

Success Rates

Highly Successful Projects
2005–2006

Hebei Roads Development

Rationale:

Rapid economic growth demands in the People's Republic of China had created bottlenecks evident in all transport modes. In the government's strategic framework for transport corridors and connecting links, attention had been given to strengthening access to less-developed communities and disadvantaged areas.

Expected Outcomes:

The project aimed to

- promote economic growth by relieving traffic congestion in the Beijing-Shanghai corridor, and
- reduce poverty by connecting poor areas to the economic mainstream.

Accomplishments:

The project directly supported five ADB strategic road sector priorities and was fully consistent with the government's priorities to upgrade and expand the National Trunk Highway System—Beijing-Tianjin-Shanghai economic growth corridor. Most of the expected outcomes indicated in the design and monitoring framework were realized: (i) road utilization levels improved over time, (ii) annual average daily expressway traffic was better than project completion estimates, and (iii) expressway capacity of 40,000 vehicles per day is expected to be achieved by 2020. Civil works quality and expressway maintenance are sound and should enable the expressway to operate for its full economic life.

Details:

www.adb.org/Documents/PPERs/PRC/PPER-HRDP.asp

Number:

Loan 1617-PRC

Approval:

18 June 1998

Effectivity:

18 February 1999

Closure:

2 April 2004

Disbursements:

\$167,069,000

Evaluated:

2006

Performance:

Highly Successful

Changchun-Harbin Expressway

Rationale:

Rapid economic growth demands in the People's Republic of China had created bottlenecks evident in all transport modes.

Expected Outcomes:

The project aimed to

- promote economic growth by reducing transport cost,
- enhance road transport safety, and
- support the development of new corporate structures for expressway management in two provinces.

Accomplishments:

The project improved road transport efficiency and safety in the project impact area of the expressway—traffic was reduced substantially on the existing national highway, passenger and freight services expanded greatly, average travel time from Harbin to Changchun was reduced from 4 hours to 2.5 hours, freight and passenger charges were reduced by 10–15%, and accidents per 100 million vehicle-kilometers steadily decreased. After 3 years of operation, both expressway corporations achieved their financial targets and were generating net earnings.

Details:

www.adb.org/Documents/PPERs/PRC/PPER-PRC-30389.asp

Number:

Loan 1641-PRC

Approval:

27 November 1998

Effectivity:

16 August 1999

Closure:

5 March 2003

Disbursements:

\$233,300,000

Evaluated:

2006

Performance:

Highly Successful

Financial Sector Program

Rationale:

With the opening of Korea's financial markets to foreign investors prior to the Asian financial and economic crisis of 1997, many industrial conglomerates had grown rapidly on borrowed capital and were highly leveraged. Interlocking relationships between the corporate and financial sectors, and the accommodative role of government meant that financial institutions had not been compelled to operate within prudent market-driven norms, and few had experience with managing price and commercial credit risks. After the crisis engulfed Korea in 1997, confidence in financial sector resilience had eroded rapidly, leading foreign creditors to refuse the rollover of short-term loans made directly and indirectly to the conglomerates. With the financial sector facing sudden repayment demands of foreign exchange-denominated creditor claims, the government intervened to prevent sector implosion.

Expected Outcomes:

A Korean Presidential Commission recommended introducing market forces to the financial sector. The program broadened the government's framework and deepened reforms in several areas, particularly in the nonbank sector. The program aimed to

- increase reliance on market forces and improve oversight (by facilitating the dissolution of nonviable institutions and by strengthening prudential norms and the regulatory framework), and
- improve the efficiency of markets (by loosening foreign ownership restrictions on securities and by strengthening corporate accounting and disclosure standards).

The associated technical assistance loan aimed to

- develop the capacity of key players, including a newly established market regulator and the institution responsible for disposing of nonperforming loans from restructured institutions;
- upgrade credit information and rating systems; and
- review impediments to the development of mortgage-backed securities.

Accomplishments:

The government demonstrated a strong commitment to the program—it designed many of the key reforms; enacted some reforms before they were required for tranche release; and, in some cases, went beyond what was required. The program reforms were appropriate and targeted toward addressing weaknesses in the financial sector that, at the time, were thought to underlie the crisis. The program's contribution to institutional development was substantial.

Details:

www.adb.org/Documents/PPERs/KOR/PPER-KOR-31651.asp

Number:

Loan 1601-KOR

Approval:

19 December 1997

Effectivity:

23 December 1997

Closure:

7 December 1999

Disbursements:

\$3,700,000,000

Evaluated:

2005

Performance:

Highly Successful

Champassak Road Improvement

Rationale:

The National Transport Study (1991) of the United Nations Development Programme had identified the project as a priority for Lao People's Democratic Republic, as it would provide road transit connections for exports and imports to Thailand and Cambodia.

Expected Outcomes:

The project aimed to

- provide continuous all-weather road access for local and transit traffic between the Thai border at Chong Mak and the Cambodian border at Veune Kham via Pakse;
- support economic growth and employment generation (and thereby reduce poverty) in the road influence area;
- reduce transport costs for the project roads' traffic and support agricultural, industrial, and tourism development in the road influence area;
- continue to support the government's road maintenance program (1996–1999); and
- further the privatization process in the road construction and maintenance industry through contract sizes that would also be attractive to domestic bidders.

Accomplishments:

Four years after project completion, the riding quality remained acceptable for a national road, pavement performance was satisfactory despite a 22% annual increase in traffic since completion, the bridges and culverts were still in good condition and adequate to handle the level of project road traffic, and transit times had been reduced an average of 40–50% because of increased vehicle speeds. Several socioeconomic changes had also been witnessed from a socioeconomic survey linking them indirectly to the project after completion of the road improvement

- a general improvement in household income, land ownership patterns, health care, education, access to markets, and access to credit;
- an expanded electricity network in the project area;
- availability of off-farm income from diverse economic activities for people living in the project-influenced area to supplement their traditional agricultural income; and
- new opportunities for women to play a greater role in their villages' economic development through their participation in road maintenance activities.

Details:

www.adb.org/Documents/PPERs/LAO/26498-LAO-PPER.pdf

Number:

Loan 1369-LAO

Approval:

31 August 1995

Effectivity:

19 December 1995

Closure:

26 July 2001

Disbursements:

\$42,233,000

Evaluated:

2005

Performance:

Highly Successful

Bangkok Urban Transport

Rationale:

With Bangkok notorious for having some of the world's worst traffic congestion, the Government of Thailand had quadrupled the investment in Bangkok's transport sector and had approached international funding organizations, including ADB, for the necessary financing.

Expected Outcomes:

The project aimed to

- reduce traffic congestion in the corridor of the Thonburi Road Extension leading to the central business district;
- provide urgently required institutional support to enhance transport planning, policy formulation, and policy assessment;
- assist in human resource development training in the urban transport subsector; and
- assist in identifying the longer term structural needs for Bangkok's metropolitan region development.

Accomplishments:

The construction quality of the Thonburi Road Extension was satisfactory, provided valuable traffic relief to the western areas of Bangkok, and extended its beneficial effects to much of central Bangkok. The Office of the Commission for Management of Road Traffic, now called the Office of Transport Planning and Policy, strengthened its position and improved the coordination of megaprojects. The 2002 reforms of the transport sector strengthened the office's sector coordination capacity. The office continually improves the Urban Transport Database and Model Development and widely uses the current Bangkok Extended City Model. As the staff of the Office of the Commission for Management of Road Traffic appear to have low turnover, the new office continues to benefit from these trained and experienced staff.

Details:

www.adb.org/Documents/PPERs/THA/25345-THA-PPE.pdf

Number:

Loan 1195-THA

Approval:

24 November 1992

Effectivity:

23 December 1993

Closure:

14 January 2002

Disbursements:

\$30,329,000

Evaluated:

2005

Performance:

Highly Successful

About the Asian Development Bank

ADB aims to improve the welfare of the people in the Asia and Pacific region, particularly the nearly 1.9 billion who live on less than \$2 a day. Despite many success stories, the region remains home to two thirds of the world's poor. ADB is a multilateral development finance institution owned by 67 members, 48 from the region and 19 from other parts of the globe. ADB's vision is a region free of poverty. Its mission is to help its developing member countries reduce poverty and improve their quality of life.

ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. ADB's annual lending volume is typically about \$6 billion, with technical assistance usually totaling about \$180 million a year.

ADB's headquarters is in Manila. It has 26 offices around the world and more than 2,000 employees from over 50 countries.

Operations Evaluation Department
Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444
evaluation@adb.org
www.adb.org/evaluation

Success Rates provide condensed information. Readers should verify with the Operations Evaluation Department information that they may wish to use.