

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: EATC

TA No. Country and Name TA 4671-PRC: Rural Road Development Strategy			Amount Approved: \$350,000	
			Revised Amount: n/a	
Executing Agency: Ministry of Communications		Source of Funding: TASF	Amount Undisbursed: \$24,183.29	Amount Utilized: \$325,816.71
TA Approval Date: 21 October 2005	TA Signing Date: 23 January 2006	Fielding of First Consultant: 12 June 2006	TA Completion Date	
			Original: 30 September 2006	Actual: 31 January 2008
			Account Closing Date	
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Description				
<p>The isolated rural population has not fully benefited from the rapid economic growth in the People's Republic of China (PRC), resulting in widening urban and rural income inequalities. The Government is addressing this disparity under the Eleventh Five-Year Plan (11th FYP) for 2006-2010 through accelerated development of rural infrastructure, including rural roads and bus terminals to provide the rural communities better access to information, health, education, social interaction and income opportunities. The Government realizes that rural road development would be the first priority in getting benefits from the improvement of rural transport. Against this backdrop, the development of rural infrastructure, including rural roads, is a major strategic priority of the PRC's 11th FYP. About 900,000 km rural roads are to be developed under 11th FYP at an estimated cost ranging from CNY800 to 1,000 billion. So far, only CNY140 billion has been committed by the Government. In view of the major undertaking, the Ministry of Communications (MOC) has been keen to find ways to prioritize, finance, develop and maintain the rural roads network. The captioned TA aimed to assist MOC in formulating an effective rural roads development strategy to meet the 11th FYP targets and to accommodate the rural transport needs. To review and address the issues identified above, the TA was provided to the MOC.</p>				
Expected Impact, Outcome and Outputs				
<p>The immediate impact of the TA helps the Government formulate and prepare a rural road development strategy to enhance the effectiveness of rural road investments in meeting the PRC's rural transport needs. The long-term impact of the TA will contribute to effective development of the rural road sector and sustainable economic growth and poverty reduction in rural areas. This was expected to be achieved by (i) undertaking a detailed assessment of the rural road sector in selected pilot provinces, in particular, of planning, programming, and maintenance; (ii) identifying strategic-priority projects to be included in the 11th FYP for rural road development in line with the Government's objectives; and (iii) helping strengthen institutional capacity for implementing rural road interventions. It was intended that the TA output would serve as the Government's key document such as Rural Roads Construction Program for strengthening the rural road sector in the 11th FYP.</p>				
Delivery of Inputs and Conduct of Activities				
<p>The design, scope and terms of reference (TOR) of the TA were considered adequate in achieving the TA objective. The TA report was based on case studies that were carried out in the provinces of Shaanxi, and Shandong, and Inner Mongolia Autonomous Region, so that TA output could be used to strengthen the Government's 11th FYP for guiding future activities by addressing the rural road development strategy. Preliminary findings were also discussed in the provinces of Yunnan, Gansu, Shanxi, Fujian, Hubei, Guangxi Zhuang Autonomous Region and Xinjiang Uygur Autonomous Region. The Consultants provided 7 person-months of international and 15 person-months of national consulting services over a period of 13 months up to the submission of the final report. The international team comprised two experts covering transport planning and programming, and road maintenance, while the national team comprised three experts covering the same fields as the international team, plus road engineering. The consultants used their experience and knowledge of the PRC 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 constructive to achieve the TA objectives. ADB provided the necessary support in coordination of TA activities with MOC and the consultants. The draft report was reviewed by RSDD, PRCM and EATC and the comments were provided to the consultant in March 2007. ADB was represented at the national workshop in May 2007. ADB also fielded three review missions at the submission of the interim report (September 2006), the consultation workshop with executing agency, MOC (November 2006), and draft final report (February 2007). The MOC was satisfied with the delivery of inputs and conduct of activities. The performance of ADB and MOC is rated satisfactory. The performance of the consultants is also rated satisfactory.</p>				

Evaluation of Outputs and Achievement of Outcome

The consultants were mobilized on 10 July 2006 and completed their work with the submission of the final report on 7 July 2007. The report provided an overview of the (i) work done on rural roads development in PRC by the Government and development partners such as ADB and World Bank; (ii) international experience in developing rural roads in a number of countries; (iii) existing policy, financial and institutional frameworks applicable to the rural roads, and (iv) design standards and maintenance practices currently followed. In particular, the major challenges in the development of rural roads such as financing gap, capacity constraints, inadequate existing standards for design and construction and lack of maintenance have been sorted out and various recommendations have been made so as to help the Government address the rural road development strategy under the 11th FYP. The reports prepared by the consultants were of good quality and met the requirements of the TOR, and addressed ADB's comments provided on the draft reports. The submission of the final report was delayed by 10 months. This was partly because sufficient time was needed to consolidate and incorporate all the comments provided by ADB, MOC, and provincial and local governments into the final report and partly attributable to the replacement of team leader in July 2006 for health reason. The TA recommendations were prepared based on (i) the international best practices and past experience in PRC; (ii) review of regulatory, financial and institutional frameworks; and (iii) existing standards for design, construction and maintenance of rural roads in consultation with MOC, local governments, and transport operators, and these were found particularly useful. The next step was to propose high priority projects for 11th FYP. National workshop was held on 14 May 2007 to provide an opportunity to discuss the TA findings with not only MOC staff but also representatives of nine provinces, transport institutions and several independent experts. The workshop (i) promoted awareness of the importance of rural roads to economic development; (ii) proposed capacity building to improve the planning, financing, provisioning, and maintenance of rural road infrastructure; and (iii) disseminated "best practice" examples within the country. In conclusion, the workshop was useful to share the TA findings and to derive mutual understanding for deriving rural road development strategy. Overseas training was conducted during the period from 29 January to 9 February 2007 for nine government officials to review, inter alia, rural road design, and maintenance system in Australia. Based on the feedback from the participants, the training provided an excellent opportunity to learn best practices. The participating provincial governments were very cooperative. The MOC was satisfied with the outputs and outcome of the TA.

Overall Assessment and Rating

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

Major Lessons

The key factor for successful TA implementation is a high level of ownership by the executing agency. Close coordination with EA is necessary to implement all the recommendations proposed by the TA. The advisory TAs like this need longer time for implementation and adequate time should be provided for discussion on the key findings.

Recommendations and Follow-Up Actions

It is recommended that (i) the Rural Road Development Strategy proposed by the TA be immediately reviewed in the context of future ADB-financed road projects in the PRC for possible implementation in suitable provinces and cities, and (ii) pilot testing under ongoing and/or planned projects be required. Further dissemination of the TA final report, including at the provincial level, would be appropriate given its relevance and applicability.

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