

Ministry Paper No. _____

PERFORMANCE OF THE RURAL ELECTRIFICATION PROGRAMME LTD. FOR THE 2003/2004 FINANCIAL YEAR AND FOCUS FOR 2004/2005

1.0 Purpose of Ministry Paper

The purpose of this Ministry Paper is to outline the progress and performance of the Rural Electrification Programme Ltd. (REP) for the Financial Year April 1, 2003 to March 31, 2004 and its focus for the 2004/2005 Financial Year.

2.0 Background

The Rural Electrification Programme (REP) was incorporated in 1975 as an executing agent of the Government, following a feasibility study that determined there was a need for such an entity. The Company was formed to carry out the expansion of electricity services to rural areas, where the provision of such service would not be financially viable for a commercial entity. Its mandate was and still is the construction of electrical distribution pole lines in non-electrified areas and to offer house wiring assistance through affordable loan programmes to householders who would be given access to the service by the newly erected lines. Additionally, REP offers house-wiring assistance to needy householders in already electrified areas through a Revolving Fund Programme.

3.0 Role and Function

3.1 Mission

The mission of the REP is to contribute to the economic growth and development of the country by providing access to affordable electricity, and regularizing urban electrification.

To achieve the mission, the Agency is committed to:

- Securing sustained funding for projects and activities;
- Offering the highest quality service to clients by utilizing the best available technology;
- Developing workforce skills through training and offering opportunities for participation in a wide range of activities and projects;

- Forging alliances and partnerships with competent organizations and or individuals to provide the resources to effectively execute projects and programmes in a cost effective manner;
- Diversifying the scope of engineering services; and
- Striving to achieve teamwork and continuous improvement in all activities.

3.2 Functions of Agency

The primary role and functions of the agency are as follows:

- (a) Raise the standards of living of rural householders by providing affordable access to electricity.
- (b) Regularize and formalize the use and distribution of electricity in the inner city communities in order to foster and inculcate a culture of lawful utilization of electricity services based on agreed payment of electricity use.
- (c) Remove the threat to personal and property safety posed by illegal abstraction of electricity and faulty house wiring.

3.3 Broadening of Mandate

The mandate of the REP was expanded to incorporate the regularization of urban electrification. This in an attempt to minimize unauthorized connections and reduce the risk of fires therefrom and to enhance safety. This will begin with the implementation of a pilot project aimed at regularizing electrical connections to one thousand (1,000) houses in selected urban communities.

4.0 Objectives and Targets set for 2003/2004

A budget of \$90.7M was allocated to the entity for the 2003/2004 Financial Year. This intended to fund the construction of 40 km of electrical distribution pole lines and the wiring of 2,800 houses, in selected rural communities. Additionally, the REP was mandated to initiate a pilot Urban Electricity Regularization Project (UERP) which would result in the regularizing of electrical wiring for one thousand (1,000) houses in the inner city areas of Kingston. An allocation of \$20 million was disbursed to the REP for implementing the UER Project.

Below is a breakdown of the REP projects implemented during the 2003/04 financial year:-

- (a) Revolving Fund 'L' 2002/2003 (\$18M) – The target was 1,200 houses.
- (b) GOJ 2003/2004 (\$25M) – The target was 40 km of distribution lines and 500 houses
- (c) Revolving Fund 'M' 2003/2004 (\$18M) – The target was 1300 houses.
- (d) Revolving Fund 'N' 2003/2004 (\$15.8M) - The target was 1000 houses.

In addition to the above, other special projects which were funded from other sources outside of the budget included the following:

- (a) West Albion subdivision in St. Thomas (\$5.03M) funded by the National Housing Development Corporation (NHDC). Target was to complete the subdivision.
- (b) Norwich subdivision in Portland (\$6.04M) funded by the NHDC. Target was to complete the subdivision.
- (c) Quarry Hill subdivision (\$2.9M) funded by the Ministry of Water and Housing and NHDC. Target was to complete the subdivision.

5. Highlights of Achievements - 2003/04

Table 5.1: Summary of Achievements for 2003/04

Target /Plan	Achievements/Actual
(a) Revolving Fund 'L' 2002/03 (\$18M) - 1,200 houses	1,225 houses wired and certified. (Target exceeded.)
(b) GoJ 2003/04 (\$25M) - 40km distribution lines and 500 houses	4 km of pole line constructed. Engineering designs and drawings completed. 95% of materials procured to benefit from scale economies.
(c) Revolving Fund 'M' 2003/04 (\$18M) - 1,300 houses	Contracts signed for wiring of over 500 houses.
(d) Revolving Fund 'N' 2003/04 (\$15.8M) - 1,000 houses	This project was not started. Expected to commence in the current financial year.
(e) West Albion	Completed.
(f) Norwich	Completed and awaiting certification
(g) Quarry Hill	Just started.

6.0 Main Targets and Budget for 2004/05

The main targets for the current financial year are as follows:

- (a) 40 km of pole lines constructed - funding already in place
- (b) 800 houses wired - funding already in place
- (c) 1,300 houses wired - to be funded from the Revolving Fund "M"
- (d) 1,000 houses wired - to be funded from the Revolving Fund "N"
- (e) 1,000 houses regularized in urban communities - \$20M already in place.

The approved budget for the current financial year is \$53.3 million.

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