1. Project Data:

<table>
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<th>Country: Lao People's Democratic Republic</th>
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<td>Project ID: P105331</td>
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<tr>
<td>Project Name: Gms Power Trade (laos) Project</td>
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<tr>
<td>Project Costs (US$M): 16.81 11.71</td>
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<td>L/C Number:</td>
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<tr>
<td>Loan/Credit (US$M): 15.00 9.80</td>
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<td>Cofinancing (US$M):</td>
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<td>Board Approval Date: 06/05/2007</td>
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<td>Closing Date: 12/31/2013 02/28/2015</td>
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<td>Sector(s): Transmission and Distribution of Electricity (86%); Hydropower (14%)</td>
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<td>Theme(s): Regional integration (29%); Infrastructure services for private sector development (29%); Climate change (14%); Rural services and infrastructure (14%); Export development and competitiveness (14%)</td>
</tr>
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</table>

2. Project Objectives and Components:

a. Objectives:

The project development objective as stated in the Financing Agreement for Lao People's Democratic Republic (PDR), Schedule 1, page 5) Greater Mekong Sub region Power Trade Project (GMS- PT) was:

"To enhance power trade within the Sub-Region with a view to bringing reliable electricity to selected provinces in Lao PDR, and creating the conditions for eventual interconnection of Lao PDR with other countries of the region".

The project development objective as stated in the Financing Agreement for Cambodia GMS Power Trade Project (GMS PTP) was:

"To enhance power trade within the Greater Mekong Sub-region (GMS) with a view to also bringing affordable grid-based electricity to selected provinces in Cambodia through import of power from the Lao PDR and the Socialist Republic of Vietnam".

The project development objectives as stated in the Project Appraisal Document (PAD, page 4) for the GMS Power Trade Projects (PTR) for Lao PDR and Cambodia were:

"To enhance regional power trade within the GMS with a view to: (i) bringing affordable grid based electricity to selected provinces in Cambodia through import of power from Lao PDR and Vietnam; and (ii) bringing reliable electricity to the Saravan Province in Lao PDR, while creating the conditions for eventual inter connections of Lao PDR with other countries of the region."

This review will utilize the PDO as stated in the Financing Agreements.

b. Were the project objectives/key associated outcome targets revised during implementation?
c. Components:

This regional project, entailing cross-border transmission lines between Lao PDR and Cambodia, was part of the Greater Mekong Subregion (GMS) regional program. The GMS program aimed at enhancing regional cooperation in the power sector in the subregion, which included in addition to Lao PDR and Cambodia, Myanmar, Thailand, Vietnam and China (Yunnan Provinces).

Components: (PAD, pages 41-45).

**Component A: Transmission line linking Lao PDR to Cambodia**: (estimated cost at appraisal US$2.36 million, appraisal estimate following project restructuring US$0.00 million, actual cost at completion US$0.00 million). This component aimed at developing a cross border transmission line linking Ban Hat (in Lao PDR) to Stung Treng (in Cambodia), for facilitating the import of lower cost electricity from Lao PDR, and thereby displacing electricity from higher cost diesel fueled generation sources in Cambodia. Activities included construction of a 115 kV double circuit predominantly pole mounted transmission line linking the two countries.

**Component B. Transmission System: Xeset Substation to Saravan**: (estimated cost at appraisal US$3.72 million, appraisal estimate following project restructuring US$4.56 million, actual cost at completion US$4.73 million). This component aimed at providing a Transmission system that would eventually interconnect Thailand, Laos and Cambodia. Activities included, construction of a 115 kV double circuit transmission line and Xeset 1-sub station at the Saravan area of Lao PDR.

**Component C: Activities aimed at implementation of components A and B**: (estimated cost at appraisal US$0.50 million, appraisal estimate following project restructuring US$0.79 million, actual cost at completion US$0.55 million). This component planned to support the institutional strengthening of Electricite du Laos (EdL) and technical assistance to EdL for mitigating the social and environmental impacts and financing the purchase of equipment.

**Component D: National/Regional Load Dispatch Center (LDC)** (estimated cost at appraisal US$6.06 million, appraisal estimate following project restructuring US$0.64 million, actual cost at completion US$0.50 million). This component provided technical assistance support for designing, implementing and establishing a LDC, a Supervisory Control and Data Acquisition (SCADA) system and establishing communication facilities.

**Component E: The Houay Lamphan Gnai Hydropower Project**: (estimated cost at appraisal US$1.70 million, appraisal estimate following project restructuring US$1.64 million, actual cost at completion US$1.64 million). This component aimed at undertaking a feasibility study of the proposed Houay Lamphan Gnai Hydro-Power Project.

**Component F: Technical Assistance for Collector Substation System**: (estimated cost at appraisal US$0.40 million, appraisal estimate following project restructuring US$0.00 million, actual cost at completion US$0.00 million). This component aimed at carrying out studies for examining the technical feasibility and economic and financial viability of collector substations, intended for drawing power from clusters of hydropower generating systems.

**Component G: Technical assistance for updating tariff study**: (estimated cost at appraisal US$0.25 million, appraisal estimate following project restructuring US$0.29 million, actual cost at completion US$0.20 million). This component aimed at providing an update of the current tariff study in general and examining the impact of export/import tariffs on Electricite du Laos (EdL)'s performance in particular.

The following changes were made to the scope of the project following the project restructuring on 11/14/2013:

- Component A activity (Construction of cross border transmission line linking Cambodia with Lao PDR) was dropped following the cancellation of the loan to Cambodia (discussed in section 2d).
- The scope of component D activities was reduced to cover only the technical assistance activities that were required for designing and implementing LDC.
- A component was added, **Expansion of Saphaotong and Ban Na Substations**, (estimated cost at appraisal US$0.00 million, appraisal estimate following project restructuring US$2.27 million, actual cost at completion US$2.16 million). This component aimed at extending the Saphaotong and Ban Na Substations in Attepeu and Champasak provinces for facilitating the collection of power from the generation power plants in the area and despatching to Bank Na Substation for further power dispatch, including to the neighboring countries of Thailand and Cambodia. Activities included, expanding the existing substation building for accommodating the expansion...
of the substation, replacing inadequately sized bars with bars of current utility substation standards, installing an additional 115/22 kV power transformer for increasing service reliability to the southern region of Lao PDR and to neighboring countries and constructing additional outgoing circuits for increasing the power evacuation capacity of new load centers.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost: At appraisal, the estimated cost was US$16.81 million. Appraisal estimate following the project restructuring was US$14.00 million. The actual cost at completion was US$11.71 million. The actual cost was lower than appraised due to a combination of factors including, cancellation of the loan to Cambodia, addition of a new component activity and reduced scope of component D activities, following the project restructuring on 11/14/2013. Following the project restructuring, component A activity was cancelled. The ICR (page 8) notes that the activity associated with the construction of the Lao PDR -- Cambodia transmission line had been on hold between 2007 and 2009 due to procurement delays in Cambodia. Although the activity resumed in 2010, Cambodia requested for extension of the project closing date. The request was not granted in view of the country program conditions which had halted Bank's engagement with Cambodia. The ICR (page 5) notes that no funds had yet been spent for this component till then, and at Lao PDR's request, the unused grant proceeds were used for financing an additional project component (discussed above). Besides these changes, at restructuring new monitoring indicators were added and the project closing date was extended by 14 months from December 31, 2013 to February 28, 2015. This extension was intended for completing the ongoing activities associated with the added activity.

Project Financing: The original approved IDA grant for the activity was US$15.00 million. Revised estimate following the project restructuring was US$10.20 million. The actual IDA grant at closure was US$9.80 million. There was parallel financing for other complementary energy sector activities from the Asian Development Bank (ADB), the Export-Import Bank of China and the GMS countries themselves through the Regional Power Trade Coordinating Committee (RPTCC).

Borrower's Contribution: The Borrower's contribution was estimated at US$1.81 million at appraisal. Following restructuring of the project, their expected contribution was revised to US$3.80 million. Their contribution at closure was US$1.90 million.

Dates: The project closed as per the revised schedule on 02/28/2015.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Original Scope: Substantial

Regional and Country Context:

Despite possessing large endowments of energy resources, the GMS countries per capita consumption of electricity exhibited wide variations - from about only 63 kWh (Kilowatt-hours) per year in Cambodia to about 1,900 kWh per year in Thailand. This was partly due to the national electricity demands that did not match with their capacity to produce electricity resources. For example, while Lao PDR's electricity supply from their estimated potential exceeded their domestic demand, and hence Lao PDR could be a major supplier to the regional electricity market, Cambodia's demand for power on the other hand exceeded their generation capacity and cost of electricity in Cambodia was one of the highest in the region. To address the regional demand for power and concerns of energy security, the GMS countries decided to enhance regional cooperation in the power sector, strengthen regional transmission networks, promote cross-border energy investments and develop a regional electricity market in a phased manner, through a GMS Forum established in the early 1990's with the support of the Asian Development Bank (ADB). The GMS countries signed an Intergovernmental Agreement on Regional Power Trade between 2004 and 2005 for furthering regional cooperation in the power sector. While a region wide competitive electricity market was still recognized as a long-term objective, there was regional consensus that it was important to develop appropriate frameworks for strengthening regional power trade through transmission of regional inter-connections.

Government and Bank Strategy:

The project development objective and original scope was relevant to the Government and Bank strategy for Lao PDR at the appraisal stage. The Country Assistance Strategy (CAS) for Lao PDR was also consistent with the
Objective one of the CAS identified the need for supporting "sustained growth through improved management of the key growth drivers". The CAS further identified "regional integration and private sector development, rural development and natural resources management as key drivers of growth. However, the construction of the cross-border transmission line linking Cambodia and Laos PDR was cancelled, which resulted in a significant reduction in project scope.

Revised scope: Substantial.

The revised project scope, although a revision in expectations, remained relevant to the country and Bank strategy for Lao PDR. The government's Long Term Power Development Plan (PDP) for the 2014-2015 period identified several cross border transmission lines with neighboring countries, The Bank's Country Partnership Strategy (CPS) for Lao PDR for the 2012-2016 period focused on three themes: (a) competitiveness and connectivity. (b) sustainable natural resource management including through management of hydropower resources. (c) inclusive development which included cross cutting themes of public sector management. Despite the setback with Cambodia the restructured project anticipated eventual cross-border inter-connections.

Moreover, the project development objective was relevant for the Bank's regional strategy for the GMS Subregion. The Bank's strategy articulated in the April 2007, "Strategy Note on Economic Cooperation across the Mekong Region" had identified the need for developing frameworks for joint action and supporting the development of power trade. The strategy also identified the need for proposing and implementing regional level activities that were complementary and reinforced country level activities and programs.

b. Relevance of Design:

Original Design: Substantial:

The statement of the original project development objectives is clear and there are valid causal links between most of the activities planned under each component, the outputs they were intended to produce and the intended outcomes were in principle, measurable.

The outputs associated with component A, B and D activities (construction of the transmission line to the Saravan area of Lao PDR and to neighboring countries like Cambodia and constructing Load despatch center) in conjunction with the outputs of Component C activities aimed at the institutional strengthening of EdL, and the technical assistance activities can be expected to contribute to the project development outcome of bringing reliable electricity to selected provinces in Lao PDR and creating the conditions for eventual inter-connections with neighboring regional countries. And the combination of these activities can be expected to contribute to the higher level objective of contributing to the Bank's regional economic cooperation strategy for the GMS region (PAD, page 4). Although the project had to drop a sub-component and add another smaller one, this could not have been foreseen at appraisal.

Revised Design: Substantial.

The statement of the revised project development objective is clear and there are valid causal links between most of the activities planned under component and the outputs they were intended to produce, and the intended outcomes were measurable. The added activity, extending the Saphaothong and Ban Na Substations in Attepeu and Champsak provinces can be expected to facilitate collecting power from the generation power plants in the area for further despatch, including eventually to the neighboring countries of Thailand and Cambodia.

There were, however, minor weakness in the results framework, (discussed in section 10a).

4. Achievement of Objectives (Efficacy):

The project was restructured relatively late on 11/14/2013, when 74% of the grant had already been disbursed. The reason for the restructuring was the non participation of Cambodia. Since the restructuring significantly changed the scope of the project, IEG and Bank norms require a split rating of performance, efficacy is assessed before restructuring when 74% was disbursed and after restructuring when 26% was disbursed.

The project development objective was: "to enhance power trade within the Sub-Region with a view to bringing reliable electricity to selected provinces in Lao PDR, and creating the conditions for eventual interconnection of Lao PDR with other counties of the region."
**Before Restructuring:**  Modest (based on 74% disbursements)

**Outputs:**
- The development of a cross border transmission line linking Lao PDR (Ban Hat) and Cambodia (Stung Treng) had to be dropped in view of Cambodia's withdrawal from the regional power trade project (36% of original project cost).
- The double circuit transmission line and Xeset 1 sub station at the Saravan area of Lao PDR was completed as targeted.
- The technical assistance activities for project implementation support was completed as targeted.
- The feasibility study of Houay Lamphan Gmai Hydropower project was completed as targeted.
- The updated tariff study for financing of hydropower power projects was completed as targeted.
- The construction of the Local Dispatch Center to increase the capacity of EdL was not completed as intended.
- The technical assistance for Collector Substation System was not completed as intended.

**Outcomes:**
- With the dropping of the activity associated with development of a cross border transmission line linking Lao PDR and Cambodia, there were no increased exports by Lao PDR to Vietnam as per their Power Purchase Agreement.

**After Restructuring:**  Substantial (based on 26% of disbursements)

**Outputs:**
- The Saphaothong and Ban Na Substations were extended to provide secure and reliable supplies to the Southern region of Lao PDR as per the revised target.

**Outcomes:**
- With the completion of the transmission line from the Xeset Substation to the Saravan area, 92 GigaWatt hours (GWh) of energy demand in the Saravan area of Lao PDR was met as compared to the target of 65 GWh. The ICR reports that the higher load demand was mainly caused by a cement factory set up in Saravan province after the transmission line was built.
- The capacity of Saphathong and Ban Na sub stations increased from 80 to 160 as per the revised target.

5. Efficiency:

**Before restructuring:**  Substantial.

At appraisal, an economic and a financial analysis was conducted. The main benefit identified incremental electricity exports as the main economic benefit in the revenue stream. For two project components (development of a cross border transmission line linking Lao PDR and Cambodia and development of the transmission link to Saravan). The ex ante economic rate of return (EIRR) ranged between 18.4% and 45.6% However, the cross border transmission link did not take place.

**After restructuring:**  Substantial.

After restructuring, the activity associated with development of a cross border transmission line linking Lao PDR with Cambodia was dropped and a new component (expansion of Saphaothong and Ban Na Substation was added. After restructuring, an economic analysis was conducted for the development of the transmission link to Saravan and the newly added activity. These components accounted for approximately 49% of the project cost. The net benefits in the case of the former component were to come from the increase in local demand met through the extension of the system and increased revenue for EdL. In the case of the latter component, the net benefits were to come from the increase in local demand met through the constructed transmission system and benefits associated with reduction of Carbon dioxide emissions, as the incremental demand was met through power from hydropower sources.

The ex post economic rate of return (EIRR) for the two components were 49% and 46% as compared to the ex ante EIRR of 34% and 46% respectively. The average ex post EIRR for the project as a whole was 47% as compared to the ex ante EIRR of 46%.

A Financial Rate of Return (FIRR) was conducted for the construction of the transmission system at appraisal and at
The ex post FIRR was 24% as compared to the ex ante FIRR of 6%. The ex post FIRR for the extension of the transmission system was in the range of 61 to 79%. The ICR does not provide reasons but states that there was no calculation of ex ante FIRR for the extension of the transmission system. There were administrative and operational inefficiencies relating to underestimation of costs and there were time overruns. The costs of constructing the Load Despatch Center was underestimated and this led to a reduction in the scope of this activity financed by the Bank. At closure, 30% of the originally allocated funding from the Bank was unspent, but this was reduced to 5% when the project scope was amended at restructuring; the project closed 14 months beyond schedule.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

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<th>Rate Available?</th>
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* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

The relevance of the project development objective and design was rated as Substantial before and after restructuring. Efficacy was rated as Modest before and Substantial after restructuring. Efficiency was rated as Substantial before and after restructuring. The overall outcome rating was Moderately Satisfactory even though this was a marginal call since 74% of disbursements had already occurred.

a. Outcome Rating: Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating:

The risk to development outcome of bringing reliable electricity to the Saravan Province in Lao PDR is rated as Negligible to Low in view of the completion of these activities and the significant number of EdL staff that were trained in using the equipment in EdL. This would help to maintain the Lao PDR power grid system in a stable and reliable condition. The risk to development outcome of “creating conditions for eventual inter connections of Lao PDR with other countries” is rated as Substantial in view of the cancellation of the cross border transmission component.

a. Risk to Development Outcome Rating: Moderate

8. Assessment of Bank Performance:

a. Quality at entry:

The preparation of the project benefitted from lessons learnt from prior Bank financed energy projects at the regional level (South East Europe Project in December 2004, West Africa Power Pool Project (WAPP) in June 2005 and South Africa Power Market in October 2003. (PAD, page 5). One lesson adopted from the prior Bank financed regional projects was the need for political consensus, and the Inter Governmental Agreement on Regional Power Trade (IGA) formed in 2002 was identified as a political instrument that could provide an authorizing environment for various regional institutions and a platform to build consensus on market design. (ICR, page 7). Key project risks were identified at appraisal and various risk mitigation measures were adopted and the overall project risk was rated as Substantial (PAD, page 10) and the withdrawal of Cambodia from the project in 2011 could not be reasonably foreseen. The financial and procurement arrangements were deemed to be satisfactory at the appraisal stage and safeguard requirements were complied with at appraisal (discussed in section 11).

- There were however important weakness in M&E design. While some indicators were not used in view of the cancellation of the loan to Cambodia, some of the outcome indicators were inappropriate (discussed in section 10).
- Risk mitigation measures did not include binding provisions that are critical to ensure firm commitments by
electricity suppliers and buyers in the form of Power Purchase Agreements (PPA's).

**Quality-at-Entry Rating:** Moderately Satisfactory

**b. Quality of supervision:**

In total, ten ISR's were filed over a period of seven years, implying on average less than two missions a year. The task team leader clarified that missions were sparse in the early years of the project when negotiations were in progress with the Cambodia government, but they were more frequent in the latter years after project restructuring. The supervision team also played a key role in providing assistance on technical and fiduciary issues. The supervision team also worked closely with the Government of Laos and EdL in adjusting the scope of the project and the budget in the wake of the cancellation of the loan to Cambodia (ICR, page 20).

The four task team leaders during the life of the project contributed to the delay in restructuring the project. Had the project been restructured earlier far less disbursements would have taken place prior to presentation for approval. There were also financial management issues, which had not been completely resolved at project closure.

**Quality of Supervision Rating:** Moderately Satisfactory

**Overall Bank Performance Rating:** Moderately Satisfactory

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### 9. Assessment of Borrower Performance:

#### a. Government Performance:

The Government's commitment to the project was demonstrated when in the wake of the cancellation of the loan to Cambodia, the Government worked with the team to adjust the scope of the project.

The commitment of the Government of Lao PDR to its long term strategy of developing its hydropower potential and exporting to the regional countries was demonstrated by its continuing dialogue with other GMS countries like Singapore.

**Government Performance Rating** Satisfactory

#### b. Implementing Agency Performance:

Electricite du Lao (EdL) under the Ministry of Energy and Mines (MEM) was the implementing agency. The implementing agency identified alternative financing for the larger scope of the Load Despatch Center component of the project. The implementing agency's performance for ensuring compliance with social and environmental safeguards was adequate (discussed in Section 11).

There were financial management issues such as delays in the submission of Interim Financial Audits, in the wake of the power sector restructuring in Lao PDR which led to the separation of the EdL Generation subsidiary from the EdL parent company. All audit reports, with the exception of the audit report for 2011, was unqualified and regarding the audit report of 2011, the auditors were unable to verify the accuracy and completeness of certain entries. During the implementation phase, the project overcharged IDA on two contracts resulting in a total of US$175,845 which was later refunded to the Bank. The monitoring indicator that was added after project restructuring was output oriented and more appropriate outcome indicators would have helped in knowing the extent to which the project contributed to the PDO.

**Implementing Agency Performance Rating** Moderately Satisfactory

**Overall Borrower Performance Rating** Moderately Satisfactory
10. M&E Design, Implementation, & Utilization:

a. M&E Design:

The four outcome indicators selected for the project at appraisal (increased export of power Lao PDR to Cambodia, percent of demand met in select Cambodian town from imports from Lao PDR and Vietnam, increase in demand met in the Saravan area of Lao and increased capacity of EdL through the use of load dispatch center) adequately reflected the PDO. The first two outcome indicators were not used in view of the cancellation of the project to Cambodia.

b. M&E Implementation:

During project restructuring a PDO indicator was added to measure the built capacity of the Saphathong and Ban Na Substations. This indicator (installed capacity) was output oriented. More appropriate outcome indicators, such as "increased demand met in the Saphathong area" and "increased export from Lao PDR to neighboring countries through the Ban Na Substation" would have helped in knowing the extent to which the project contributed to the PDO. The number of qualified staff hired at LDC was an intermediate indicator, but only gave a partial picture of EdL’s progress in capacity development.

The ICR (page 9) reports that the quality of information supplied by EdL was deemed to be adequate as verified by international consultants and field visits.

c. M&E Utilization:

The monitoring indicators were used to identify required actions to remedy delays and bottlenecks.

M&E Quality Rating: Modest

11. Other Issues

a. Safeguards:

This was classified as a Category B for Environmental Assessment purposes. In addition to Environmental Assessment (OP/BP 4.01), four safeguard policies were triggered: Natural Habitats (OP/BP 4.04), Physical Cultural Resources (OP/BP $.11), Involuntary Resettlement (OP/BP 4.12), Projects on International Waterways (OP/BP 7.50).

Environmental and Social Safeguards: The PAD (page 17) notes that an Environmental Management Plan (EMP) and Resettlement Action Plan (RAP) was prepared at the appraisal stage and disclosed to the public by EdL. The ICR (page 10) notes that EdL's environment office consisted of staff who were experienced in safeguard implementation of the project and were familiar with the Bank's procedures. The ICR (page 10) notes that there was compliance with environmental issues, and there were no social safeguard issues during implementation.

b. Fiduciary Compliance:

Financial Arrangements: At the appraisal stage, the financial management of both Cambodia and Lao PDR was deemed to be adequate (PAD, page 14). The ICR (page 11) notes that there was an issue of staffing at the EdL and the Bank team provided refresher training to the staff during implementation. The ICR notes that there were delays associated with submission of audit reports throughout project implementation and one audit report (for the period ending December 31, 2011) was qualified. During project implementation, the project overcharged IDA on two occasions, although these amounts were eventually recovered by the Bank from Lao PDR.

Procurement: At the appraisal stage, EdL was deemed to have adequate experience and capacity to handle procurement issues (PAD, page 14). The ICR (page 11) reports that there were no major procurement issues and there was compliance with World Bank Procurement guidelines.

c. Unintended Impacts (positive or negative):
12. Ratings:

<table>
<thead>
<tr>
<th>Outcome:</th>
<th>ICR</th>
<th>IEG Review</th>
<th>Reason for Disagreement/Comments</th>
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<tr>
<td>Risk to Development Outcome:</td>
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<td>Moderately Satisfactory</td>
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**NOTES:**
- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:
The ICR (page 21-23) draws the following main lessons from this project.

1) Given that regional energy projects involve multiple countries and implementing agencies with different operating conditions and environments, it is important to ensure the commitment and ownership of participating countries through strong political consensus. Further, it is important to adapt to technological developments through regular reviews and updating of implementation plans.

2) Development of cross-border transmission lines, require firm commitment by electricity suppliers and buyers in the form of binding provisions in Power Purchase Agreements (PPA's).

3). While long term cross border transactions have taken place in GMS region, despite the absence of a regional power exchange market, the bilateral transaction-by transaction approach may be feasible only when there are limited cross border transactions within the region. As regional inter connections grow it may be useful to work for a regional power exchange market in the context of a region wide network.

14. Assessment Recommended?  
- Yes  
- No

15. Comments on Quality of ICR:
The ICR presents a good description of the problems associated with regional projects while discussing the Cambodia aspect of the project. It is concise and well written. The ICR could have provided more information on the monitoring and evaluation aspects of the project and provided reasons as to why there was no ex ante calculation of the Financial Rate of Return for the extension of the transmission system (the project component that was added after restructuring). It is unclear from the text why government performance was rated as Moderately Satisfactory, because no negative aspects are provided. The ICR incorrectly rates the "Risk to Development Outcome" as "Modest" in the text rather than "Moderate". "Modest" is not in the ratings scale indicated in the OPCS Guidelines for ICR preparation.
Quality of ICR Rating: Satisfactory