

Case	Description														
<p>The Power Sector Development Program</p>	<p>The maturing debts of NPC (National Power Corporation) and the deteriorating financial position of PSALM (Power Sector Assets and Liabilities Management Corp.) led ADB to lend US \$450 million as a response to the financial requirement of the power sector in the next four years (2006-2010). ADB expects the financial requirement in the next four years to run up to US\$9.171 billion and the PSDP loan is but a parcel of this projected financing.</p> <p>PSDP is basically a loan to pay past loans. The loan is a stop gap measure that will respond to the maturing debts of the power sector in 2009. ADB commented, "we are worried about the debt profile of the country and future power shortages."</p> <p>ADB is taking the first step in financing the US\$9 billion requirement through PSDP, hoping other international financial bodies such WB, IMF, US and Japan government would follow. A similar program loan is currently undertaken in Indonesia.</p>														
<p>Loan Information (using US\$1=PhP41)</p>															
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