

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: TRM

TA No., Country and Name			Amount Approved: \$ 150,000	
TA 4676 – THA : Infrastructure Investment Advisory Assistance to the Public Debt Management Office of Thailand			Revised Amount: \$ 281,000	
Executing Agency: Ministry of Finance	Source of Funding: TASF	Amount Undisbursed: \$ 6,123.95	Amount Utilized: \$ 274,876.05	
TA Approval Date: 31 October 2005	TA Signing Date: 8 November 2005	Fielding of First Consultant: Various date	TA Completion Date Original: 15 February 2006	Actual: 31 July 2006
			Account Closing Date Original: 15 February 2006	Actual: 30 June 2007
<p>Description</p> <p>Rising levels of car ownership, lack of investment in public transit, and the absence of a comprehensive traffic management system have all contributed to increased traffic congestion in central Bangkok. Given that the greater metropolitan area accounts for more than 45% of Thailand's gross domestic product, reducing traffic congestion in Bangkok has become a national economic priority. The environmental and health implications of increased car traffic and the associated need to reduce fuel consumption and imports further point to the urgency of encouraging greater use of public transit. Expanding the Bangkok rail mass rapid transit (MRT) system is an integral component of the Government's efforts to promote sustainable urban transit.</p> <p>In September 2004, the Government approved a new master plan for the rail MRT network throughout the greater Bangkok area and its vicinities. The plan proposed an investment of about \$ 14 billion in new rail MRT systems to complement the existing skytrain and subway, resulting in the expansion of rail MRT routes from the existing 44 kms to 294 kms. In this context, the Government requested ADB for advisory assistance on different strategies to integrate existing urban rail systems in Bangkok. The intent is to achieve fare and service integration across all urban public rail transport operations by entering into an arrangement for fare setting, revenue sharing, and service planning among the different operators in the system, and taking into consideration the proposed urban rail expansion plans.</p>				
<p>Expected Impact, Outcome and Outputs</p> <p>The expected impact of the TA was analytical and advisory assistance to the Government on institutional, financial, and policy issues associated with plans to invest more than \$ 10 billion over the next 5 years to expand Bangkok's rail MRT system. The outcomes of the TA included in-depth analyses and recommendations on (i) different concession models for consideration during the expansion phase (ii) different mechanisms and options for integrating fares and ticketing, and (iii) appropriate institutional structures and arrangements for operating, managing and regulating the expanded system. The key outputs of the TA were (i) different institutional options to improve coordination and communication across the various regulatory bodies, (ii) the introduction of a gross-cost concession model for promoting private operation and maintenance (O&M) of lines which are less financially viable, (iii) forecasts of future fare revenues as well as capital and O&M costs that provide the basis for further decisions on concessions and integrated fares and ticketing, and (iv) recommended approaches for adopting a single automated ticketing system in order to facilitate network integration and increase ridership.</p>				
<p>Delivery of Inputs and Conduct of Activities</p> <p>The TA was designed adequately and its scope, term of reference (TOR), executing arrangements, and implementation schedule were appropriate, and in line with the TA objectives. The consultants mobilized in early November 2005. The two international consultants were highly competent and brought valuable experience to the project. One domestic consultant had in-depth knowledge of the existing urban rail transport operations in Bangkok and the different agencies responsible for its operations. Based on the Government's request, ADB extended the TA to provide more detailed, in-depth analyses and recommendations on priority issues related to the rail MRT investment plan. This request derived from the need to ensure that the Government had the requisite information</p>				

and framework to evaluate a series of complex options associated with the proposed expansion of the rail MRT system. As a result, one additional international consultant was recruited with an extensive experience in financial modeling and public-private partnerships which were essential for the assignment. Overall, the consultants (all recruited as individuals) coordinated closely with various Government agencies and the two TA reports were of high quality. The Ministry of Finance (MOF) acted as the executing agency (EA) and the Public Debt Management Office (PDMO) served as the implementing agency (IA). The performance of both the EA and IA was highly satisfactory given their close involvement in implementation of the TA and allocation of staff to work with the consultants.

Evaluation of Outputs and Achievement of Outcome

The first TA report (Option Report) fully achieved the objective of assisting the Government to : (i) identify and evaluate different policy options for integrating operations of the existing urban 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, thereby helping increase operational efficiency and maximize convenience for MRT users. The second TA report (Resource Report) provided specific policy recommendations for identification the three specific areas for further assistance include (i) developing a gross cost concession model for the financing and O&M 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. In general, the two reports were timely, well-researched, clearly written and focused on key issues. The consultants also delivered a number of power-point presentations that were well-structured, and provided for focused discussions on key issues among the EA, the IA and the Office of Transport and Traffic Policy and Planning (OTP) of the Ministry of Transport (MOT).

A training seminar for the financial model was also conducted. The purpose of this training was to instruct Government staff in the use of the financial model as a tool for planning and implementation of an MRT network for Bangkok. More than twenty staff from both EA and IA as well as OTP participated in the training seminar.

The TA also provided for a one-week Study Tour for senior officials of MOF and MOT. The participants visited Korea and Japan for meetings, information exchanges, and site visits with development, planning and regulatory agencies, system operators and private sector entities involved in urban MRT systems in the two countries. The participants were also exposed to institutional, regulatory, and financing issues associated with the planning and operation of integrated MRT. This included looking at relevant principles and practices adopted in each country for the development and integration of urban MRT systems.

Overall Assessment and Rating

The TA outputs significantly achieved the TA objectives, and the expansion in scope was consistent with the original TOR. The consulting team also fully completed the tasks specified in the TOR. The key findings and recommendations outlined in two TA reports were well-received by the EA, the IA, other Government agencies and development partners. Moreover, one of the most important and lasting outcomes of the TA was to forge a close working relationship between PDMO and OTP. Overall, the TA is rated highly satisfactory.

Recommendations and Follow-Up Actions

The TA produced important findings for ADB to further support the Government in implementing plans to expand and integrate the rail MRT system in central Bangkok. Consistent with the request made by the Government of Thailand, a further TA is planned for 2007 to provide analytical and advisory support to MOF and MOT in applying specific techniques and procedures to structure private concessions for the O&M of new rail lines, and to integrate the rail MRT network through the introduction of a single ticketing system. These activities will contribute to the long-term objectives of improved integration, operational efficiency, financial viability, and increased patronage of an expanded rail MRT system in Bangkok.

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