

**ASIAN DEVELOPMENT BANK**

**TPA:MAL 26439**

**TECHNICAL ASSISTANCE PERFORMANCE AUDIT REPORT**

**ON THE**

**URBAN TRANSPORT PLANNING PROJECT  
(TA No. 1958-MAL)**

**IN**

**MALAYSIA**

**December 1996**

## CURRENCY EQUIVALENTS

Currency Unit - Ringgit (RM)

		<b>At TA Approval</b>	<b>At TA Completion</b>	<b>At TA Evaluation</b>
RM1.00	=	\$0.3918	\$0.4056	\$0.3969
\$1.00	=	RM2.5523	RM2.4655	RM2.5195

The ringgit is linked to a weighted basket of currencies of the country's major trading partners.

## ABBREVIATIONS

EPU	-	Economic Planning Unit
HPU	-	Highway Planning Unit
MOW	-	Ministry of Works
TOR	-	Terms of Reference

## NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this Report, "\$" refers to US dollars.

## I. BACKGROUND

### A. Introduction

1. At the time of the TA, rapid urban growth in Malaysia was placing considerable strain on urban infrastructure, including transport. However, the urban transport planning process was not well developed, and there was a lack of detailed urban transport plans, as well as shortages of staff with skills in traffic management techniques. Consequently, the Government requested Bank advisory technical assistance to prepare urban transport plans and to strengthen sector institutions.

### B. Objectives and Scope

2. The objective of the TA was to help the Government formulate specific proposals for the development of efficient and effective transport networks and services for Johor Bahru, Ipoh, and Sungai Petani, and produce a manual that will assist in developing skills in transport planning and traffic management techniques.

3. The scope of the TA was to formulate specific proposals for the development of urban transport in three towns in Malaysia, and to draft a manual detailing and summarizing the methodology and analysis required to prepare such transport plans. The urban transport plans for each of the individual towns were to cover the immediate needs (over the next 2 years), the short term (up to 5 years), the medium term (up to 10 years) and the long term (15+ years). Prioritized investment programs in line with urban structure and local development plans for each of the towns were to be formulated corresponding to the respective five-year national planning periods. The towns of Johor Bahru, Ipoh, and Sungai Petani were chosen on the basis of their economic activity, level of development, and emerging transport constraints to demonstrate the different aspects of transport planning. The TA was also to review the institutional framework and establish training needs and organizational adjustments to improve both urban transport planning methods and analysis, and the effectiveness of implementing plans and policies.

## II. ASSESSMENT OF IMPLEMENTATION

### A. Design of the TA

**1. Appropriateness of Concepts and Approaches**

4. The Government's overall strategy in the urban transport subsector is to focus on improving urban transportation to alleviate the rapidly emerging traffic congestion problems in urban areas. In smaller urban areas, the emphasis is on maximizing the use of existing infrastructure through improvement of traffic management techniques, controls on parking, and traffic prioritization. The design of the TA closely reflected these strategic concerns, and provided training to enable Government staff to develop urban transport plans on their own. However, the production of a training manual alone does not seem to be sufficient to attain the continuous skills development needed in the Highway Planning Unit (HPU) and local government. The TA was in line with the Bank's strategy in the sector.

## **2. Degree of Recipient Agency Involvement in TA Design**

5. The draft terms of reference (TOR) of the TA were prepared by the Government. Only minor modifications were made to the TOR, and thus the design of the TA reflected a high degree of Government input.

## **3. Quality and Adequacy of Physical Inputs Provided**

6. The hardware (three personal computers, two printers, one mobile telephone, one projector and screen) and software (two urban transport planning programs, EMME/2 and TRANSYT) provided under the TA were "user friendly" and considered by the Government a substantial improvement over systems already in place in HPU of the Ministry of Works. However, no software was provided to the planning authorities in the three towns for which urban transport plans were prepared. These planning authorities felt that this software would have been useful in their work, although none of the planning authorities possessed the required skills (strong technical background in transport planning and traffic management, and systems analysis) to utilize this software.

## **4. Terms of Reference of Consultants**

7. The terms of reference of the consultants were clear, comprehensive, and appropriate for attaining the objectives of the TA.

### **B. Engagement of Consultants**

8. Seven international consultants and six local consultants for a total of 18.5 and 18.75 person-months, respectively, were engaged in accordance with the Bank's *Guidelines on the Use of Consultants* (see Basic TA Data). One additional consultant was added to the international team for a short term. This was accomplished by reducing the time of another consultant, thus requiring no additional funding. One domestic consultant was replaced at the beginning of the Project. The TA began on schedule on 4 April 1994 as agreed during contract negotiations.

### **C. Organization and Management**

9. The HPU of the Ministry of Works was designated as the Executing Agency for the TA. The bulk of the work of the consultants was undertaken at HPU offices, including training of counterpart staff. The consultants collaborated closely with HPU staff and staff of local governments in Johor Bahru, Ipoh, and Sungai Petani. At the end of the TA, a seminar was held in Kuala Lumpur to disseminate the findings of the studies and review the training manual.

#### **D. Implementation Schedule and Financing Arrangements**

10. All components were implemented within the original time frame. The actual cost of the TA was \$699,850 compared with the estimated cost of \$734,000. The actual amount funded by the Bank of \$565,850 (compared with \$600,000 estimated) was utilized for consulting services, equipment, and software. The contribution by HPU was in kind by way of counterpart staff, a vehicle, telecommunication facilities, field surveys, and office accommodation as required by the TA Agreement. However, due to the unforeseen commencement of school holidays, all data collection had to be conducted simultaneously in the three towns which required substantial additional funding and intensive training by the consultants. The Government responded to this unforeseen contingency by providing an additional RM100,000.

#### **E. Supervision**

11. Bank supervision during TA implementation consisted of only two missions- an inception mission (two days) and a review mission (four days)- because of budgetary constraints. However, missions supervising two RETAs based in Malaysia provided some additional supervision of the Project. In general, Bank supervision of the TA was adequate.

12. The Executing Agency provided good, well-furnished office accommodation and a full-time vehicle and support staff, but were unable to provide sufficient counterpart staff on a full-time or part-time basis. Several experienced counterparts were assigned to the study but left Government service shortly thereafter. Thus the Executing Agency did not receive the full benefit of the TA. Also, the lack of a Director at HPU resulted in poor supervision on the part of the Executing Agency.

### **III. EVALUATION OF OUTPUTS AND IMPACT**

#### **A. Adequacy and Quality of Reports and Services Provided**

13. The output of the TA comprised six reports: an Executive Report, three detailed urban transport studies for Johor Bahru, Ipoh, and Sungai Petani, a report on the training needs for urban transport planners, and a manual for the preparation of urban transport plans in Malaysia. All reports were of good quality and the Government was generally satisfied with the performance of the consultants in preparing the reports. The urban transport plans for Johor Bahru, Ipoh, and Sungai Petani proposed plans of action for each town which are currently under various stages of implementation. See Appendix 1 for a summary of the action plans for the three towns. The primary constraint to fully implementing the action plans is the lack of financial resources because local governments have limited sources of revenue and are dependent almost exclusively on State allocations as well as Federal funds for the financing of urban transport projects. Action plans that

required little or no financing have been to a greater extent implemented.

14. The study results were presented at a two-day seminar in Kuala Lumpur at the end of the TA. The seminar was attended by more than 150 persons from the Government and municipalities from around the country. The seminar was considered generally successful.

#### **B. Training and Transfer of Technology**

15. The TA required that the consultants ensure that the transfer of technology to Government staff "be effected to the greatest extent possible." At least three HPU personnel were to be trained in the analytical techniques developed and used in the study to enable the manual to be updated periodically. Counterpart staff were also to be trained in the use of the software packages used in the study.

16. A number of HPU staff were seconded for training by the consultants; however, the exact number was not known because of the high rate of turnover in staff in HPU. Secondments of staff from the local governments did not materialize because of a shortage of available staff.

17. The Government felt that training was weak and consisted primarily of biweekly seminars for two to three hours on major topics on urban transport planning (see Appendix 2 for a listing of these seminars). In their opinion, the TA was too ambitious vis-à-vis the resources provided under the TA to formulate urban transport plans and train staff simultaneously. The Government also felt that their staff needed more basic instruction in the use of computers before being trained on the software installed on HPU computers. However, after completion of the TA, all HPU staff trained under the TA eventually left HPU for other jobs, mostly in the private sector. As a result, HPU effectively received no lasting benefit from the TA in terms of training and skills transfer.

#### **C. Institution Building**

18. Under the TA, the consultants were required to prepare a report on an assessment of human resources available for transport planning, determine future needs, and identify training requirements necessary to provide sufficient numbers of skilled personnel. The report was prepared after urban transport plans were developed for the three towns which served as a representative sample of the urban transport planning environment at the time. This analysis was supplemented by interviews with Malaysia's leading educational institutions with significant transport interests, and with Government staff. The report was generally well prepared and identified the major shortcomings in Government institutions in urban transport planning, and made appropriate recommendations on future directions in the building up of institutional capacities.

#### **D. Performance of Consultant**

19. The consultant performed satisfactorily. The consultant's approach was professional

and the consultant established cordial relationships with Executing Agency staff which resulted in a high degree of cooperation. The objectives of the TA were essentially met, although training was not achieved to the extent envisaged. However, the Government felt that the amount of resources under the TA was insufficient to prepare three urban transport plans and to engage in effective training at the same time. Since the urban transport plans were considered by both the Government and the consultant to have a higher priority, less training was provided.

#### **IV. CONCLUSIONS**

##### **A. Key Issues**

20. The urban transport plans formulated by the consultant were well thought out and effectively addressed the issues at hand. However, most municipalities face strict budgetary constraints because of a lack of revenue sources and dependence on State and Federal budgets for operating and investment funds. If plans are formulated without considering these budgetary implications, investments may not be made optimally in urban transport infrastructure. Thus, "second best" solutions to urban transport problems that take into account budgetary constraints should be considered and made part of the terms of reference of future TAs.

21. The risk of executing agency staff trained under a Bank TA leaving the executing agency shortly after completing training is ever present. Training increases the market value of an individual's labor and thus opportunities for higher remuneration elsewhere will undoubtedly arise. However, there are usually few ways to prevent departures or to effectively compete for job skills in the labor market by the executing agencies, primarily because of budgetary constraints. Thus, it is important that TAs be designed to ensure that some continuity in the transfer of skills is established. One way to accomplish this would be to put more emphasis on the training of trainers in the TA's terms of reference along with some assurances that the trainers will remain on the job for a reasonable period of time.

##### **B. Overall Assessment**

22. The objectives of the TA were largely achieved- urban transport plans for Johor Bahru, Ipoh, and Sungai Petani were developed, training needs identified, and a manual to assist in the development of skills in transport planning and traffic management techniques was produced. Although training did not achieve the expected results, training was provided to the extent possible as required by the TA. Thus, it is concluded that the TA was generally successful.

##### **C. Lessons Learned**

23. Two major lessons were learned from the implementation experience of the TA. First, the design of the TA should require that the terms of reference include provisions for the

consultant to assess the budgetary implications of the proposed urban transport plans. If such plans are unrealistic in terms of financing requirements, then "second best" plans may need to be formulated.

24. Second, it is important that future TAs put more emphasis, as well as allocate more resources, to the training of trainers to ensure that some continuity in skills development is established. The risk of departures of trained staff, particularly in developing member countries with labor shortages such as Malaysia, is significant and a system to replace departing staff needs to be put in place.

#### **D. Follow-up Actions and Recommendations**

25. The TA provided state-of-the-art urban transport planning software to HPU. However, all HPU staff trained on this software have now left HPU, and the software is largely unused because of the absence of anyone with sufficient understanding of the operation of the software among current HPU staff. The Bank should thus encourage the Government to finance a small-scale project for a short training course on the software for all HPU staff, as well as a course for the training of trainers for a small select group of HPU staff. This would ensure that benefits from the Bank's investment in the software are realized in the future. It is also recommended that the urban transport planning software be provided to town planning authorities together with appropriate training to enable them to prepare urban transport plans on their own.