



# Major Change in Scope and Amount

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Technical Assistance Number: 4676  
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## THA: Infrastructure Investment Advisory Assistance to the Public Debt Management Office of Thailand

1. The Asian Development Bank (ADB) is providing technical assistance (TA) to the Government of Thailand to develop and evaluate institutional, financial, and policy issues associated with plans to invest more than \$10 billion over the next 5 years to expand Bangkok's urban mass transit system. The small-scale TA is financed from ADB's TA Special Fund and was approved on 13 October 2005 in the amount of \$150,000.

2. The TA is helping the Public Debt Management Office (PDMO) of the Ministry of Finance (i) identify and evaluate different policy options for integrating operations of the existing urban mass rail transit (MRT) system, as well as the proposed new extensions to the system; (ii) consider appropriate institutional arrangements for operating, managing, and regulating the expanded and integrated MRT system; and (iii) introduce a single-ticket model through appropriate fare setting and revenue sharing among the different MRT operators (and/or concessionaires), helping increase operational efficiency and maximize convenience for MRT users.

3. Based on the key findings and recommendations of the TA, PDMO and the Office of Transport and Traffic Policy and Planning (OTP) of the Ministry of Transport have requested ADB to extend the TA to provide more detailed, in-depth analysis of key technical financial and policy issues. This request derives from the need to ensure that the Government has the requisite information and planning framework to evaluate a series of complex options associated with the proposed expansion of the MRT system. Consistent with the original TA scope, the three specific areas identified for further assistance include (i) developing a gross

cost concession model for the provision, operation, and maintenance of the rolling stock; (ii) further elaboration of options and implications of introducing integrated fares and ticketing; and (iii) detailed specification of the structure and data requirements for a MRT financial model to analyze operating costs of the existing and proposed rail lines.

4. In response to the request made by PDMO and OTP, it was proposed that the TA be expanded to provide more detailed, in-depth analyses and recommendations on priority issues related to the Government's investment plan for the MRT system, with specific focus on concessions, integrated fares and ticketing, and financial modeling. It was also proposed that the TA amount be increased by \$131,000, to be provided on a grant basis from ADB-funded TA Special Funds, to accommodate the expanded scope of work, and that the TA closing date be extended from 15 February 2006 to 31 July 2006.

5. On 10 February 2006, Management approved a major change in scope to cover the additional inputs of \$131,000 equivalent from the TA Special Fund. The Board is thus notified of this approval.