

TECHNICAL ASSISTANCE COMPLETION REPORT

Division : RSID

TA No., Country and Name		Amount Approved: \$580,000	
TA 5823-REG: Preparation of a Transport Sector Policy		Revised Amount: \$580,000	
Executing Agency: Regional and Sustainable Development Department ¹	Source of Funding: TASF	Amount Undisbursed: \$60,388.63	Amount Utilized: \$519,611.37
TA Approval Date: 23 Dec 1998	TA Signing Date: n/a	Fielding of First Consultant: Nov 2000	TA Completion Date Original: 29 Feb 2000 Actual: 30 Sep 2007 Account Closing Date Original: not indicated Actual: 31 Dec 2008
<p>Description</p> <p>The provision of transport infrastructure is an important component of economic and social development. This priority is reflected in the scale of ADB operations for transport development which has remained as the largest sector of ADB operations and is expected to remain a major sector of its operations in the medium and long term. ADB has yet to develop a formal transport policy agenda that is directed towards the delivery of appropriate technology, management, and financing of the sector. This technical assistance (TA) was to assist in the preparation of an ADB policy for lending to the transport sector over the next 10-15 years, one that is consistent with its strategic objectives and will serve as the guiding rationale for future ADB activities in transport sector operations.</p> <p>Expected Impact, Outcome and Outputs</p> <p>The expected impact of the TA was enhanced economic development in DMCs through better investment in transport infrastructure. The expected outcome was an appropriate ADB transport policy for lending to the transport sector. The TA was to prepare a policy paper for Board consideration and publish a policy report in line with ADB's strategic objectives.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p>The design of the TA was generally appropriate, and the terms of reference were adequate to achieve the intended objective of the TA. The TA envisaged a total of 12 person-months of individual international consulting services comprising modal transport specialists with wide-ranging expertise in crosscutting issues such as private sector financing, environment, poverty, and social analysis. The consultants performed generally well. The quality of inputs was good and the individual background papers were prepared well.</p> <p>The TA was intended to be implemented over a period of 10 months, with completion in February 2000. However, due to staff capacity constraints actual commencement of TA work started only in January 2001. A kick-off inception workshop was held and attended by the various individual consultants recruited to prepare "think piece" papers for each of the transport modes and cross cutting issues, as well as representatives of the major transport donors in the Asia-Pacific region. The TA came up with a total of 8 background papers for preparing the draft transport sector policy paper. It was originally planned to conduct external consultations in key DMCs to enable a broad range of stakeholders and partners to provide feedback on the proposed transport policy paper. Further progress on the paper was put on hold pending Management's decision regarding preparation of new sector policy and strategy papers. Following RSDD reorganization in mid-2005, it was decided to proceed with the finalization of the paper as an ADB transport strategy publication. Adequate support was provided by the Transport Sector Committee who contributed to the technical review of the draft document. In addition, ADB staff contributed to improving the quality of the paper through two Transport Strategy Writeshops conducted in early 2006.</p>			

¹ RSID assumed the administration of the TA from the former Infrastructure, Energy and Financial Sectors Department (East).

Following the approval of ADB's Medium Term Strategy (MTS) II in mid-2006, RSDD Management preferred that future directions of transport operations be aligned with MTS II. Thus, RSDD Management opined that the paper be entirely reshaped to fit the current DMC's developmental needs. It was decided that the final TA output be in the form of an information paper instead of a strategy paper. TA completion was further extended to allow time for the realignment of the TA, consultations with DMCs and donors, and the production of operationally relevant output in line with MTSII. A series of consultation meetings with selected DMCs and donors including DFID, JBIC, JICA and the World Bank were held to outline the key areas for ADB transport sector under MTS II and ensure that the strategic directions be in harmony with other development partners.

At TA completion, a total of 23.78 person-months of international consulting services were utilized under the TA, compared with the estimated 12 person-months. The extended implementation period necessitated re-engagement of transport specialists in order to update the sector reports that were produced in 2001, and consequently, to update information and incorporate revised ADB policies and procedures in the revised draft document such as those included under the Innovation and Efficiency Initiative, Private Sector Development Strategy, and revised Safeguard Policies. Surplus funds were used for additional consulting inputs to undertake further assessment of poverty impacts of ADB transport operations and to develop content for the transport website.

Evaluation of Outputs and Achievement of Outcome

The eight background papers prepared by the transport specialists contributed to the assessment of strategic issues facing the transport sector. In the end, the final document produced by the TA was an information paper entitled, "ADB's Interventions in Transport under the Medium-Term Strategy II". Approved by ADB Management in September 2007, the paper provides ADB transport sector with specific guidance to complement the strategic priorities within the framework of MTS II. The paper was prepared as a forward-looking document, highlighting areas of focus—climate change, energy efficiency, and poverty reduction. The paper recommends the following sector thrusts: (i) private sector participation, (ii) transport for all, (iii) regional cooperation and integration, (iv) clean energy and energy-efficient transport, and (v) good governance.

However, the outputs of the TA have not been widely discussed internally or communicated with key clients and stakeholders in the developing countries and therefore the outputs have had limited outcomes. It is important that ADB informs its clients of its approach to transport sector development given the importance of the sector in overall ADB operations.

Overall Assessment and Rating

The TA did not achieve its original intention of developing an ADB transport policy for lending to the transport sector, and therefore the TA is rated as unsuccessful.

Major Lessons

The TA experienced significant delays due to lack of continuity in TA supervision resulting from organizational and functional changes within ADB. Moreover, the indecision by ADB on whether the final TA output was to be regarded as a Transport Policy paper or a Transport Strategy paper caused substantial delays in TA implementation.

Recommendations and Follow-Up Actions

The TA laid the groundwork for comprehensive assessment of the transport sector in terms of institutions and operations. As transport is one of the most important sector to ADB, both in terms of its size and its contribution to reducing poverty through promoting economic development, it is recommended that ADB develop a transport strategy paper which will articulate the approach to the transport sector that the ADB pursues in tackling various transport sector issues. Dialogue with DMCs would provide all stakeholders with knowledge and a better understanding on the focus and approach to transport sector development promoted by ADB.