again become a priority for REB if the RE Program in order for the Program to continue as it was designed.
 - These two areas were amongst a number of areas that were identified in the Study ("*Bangladesh Rural Electrification Program at the Crossroads: An Analysis of Barriers, Threats, and Opportunities to Enhance Program Sustainability*") completed by NRECA in February 2005. However very little action has been taken on the recommendations included in the Report.

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 "resulted 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:

- Began processing of field data for GIS update for Manikganj PBS and continued the work.
- Initiated the updating of GIS database for Natore PBS 1 and completed the field data collection.
- Made preparations to begin work on updating the GIS at Pabna PBS 2.
- Conducted a week-long training program for REB personnel on GIS technology and the processes being applied for the RE Program.
- Continued providing ArcGIS training to personnel from local retainer electrical consultants of the PBSs.
- Developed a draft policy guideline for prequalification of GIS developer consultants and submitted to REB for approval.
- Participated in various meetings and continued to advise and assist REB with input regarding how they should handle the World Bank project dealing with extending the GIS activity to additional PBSs.

Plans for Next Quarter:

- Complete data processing for GIS project update for Manikganj PBS.
- Initiate the data processing for GIS project update for Natore PBS 1.
- Complete field data collection at Pabna 2 PBS for updating of GIS database.
- Continue providing ArcGIS training to personnel from local retainer electrical consultants of the PBSs.
- Continue to advise and assist REB regarding how to proceed with the World Bank funded GIS activity in order to keep it consistent with the approach currently established and to help ensure that it is properly completed and work on the development of a strategy to do it.
- Initiate the development of plans for conducting further training on GIS for REB/PBS and consulting firm personnel which will be implemented in the coming months.

Task A.2: PBS Short and Medium Range Planning

Status as of this Quarter:

- Continued to work with REB on the development of a transition plan from REB's current practice of following Master Plan to following the Construction Work Plan as per Policy Instruction 100-23.
- Continued to work with REB to obtain the necessary REB approvals and signatures required for the execution of the "Trilateral Agreement" between ECBL, REB and NRECA related to the use of the available MilSoft software packages for completing work on the Construction Work Plan process.

- Continued with preparation of the Construction Work Plan for Tangail PBS, which is actually the short-range planning document for that PBS.
 - Developed the "Existing System, Future Load WindMil Model" which is one element of the CWP.
 - Initiate the development of the "Future System, Future Load WindMil Model" which is another element of the CWP.
 - Proceeded further with the process of identifying the construction projects that will represent cost-effective ways for Tangail PBS to improve their quality of service and net margins.
- Conducted a two-day follow-up training program for local consultants regarding the updating of Electronic Record Card (ERC) data.

Plans for Next Quarter:

- Complete the development of the Future System, Future Load WindMil Model for Tangail PBS.
- Complete the engineering and economic analyses of identified construction projects that will represent cost effective ways for Tangail PBS to improve their quality of service.
- Initiate and complete the actual writing the Construction Work Plan report for Tangail PBS and begin the assembly of the various elements included in the report (e.g, voltage drop studies, economic conductor analysis, coordination charts, etc.)
- Begin the development of initial plans for updating the Construction Workplan for Manikganj PBS, which will serve as a training experience for the PBS's Consulting Firm (ECBL).

Program Activity B: *Operations and Maintenance Programs*

Task B.1: Preventive Maintenance Programs

Status as of this Quarter:

- 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 with the implementation of the process whereby NRECA will transition from the role of direct supervision of the substation maintenance work at the pilot maintenance PBSs to the role of simply providing monitoring and oversight with this role going to the PBS personnel.
- Provided training to REB System Operations personnel on how to properly provide oversight to the PBS substation maintenance program instead of supervision.
- Conduct additional feedback seminars for the model PBSs evaluating their performance in substation maintenance, highlighting the quality of their performance, identifying their shortfalls, and suggesting remedial measures.

- Continued to assist REB Savar Workshop staff to improve the quality and quantity of the equipment repair work being done at that facility through the delivery of relevant training to workshop personnel.

Plans for Next Quarter:

- Continue the process whereby NRECA will transition from the role of direct supervision of the substation maintenance work at the pilot maintenance PBSs to the role of simply providing monitoring and oversight.
- Provide additional training for REB System Operations personnel on how to properly provide oversight to the PBS substation maintenance program.
- Purchase additional test equipment for the maintenance program that is presently unavailable in the REB system and begin training of PBS personnel in its use.
- Conduct additional feedback seminars for REB/PBS personnel as a means of evaluating their performance in substation maintenance, highlighting the quality of their performance, identifying their shortfalls, and suggesting remedial measures.

(Note: These sessions will also highlight various shortcomings that have occurred with respect to substation construction as a means for improving the capabilities of REB personnel who may be involved in overseeing local contractors hired to complete this type of work.)

- Continue to follow-up with REB regarding effort to obtain the Board 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
- Continue with "hands-on" training for REB personnel at the Savar Workshop in order to improve the quality and quantity of the equipment repair work being done at that facility.
- Consult further with USAID on Scope of Work changes related to the final results of the work being accomplished under the Operation and Maintenance Task due to the required budget reduction and prepare a revised strategy for continuing the work which is to be completed under this Task.

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

Status as of this Quarter:

- Continued to work with REB in developing a storage facility at Savar Warehouse to properly store substation maintenance items transferred from Khulna Warehouse.
- Provided ongoing support to REB and PBS as a means of helping to ensure that the required maintenance materials are procured by REB/PBSs for the next maintenance seasons in the pilot PBSs.
- Advised and assisted PBS personnel on proper storage and accounting of maintenance materials.
- Followed up with the concerned REB personnel on the progress related to the fabrication of the new shelving units that were designed for the purpose of storing O&M materials.

Plans for Next Quarter:

- Continue to work with REB personnel in assisting them to properly organize and store OMRR items at the Savar Warehouse.
- Proceed with sorting out the OMRR items transferred from Khulna to Savar Warehouse that can be utilized by Savar Workshop only and arrange for the required storage.
- Continue to support REB and PBS efforts to ensure that the required maintenance materials are procured by REB/PBSs for the upcoming substation maintenance program to be executed in the next maintenance seasons in the pilot PBSs.
- Continue to advise PBS personnel on proper storage and accounting of maintenance materials.

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 REB's Training Directorates:
 - Revised the curriculum materials (Trainer and Trainee Manuals) based on the comments received from the Curriculum Review Committee of REB and continued to monitor the progress of actions undertaken by REB Training Directorate for organizing pilot test of the following training program:
 - ☐ Operation, Maintenance and Repair of Transformer for Engineers (TO 230).
 - Initiated developing curriculum materials of the following training program for the officers of REB and PBSs
 - ☐ Interpersonal Communication (IM 150, IM 151 and IM 152)
 - Continued monitoring REB actions for the approval of the proposed changes in the REB Materials Accounting Procedures which was the pre-requisite for developing the following curriculum materials:
 - ☐ Material Accounting for Ass't. Directors (Finance) & 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)
 - Submitted the first draft small booklet on Understanding Financial Reports (IF 335) in Bangla version meant for the PBS General Managers and Board Members.
- Continued to participate in the development of communication toolkit for Good Governance (Project name: The Shoshashoner Anneshonnay - 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 resources in their areas.

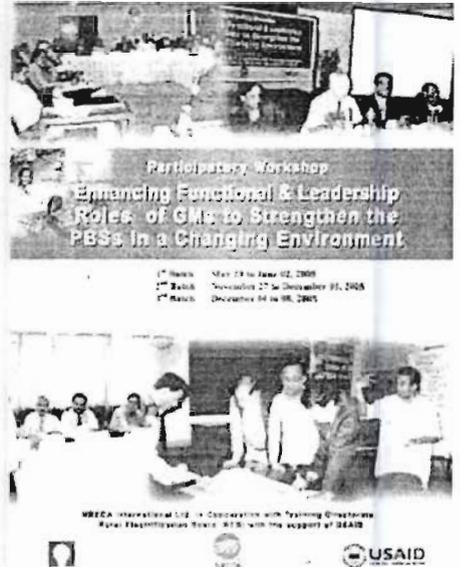
(Note: A committee which includes a local staff person from each project has been working on the development of this communication toolkit. Since this is training related, NRECA's representative is the Director of Training and Curriculum Development.)

- Proceeded with finalizing the draft report on the Training Needs Assessment (TNA) of employees of REB and the PBSs
- Developed a comprehensive report of the Participatory Workshop entitled "Enhancing Functional & Leadership Roles of GMs to Strengthen the PBSs in a Changing Environment" held during for the 2nd and 3rd batches of General Managers held during November 28 to December 08, 2005, which includes a review of the roles and responsibilities.

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

- Prepared detailed schedule for REB Chairman's orientation to the US Rural Electrification Program including attendance at Annual Meeting, however the program was postponed at the very last minute due to power crisis within the country.
- Worked with the development of the following graphical work as a support rendered to different components of RPPR program: activities:

- Developed Bangla and English an illustrated leaflet entitled "Rural Electrification: Changing Lives in Rural Bangladesh" for distribution at the US Embassy/USAID sponsored "America Week event which was held from March 14 to 16, 2006 at the Hotel Agrabad, in Chittagong.
- (Note: This leaflet was a compilation of success stories of six consumers from selected PBSs with a brief description of the benefits they have derived from having access to electric service from a PBS. The examples in the leaflet exemplify the experience of enterprising consumers who have utilized rural electricity for building their personal economic wellbeing, as well as contributing to the social conditions within their communities. These six stories were extracted and condensed from a document containing 30 case studies that depict numerous examples of how electricity is bring positive benefits to PBS member consumers all across Bangladesh.)



- Updated the four page illustrated flyer that provides information on the overall RE Program with a focus on the long-term partnership between REB/PBS, USAID and NRECA and which was also distributed during the America Week event held during March 14 to 16, 2006 at Hotel Agrabad, in Chittagong.



- 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
January 2006	REB/PBS	192	142	334
	NRECA	57	3	60
February 2006	REB/PBS	257	70	327
	NRECA	66	1	67
March 2006	REB/PBS	279	165	444
	NRECA	51	0	51
Total		902	381	1283

Plans for Next Quarter:

- Continue with curriculum development subtasks including:
 - Proceed with the task of developing the training materials for the following engineering course:
 - ▣ Operation and Maintenance of Transformer for Engineers and Lineman (TO 230, TO 232, TL 042).
 - At the request of Director, Training, REB initiate the task of developing the training materials for the following program which has a target population of for the REB/PBS concerned personnel working with the Renewable Energy Project:
 - Solar Home System (SHS) for the REB/PBS concerned personnel working with the Renewable Energy Project of REB:
 - Proceed with the task of developing the following finance training manual (Trainer and Trainee) :

(Note: Being that the CIS is still being pilot tested in two PBSs, it is expected that some modifications and fine-tuning is will be required as the testing continues.)

- Prepared and distributed the CDs with Consumer Information System (CIS) software package to all the eight Software vendor firms who are likely to be appointed by REB to implement CIS in the PBSs.
- Continued providing support to REB's Rate Cell on an as needed basis with respect to the utilization of the Statistical Database.
- Continued providing ongoing support and training to PBS and REB personnel at NRECA office or if necessary at the PBSs on an "as needed basis".

Important: NRECA continues to strongly advise REB that the ongoing delays with respect to procurement of hardware and Oracle software and the preparation of computer rooms in the next eight PBSs is having a negative impact on NRECA's ability to roll out the CIS package to these PBSs which also involves training local IT vendors who will be assuming the role of providing support when NRECA is no longer available. REB has been informed that if progress is not made a decision will be required which would stop the implementation of the CIS package as it will not be possible to implement this as previously planned.

Plans for Next Quarter

- Continue with the on-going CIS activities in the pilot PBSs as well as in next group of eight PBSs selected for CIS implementation. The specific tasks to be involved in these activities are as follows:
 - Support Mymensingh PBS 3 with the completion of the cross-checking the CIS generated Aging Reports with those of manually prepared as part of the process for verifying that this module of the CIS is functioning properly.

(Note: The unpaid Bills for the months prior to CIS generated Bill were prepared and have been entered while the cross-checking is expected to be completed during this quarter.)
 - Provide training and support as required for the preparation of Aging reports and cross-checking them in Kishoreganj HQ

(Note: The number of unpaid bills (prior to CIS implementation) is at such a high numbr and as a result it is taking much longer than expected to complete the entry of the opening balance.)
 - Supervise and monitor progress in preparation of the CIS generated electricity bills in Nandail Zonal Office of Kishoreganj PBS.
 - Supervise data collection and data entry at Kotiadi Zonal Office of the Kishoreganj PBS as this office has been shifted to a newly rented building and that Oracle and CIS have been installed.

(Note: Part of the reason for the extended time for the completion of this sub task in this particular Zonal Office is linked to problems with data loss and the Server crashing.)
 - Continue with the previously agreed upon plan for the CIS Program deployment with direct involvement of the local Vendor Implementation Team members.

(Note: REB has had difficulties resolving the issue of finalizing the contract for vendors to complete this type of work for the PBSs and this has reduced vendor interest in being involved until the contracts are executed.)

- Monitor progress in CIS data collection and basic data capturing as the "Free Oracle" version of the CIS software package has been installed in the next group of PBSs selected for CIS implementation.

(Note: This data entry module will allow the data entry process to begin at the upcoming PBSs prior to the completion of the procurement and installation of the Oracle RDBMS at these PBSs.

- Finalize the first draft of the "*CIS User Guide*" and distribute to the relevant REB and the PBS officials.
- Finalize the Rules and Parameters and the "*CIS Implementation Guide*" and field test
- Organize CIS demonstration for the relevant REB Office System personnel as well as for the Billing Assistants/AGM Finance from some of the PBSs where vendor developed billing packages are currently running as a means of obtaining feedback on the features of the CIS package.
- Initiate conversion of the previously developed software package, starting with REB Payroll software package, into Oracle and deploy it in the concerned REB Directorate.
- Continue to provide support to REB's Rate Cell on an as needed basis with respect to the utilization of the Statistical Database that is used to produce the monthly MIS Reports and which also provides other types of new reports that are requested by Ministry and others from time to time.
- 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".
- Consult further with USAID on Scope of Work changes related to Computerization Task due to the required budget reduction and prepare a revised strategy for continuing the work which is to be completed under this Task.

Program Activity D: *Supplemental Tasks*

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

Status as of this Quarter:

- Completed reviewing of the material specifications for electronic meters and submitted to REB.
- Completed a review of the subtasks to be completed under this Task in order to determine what sub-tasks would have to be dropped due to the RPPR II budget reduction, which was announced during this quarter due to overall Mission budget cuts.
- 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:

- Consult further with USAID on Scope of Work changes related to this Task due to the required budget reduction and prepare a strategy for completing the updating of only selected engineering and construction standards that are to be completed under this Task.
- 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 AssessmentStatus as of this Quarter:

- Conducted four Refresher Training programs on Baseline Data Collection techniques and procedures for 127 PBS staff that also function as data collectors in two of the participating PBSs with the objective being to improve data quality in the future.
- Provided assistance to REB's Socio-Economic Monitoring & Evaluation Cell (SEMEC) by reviewing the draft Baseline Report of the IDA-REB project prepared by a local consulting firm and submitted written comments.
- Conducted a preliminary evaluation of the commercial and industrial impact of development of small power plants in the Comilla PBS area as part of assessing the rate of employment generation in this area and how the current power supply shortage is having a negative impact on that rate of growth.
- Continued accumulation of the baseline data collected by 18 involved PBSs throughout the FY 2005-06 and providing follow up assistances in troubleshooting, as well as, improvement of their performance on data collection.

Plan for the Next Quarter

- Continue with scheduling and implementing training programs on baseline data collection techniques and procedures.
- Provide feedback and follow up support to all eighteen participating PBSs regarding baseline data collection and error reduction while also providing assistance to SEMEC/REB.
- Finalize and publish the document containing twenty-nine case studies related to how access to electricity is having different positive impact on the selected PBS member consumers.
- Proceed with implementation of two orientation training events in two different PBSs for the participating Imams under the USAID-funded Leaders of Influence (LOI) Program which is being implemented by Asia Foundation together with the Islamic Foundation Bangladesh;

IV. Quarterly Status & Planning of Project Management For RPPR

Project Management/Administration For Program-Related Issues

Status as of this Quarter:

- Participated in a meeting with USAID's Energy Team and Contracts Office personnel where information was received about the reduction in the Mission's FY 2005-06 budget allocations and the subsequent impact on the total RPPR II budget.
- Initiated work with the Arlington office to again revise the RPPR II budget that was submitted in October 2005 based on the Mission's reduced budget and the reduction of \$750,000 available for RPPR through September 2007
 - In view of this new revised budget proceeded with revisions to the supporting narrative regarding changes that will be submitted to the CTO for his review and comment in preparation for finalizing for submission to the Contracts Office for approval.
 - Conducted internal meeting with RPPR staff to determine the impact of the reduction in terms of the Statement of Work and the work which can now be accomplished given the reduced budget.
- Completed the required Country Clearances for the following Short Term Advisors who completed assignments during the reporting period: Jim VanCoevering, Sam West, and Bud Stanley.
- Communicated with the Arlington office in lieu of the change in Embassy policy with respect to expatriate long term contractors no longer having access to the Medical Unit in an attempt to have suitable plans available for medical emergencies.
- Continued consultations with the Mission's Contracts Office and local Ford dealer in an attempt to determine solutions for obtaining spare parts for the Ford Explorers that were imported under RPPR I with significant progress being made on this important issue so that the necessary repair work can begin.

(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:

- Proceed with the Arlington Office and the Mission's Energy Team and Contracts Office to complete a work required to revise the budget and the Statement of Work so the necessary Contract Modification can be completed.
- Work the Arlington office to 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, Bud Stanley and Dan Waddle.
- Support the effort to complete the requirements for executing the DFID Project and provide assistance to mobilize the project staff to begin the project activities.

V. Brief Summary of Related Observations & Other RE Activities

Key Operational Information

The following table reflects key operational information regarding the seventy (70) commercially operating PBSs included in the RE Program for the months of January '06, February '06 and March '06 as contained in the selected REB Management Information System (MIS) Reports:

Description	Dec 2005	Jan 2006	Feb 2006	Mar 2006	Change – 3 Mos Period
System Loss (12 mo. Avg.)	13.09%	12.86%	12.82%	12.85%	- 0.24
System Loss (this month's Avg.)	13.72%	10.93%	7.80%	13.60%	- 0.12
Percentage of Collection (12 mo. Avg.)	97.85%	98.09%	97.82%	97.06%	- 0.79
Percentage of Collection (this mo. Avg.)	104.75%	97.82%	88.43%	94.88%	- 9.87
Accounts Receivable (# mo. Outstanding)	1.93	1.94	2.02	2.10	+ 0.17
Total Villages Energized	45,359	45,400	45,441	45,537	+ 178
Number of New Meter Connections	46,212	70,681	54,620	47,768	+ 173,069
Total # of Meters Connections	6,552,160	6,621,008	6,675,628	6,723,396	+ 171,236
Total Km of Energized Line	196,005	196,634	197,164	197,866	+ 1,861
MWH Purchased YTD - % of change last yr.	17.36%	16.11%	15.22%	15.84%	----

- For this three-month reporting period, the operational statistics for the 70 energized PBSs continue to reflect that the overall RE Program shows significant expansion with **173,236 new connections** being made during this reporting period. This averages out to **57,075 per month** or **2,238 per working day** based on an average of 25.5 day working days/month. As part of this ongoing expansion, **178 new villages** received electric service. Also, the total amount of energized line increased by **1,861 km** during these three months for an average of **620 km/month** or **24.3 km/day** during an average month of 25.5 working days.
- As of the end of the reporting period, the overall **12-Month Average System Loss** for all 70 operating PBSs decreased by **0.24%** over the three-month reporting period with this indicator being at **12.85%** for the month of March 2005.
- There was a **decrease** of **0.12%** in the **Average Monthly System Loss** for the reporting period which bringing this statistic to **13.60%**.

- The overall *Percentage of Collection (12 mos average)* shows a slight decrease of 0.79% bringing the collection rate to 97.06%. This collection rate continues to reflect an earnest effort on the part of the PBS to collect its bills, as well as willingness by the PBS members to pay their electric bills. The *Percentage of Monthly Collection (this month Average)* showed a marked decrease of 9.87%, which moved from 104.75% for the month of December '05 down to 94.88% for March '06.
- The total *Accounts Receivable* showed a slight increase of 0.03% during the reporting period thus resulting in a total of 1.93 months outstanding and owed to the PBSs.
- 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 of 16.11%, 15.22% and 15.84%.

Important: While this indicator does show marked increase from last year, it should be higher due to the heavy irrigation load that occurring during these months, but the severe power supply crisis that occurred during this reporting period. This shortage is having a significant impact on the PBSs ability to provide quality service to their member/consumers and is also having a negative financial impact due to revenue not being earned during periods of load shedding.

Other Related Activities and Relevant Information

- **Important:** NRECA is very concerned about the problems related to the member/consumer unrest that developed in Chapainawabganj-Nawabganj PBS over a number of issues including load shedding during this reporting period and how these problems were addressed. Contrary to previous years when similar problems would occur, it appears that REB did not take a proactive approach to the problems in this PBS and consequently the problems escalated due to REB management not becoming sufficiently engaged with the PBS management and Board to help diffuse the problems. Unfortunately the issues were not effectively addressed and eventually significant civil unrest developed which prompted the involvement of police and security forces which then resulted in more than twenty fatalities.
 - This incident clearly indicates the need for an enhanced effort by REB and the PBSs to revitalize the member education programs that were so strongly implemented in earlier years of the RE Program. With the rapid growth of the RE Program, thousands of new members are being connected each and every day but without having any real understanding of the PBS concept and their role as a member/consumer of that PBS. The role of the member consumer and his/her sense of ownership and involvement in the PBS is the only real difference between the RE Program and an individual simply having a connection from the BPDB or DESA.
 - This incident also highlights the need for having effective training programs for all PBS Board of Directors so the individual Directors have a proper understanding in terms of their role as a Board member in diffusing these types of situations on behalf of the PBS need for having proper. While many Directors have continued to serve on PBS Boards, there are many who have been elected but who have not received the necessary training which would prepare them to function properly as a PBS Director. This important activity has to again become a priority for REB if the RE Program in order for the Program to continue as it was designed.
 - These two areas were amongst a number of areas that were identified in the Study ("*Bangladesh Rural Electrification Program at the Crossroads: An Analysis of Barriers, Threats, and Opportunities to Enhance Program Sustainability*") completed by NRECA in February 2005. However very little action has been taken on the recommendations included in the Report.
- Participated in US Embassy/USAID sponsored America Week that was conducted this year in Chittagong with a handout prepared on the overall RE Program and another one featuring six case

studies that described the direct impact that electricity is having on specific individuals in different PBSs.

- As part of the America Week activities, delivered power point presentation on the use of GIS technology for improved system planning and financial analysis in rural electrification.
- 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 with REB in arranging the opportunity for the USAID consultant from NARUC who is working with the Bangladesh Energy Regulatory Commission (BERC) to visit Dhaka PBS 1 to have in depth discussions on various issues and to establish another step for having interaction between REB and the members of the BERC.
- Significant progress on the DFID Project for RE was made with NRECA remaining involved with the Mission's Contracts Office and engaged with 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 a meaningful toolkit that includes information on the rights of local citizens with respect to various projects and in an attempt of working collaboratively to establish "zones of good governance" 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 draft Annual Work Plan for the RPPR II Program prepared for Year #4, which was pending approval due to reallocation of the budget.

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 #4**

RPPR II Fourth Year Workplan and Implementation Schedule - 2nd Quarter

ID	Task Name	2006											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	Activity A: Planning & Engineering												
2	Task A.1: Develop Service Territory Database												
3	Updated the earlier GIS for three PBSs that was prepared under RPPR I & II	▶											
4	Refresher training for Con. Engg personnel and complete field work	▨											
5	Complete the GIS development with new updated information and prepare maps	▨											
6	Prepare GIS with field data for participating PBSs	▶											
7	Continue & complete GIS development for 3 PBSs from Yr. #3	▨											
8	Link GIS database with development of Work Plan for Tangail PBS	▨											
9	GIS Training												
10	Assist REB w hardware & GIS Software procurement - Delayed ongoing	▨											
11	GIS & ArcView orientation - GIS Cell and Consultants (Delayed - Ongoing)	▨											
12	Task A.2: PBS Short and Medium Term Planning												
13	Monitor actions on completed Work Plan for 1st PBS - Manikganj	▶											
14	Continue monitoring data collection for record keeping and ERC	▨											
15	Develop Work Plan for 2nd PBS - Changed Dhaka 1 to Tangail PBS												
16	Monitor data collection for accuracy at Tangail (Note - PBS continues interest)	▨											
17	Prepare analytical models on Milssoft	▨											
18	Prepare Work Plan with Plan and present to REB	▨											
19	Conduct seminar on new planning process - with Tangail as 2nd example	▨											
20	Train consulting engineers on use of analysis software	▨											
21	Continue Engg. S.Ware training for REB & C.Engg. - Some delays	▨											
22	Assist REB & C Engg w purchase of H.Ward & Engg S.Ware - Ongoing	▨											
23	Test Electronic Record Card System & implement @ PBSs - Ongoing	▨											
24	Prepare Guidelines for Short/Medium Range Planning - Deliverable												
25	Prepare Guidelines for Short/Medium Range Planning - Completed												
26	Prepare Guidelines for Medium Range Planning - Deliverable												
27													
28	Activity B: Operations and Maintenance Programs												
29	Task B.1: Preventative Maintenance Programs												
30	Enhancing O&M Policies and practices												
31	Routinely evaluate line & equipment maintenance practices (Ongoing)	▨											
32	Monitor and Train on revised Line & Substation Inspection Guidelines	▨											
33	Submit Substat'n & Line O&M Guidelines for App'1 - Deliverable - Completed												
34	Reinforce Preventative Maintenance Programs												
35	Support of ERC system (see Task A.2) for O&M purposes - Ongoing	▨											
36	Conduct hands-on training/monitoring during substation O&M period - On-going	▨											
37	Provide training on equipment repair in REB Workshop - Ongoing	▨											
38	Task B.2: Material Supply For O&M Program												
39	Continue evaluation of needs for materials under O&M work - Ongoing	▨											
40	Identify delegations of authority & responsibility for material acquisition	▨											
41	Acquire materials in accordance with delegations plan - Ongoing	▨											

RPPR II Work Plan Year #4 10/05 to 09/08 - 2nd Qtr.	Task		Progress		Summary		External Tasks		Deadline
	Split		Milestone		Project Summary		External Milestone		

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RPPR II Fourth Year Workplan and Implementation Schedule - 2nd Quarter

ID	Task Name	2006											
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
42	Evaluate warehousing & issuance practices and monitor progress - Ongoing	[Hatched bar]											
43													
44	Activity C: Strengthen Utility Performance												
45	Task C.1: Strengthen Training Program & Procedures												
46	Continue and complete training needs assessment	[Solid black bar]											
47	Finalize tools and conduct assessment surveys - Completed	10/2											
48	Finalize Training Needs Assessment Report & Review REB	[Hatched bar]											
49	Submit Training Needs Assessment Rpt - Deliverable	[Solid black bar]											
50	Curriculum development improvement program												
51	Continue curriculum development in collaboration with REB - Ongoing	[Hatched bar]											
52	Support implementation of newly developed programs - Ongoing	[Hatched bar]											
53	Support training academy development - As REB requires - Ongoing	[Hatched bar]											
54	Conduct Regional & other training tours - Delayed due to REB Issues	[Hatched bar]											
55	Task C.2: Enhance Computerization Program												
56	Prepare Strategic Plan for IT Sector within RE	[Solid black bar]											
57	Prepare Draft Strategic Plan for IT Sector in RE & Review w REB - Completed	[Solid black bar]											
58	Finalize Strategic Plan for IT sector within RE and submit to REB	[Hatched bar]											
59	Continue to support computerization at REB	[Solid black bar]											
60	Develop & implement integrated RFB software packages (Payroll, GL, MM)	[Hatched bar]											
61	Support REB Info Communication Technology (ICT) Directorate - Ongoing	[Hatched bar]											
62	Advise & assist plan for HQ LAN per W.Bank funding - Delayed - Ongoing	[Hatched bar]											
63	Support internet communications between HQ and PBSs - Ongoing	[Hatched bar]											
64	Continue to support computerization at PBSs	[Solid black bar]											
65	Develop & implement integrated PBS software packages (CIS) - Ongoing	[Hatched bar]											
66	Advise & assist plan for PBS LAN per W.Bank funding - Delayed - Ongoing	[Hatched bar]											
67													
68	Activity D: Optional Programs												
69	Task D.1: Engineering and Construction Standards												
70	Advise and Assist with REB/PBS Engg Questions As Needed - Ongoing	[Hatched bar]											
71	Finalize policy on distr'n design and construction standards for PDB Takeover Areas	[Hatched bar]											
72	Work with REB in preparation of new specs for electronic meters	[Hatched bar]											
73	Prepare new design for enhanced capacity PBS Substation	[Hatched bar]											
74	Task D.2: Socio Economic Impact Assessment												
75	Develop baseline data collection at PBSs	[Solid black bar]											
76	Continue to support baseline data collection at 8 model PBSs - Ongoing	[Hatched bar]											
77	Continue baseline data collection system at 9 new PBSs - Ongoing	[Hatched bar]											
78	Strengthen monitoring and socio-economic analytic capability at REB	[Solid black bar]											
79	Work with Socio-Economic Monitoring Cell at REB - Ongoing	[Hatched bar]											
80	Conduct Study to measure impact of RE on poverty	[Solid black bar]											
81	Inhiate planning for conducting Study to measure impact of RE on poverty	[Solid black bar]											

RPPR II Work Plan
Year #4
10/05 to 09/08 - 2nd Qtr.

Task
Split

Progress
Milestone

Summary
Project Summary

External Tasks
External Milestone

Deadline

External Milestone

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