

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: EATC

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| TA No. Country and Name | | | Amount Approved: \$400,000 | | |
| TA 4701-PRC: Railway Passenger and Freight Policy Reform Study | | | Revised Amount: \$400,000 | | |
| Executing Agency: Ministry of Railways | | Source of Funding: TASF | Amount Undisbursed: \$66,953.50 | Amount Utilized: \$333,046.50 | |
| TA Approval Date: 28 Nov 2005 | TA Signing Date: 19 Jan 2006 | Fielding of First Consultant: 18 Dec 2006 | TA Completion Date Original: 30 Sep 2006 Actual: 30 Jun 2008 Account Closing Date Original: 30 Sep 2006 Actual: 23 July 2008 | | |
| <p>Description</p> <p>In recent years the People's Republic of China (PRC) railways, which are an integral part of the PRC transport market, has made significant achievements in terms of network development and adopting new technologies and systems. However, despite these achievements, they are still unable to meet the increasing demand for passenger and freight transportation. High economic growth rates, and increasing urbanization are the two major causes of the high transport demand. With the gross domestic product (GDP) expected to grow at 7%, and 60% of the total population expected to be living in urban areas by 2020, the challenges for increased transportation capacity and quality service offered are enormous. To meet these challenges, the PRC Government requested ADB to provide a TA to assist PRC railways in the review of the passenger and freight transport demand and help prepare a reform plan.</p> | | | | | |
| <p>Expected Impact, Outcome and Outputs</p> <p>The impact of the proposed TA was an efficient, reliable, and competitive railway transport system in the PRC. The outcome of the TA was a policy reform plan for the railway passenger and freight transport which MOR can implement to achieve its development goals. This was to be achieved by (i) reviewing the impact of the changes in the PRC transport market demand on railway passenger and freight transport, (ii) assessing the current level of preparedness of Ministry of Railways (MOR) to address these impacts, and (iii) making recommendations on the actions and policy reform support to enable the PRC railways to adequately meet these challenges. The outputs of the TA were a final report which recommended the policy actions that MOR could take, and a capacity development component which included field visit to learn from the international experience.</p> | | | | | |
| <p>Delivery of Inputs and Conduct of Activities</p> <p>The design, scope, and terms of reference (TOR) of the TA were considered adequate in achieving the TA objective. An international consulting firm in association with a firm from the PRC provided 15 person-months of international and 10 person-months of national consulting services. The consulting team comprised three international experts and three national consultants covering (i) railway policy and regulation, (ii) railway freight transport and management, and (iii) railway passenger transport and management. The consultants used their experience and knowledge to provide quality service satisfactorily to complete the TA. The TA inputs in the form of counterpart staff, data, office facilities and training of the government staff were provided as planned and were adequate to achieve the TA objective. ADB fielded inception and review missions after receipt of the inception report in January 2007, interim report in March 2007, and draft final report in June 2007. A training program for seven MOR officials to review the situation of railway transport system in United States of America was organized from 11-21 September 2007. A final report was submitted in November 2007. A tripartite meeting and a workshop was organized in March 2008, where the participants presented the findings of the field trip. MOR provided comments on the final report, and a revised final report was submitted in March 2008. A final review mission was organized in May 2008 and the findings of the final report were accepted in June 2008 by MOR. The MOR is satisfied with the delivery of inputs and conduct of TA activities. The consultants conducted the study in close coordination with MOR and their performance is rated satisfactory. ADB and MOR coordinated closely on TA implementation and their performance is also rated satisfactory.</p> | | | | | |
| <p>Evaluation of Outputs and Achievement of Outcome</p> <p>The consultants were mobilized on 18 December 2006 and submitted the final report in November 2007. The submission of the final report had to be adjusted to incorporate the experience of the overseas training trip and include the comments provided by MOR on the draft final report. Given that this was the first time the subject was being studied and there were numerous reviews of the reports by MOR, the consultants revised the reports to include their comments or provide additional information on the subject. The reports prepared by the consultants were of good quality, met the requirements of the TOR, and the outputs were well-received by MOR. The implementation of the TA was participatory, provided an analytical review of the status of railway sector in the PRC transport market, and facilitated useful discussions on the critical reform areas. The intervention identified long term development needs, and recommended necessary policy</p> | | | | | |

reforms and regulatory requirements for developing the railway passenger and freight markets after taking into consideration successful similar reforms adopted in railway system of other countries. It provided good opportunity for ADB to discuss some of the key areas of reform such as the separation of enterprise function from the management functions, commercialization of the enterprise, regulation of tariffs, public service obligations, opportunities for private sector participation, and attracting investments and financing. Included in the report is an Action Plan focusing on: (i) transport capacity and technology, (ii) enabling environment for market competition (iii) investment, and (iv) sector change and restructuring. TA implementation took longer than expected as it took more than the anticipated time to organize the international training program (numerous domestic approvals were required by MOR for the participants) and there was intense debate and discussion on each of the reports that were submitted as well as clear assimilation of the outputs of the study. Based on the feedback from the participants, the training was useful and provided a good learning opportunity to the participants from the experience of railways abroad. MOR acknowledged ADB support of the TA as relevant, and the study outputs as timely. Based on the study outputs, MOR is taking actions for implementing the Action Plan.

Overall Assessment and Rating

The TA is rated as successful as its objective was fully achieved as originally envisaged.

Major Lessons

The key factor for successful TA implementation is the relevance of the TA subject, the high level of ownership by the executing agency, and the participatory approach adopted while implementing the TA. The advisory TAs need longer time for implementation and adequate time should be provided for assimilation and discussion on the key findings. A good working relationship between the EA and the consultants ensures the success of the TA.

Recommendations and Follow-Up Actions

Given that the advisory recommendations and the study outputs need longer time for assimilation, it would be useful to have longer implementation period for advisory TAs. The progress on the implementation of the recommendations would be followed up during the ongoing policy dialogue with MOR

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