

**Third Party Evaluator's Opinion on
Tenom Pangi Hydroelectric Power Plant Rehabilitation Project**

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Relevance

In terms of reference, it cannot be denied that the hydroelectric project is indeed very relevant as the supply of electric power is vital to socio-economic development of the state of Sabah, Malaysia.

The damage to the facilities in 1998 was regrettable and entirely attributed to unexpected heavy flooding. However, rehabilitation work was necessary and appropriate.

It is noted that the utmost care has been taken in the conception, planning and execution of the project and the execution of the said project has not resulted in any adverse impact on the population as well as the environment.

From my observation, in the process of the implementation of the project, especially at the construction phase, one of the spillover/ancillary benefits of such a huge project are the inherent contribution to the development of skills in the industry.

Sabah Electricity Sdn Bhd has deemed the project successful in providing reliable and cheapest (cost-effective) provision of power supply and is now conducting a feasibility study with a view to upgrade the power plant capacity.

Efficiency, effectiveness, impacts and sustainability

The efficiency, effectiveness, impact and sustainability of the project depends on the efficiency and professionalism of the Management as well as the full utilization of power generated for the socio-economic activities which contribute to increase in income and well being of the population covered by the project.

Another indicator of the socio-economic impact of this project has been the effective hand-over of the project and the fact that there was adequate local expertise able to facilitate the transfer.

Local involvement is also assumed at the construction stage. Thus a further positive impact on the local community.

From the report, I do not see any cost over run from the implementation of the project. The project has been constructed based on international standards and specifications. Therefore, introducing these high standards into the local construction industry.

By most standards, this project is a success. Most importantly it has directly contributed to the development of the local economy and the improvement of the quality of life for the people.

It is imperative that rural communities have proper, modern utilities that serve as a cost efficient, reliable source of energy.

Cost efficient and reliable production of such energy is essential for the sustainability of local industry and subsequently the improvement of the community's standard of living.

Therefore, this project is a success as it directly contributes to the development of the local economy and the improvement of the quality of life for the people.