

**MANAGEMENT RESPONSE TO THE PROJECT PERFORMANCE EVALUATION REPORT
FOR THE HUNAN LINGJINTAN HYDROPOWER PROJECT IN
THE PEOPLE'S REPUBLIC OF CHINA
(Loan 1318-PRC)**

On 24 February 2006, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

A. Overall Assessment

1. Management has reviewed the Project Performance Evaluation Report (PPER) for Loan 1318-PRC: Hunan Lingjintan Hydropower Project. It is noted that the Project has been rated as successful, the same rating given in the Project Completion Report (PCR). We also recognize the upgraded rating of highly successful given on the technical assistance grant related to the institutional strengthening of the executing agency (EA), based on the positive feedback from the EA.

2. Management further notes that all the project components were clearly established at appraisal and implemented accordingly. Some outstanding issues related to resettlement still needed to be addressed when the PCR was prepared. The PPER has endorsed the PCR recommendations in this regard, and the OED Mission has prompted positive action on the part of the provincial government toward addressing the concerns.

B. Lesson Learned and Recommendation

3. Management takes note of the key issues and lessons, which validate most of the findings and recommendations presented in the PCR. These will be taken into account in the design of similar future ADB projects.