

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SEID

TA No., Country and Name			Amount Approved: \$800,000	
TA 4151-PHI: Promoting Good Governance in the Restructured Power Sector			Revised Amount:	
Executing Agency Department of Energy		Source of Funding TASF	Amount Undisbursed: \$1.48	Amount Utilized: \$799,998.52
TA Approval Date: 18 July 2003	TA Signing Date: 14 August 2003	Fielding of First Consultants: 1 March 2004	TA Completion Date Original: 30 Sep 2004 Actual: 30 Nov 2006	Account Closing Date Original: 30 Sep 2004 Actual: 17 January 2007
Description				
<p>To address the problems facing the Philippine power sector, the Government decided to restructure and privatize the electric power industry. The centerpiece of the restructuring of the power industry was the passage of the Electric Power Industry Reform Act (EPIRA) in June 2001 and promulgation of the implementing rules and regulations in February 2002. To effectively deliver the new mandate under EPIRA, the Department of Energy (DOE) established the Electric Power Industry Management Bureau (EPIMB) to (i) supervise the restructuring of the power sector with a view to creating a competitive electricity market; (ii) formulate plans and programs that would ensure efficient and reliable electricity supply; and (iii) formulate plans and strategies on rural electrification. This TA was designed to assist DOE in undertaking these tasks through capacity building of EPIMB.</p>				
Expected Impact, Outcome and Outputs				
<p>The TA was designed in accordance with the Government's policy and ADB's energy policy. The long-term goal of ADB's assistance is to ensure the quality, reliability, security, and affordability of electricity supply in the Philippines. The TA supports this goal by (i) strengthening DOE in order to fulfill its new mandate in the restructured power sector, (ii) clarifying the functions of DOE as policy maker and Energy Regulatory Commission as an independent regulator to streamline the governance structure of the restructured power sector restructuring program; and (iii) preparing the Missionary Electrification Development Plan. Based on the recommended policies and strategies, the TA was also expected to identify areas that need further ADB support.</p>				
Delivery of Inputs and Conduct of Activities				
<p>PA Consultant (USA) was selected as the TA consultant in March 2004. The consultant provided its services in accordance with the terms of reference. Eleven training courses/workshops were provided to DOE and ERC staff; 36 desktop and laptop computers (including relevant office software) were procured. The Consultant's performance was highly satisfactory. Throughout the implementation of the TA, ADB regularly consulted the Government and reviewed progress of the consultant's work. The DOE also actively participated in the implementation of the TA. Minor change in scope was made to assist the Government and ADB to prepare the Power Sector Development Program (PSDP), which resulted in extension of TA closing by 13 months. The performance of the Government and ADB are considered highly satisfactory.</p>				
Evaluation of Outputs and Achievement of Outcome				
<p>The Consultant submitted an inception report, interim report, and a final report as specified in the contract. As part of the TA scope, the Consultant also prepared the Missionary Electrification Development Plan and a Power Sector Profile and Roadmap. The training conducted was relevant to the needs of staff, and the equipment procured under the TA greatly improved EPIMB's efficiency. In line with the TA's recommendations, ADB approved PSDP in December 2006 to sustain the progress made in the restructuring process and address the critical challenges of the sector. The targets and indicators in terms of inputs, key activities and outputs were well designed and easy to monitor. However, the goal and purpose in terms of economic growth and sector reform were too broad, which would require more inputs and longer time to achieve.</p>				

Overall Assessment and Rating

The TA was relevant at the time of its design and efficacious in achieving its objective. Overall, the TA is rated as highly successful.

Major Lessons

The goal and purpose of TA monitoring framework should be more specific and relevant to TA's scope.

Recommendations and Follow-Up Actions

With the approval of PSDP in December 2006, ADB will continue to support the power sector restructuring and privatization. In this context, ADB may consider providing assistance to electric cooperatives to participate effectively in the competitive markets and promote renewable energy and livelihood development activities.

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