



1. Project Data:		Date Posted : 06/26/2001	
PROJ ID: P005284		Appraisal	Actual
Project Name: Third Transport Project	Project Costs (US\$M)	80.05	70.82
Country: Jordan	Loan/Credit (US\$M)	35	32.01
Sector(s): Board: TR - Roads and highways (100%)	Cofinancing (US\$M)	19.85	19.24
L/C Number: L3568			
	Board Approval (FY)		93
Partners involved : European Investment Bank, European Union	Closing Date	06/30/1999	06/30/2000

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2. Project Objectives and Components

a. Objectives

The objectives of the project as stated in the Staff Appraisal Report were to :

1. Contribute to the country's economic adjustment program by :
 - i. Upgrading roads critical for foreign trade and international transit;
2. Undertake cost-effective preservation of past road investments and reduce long -term transport costs by:
 - i. Rehabilitating key road sections;
 - ii. Supporting lower axle load limits for trucks and improving pavement design and construction standards;
 - iii. Securing sufficient funding for road maintenance;
3. Provide technical assistance for policy support and institutional development to :
 - i. Review institutional arrangement and enable the Government of Jordan (GOJ) to develop the capacity and capability of sector agencies to ensure the sustainability of road improvements;
 - ii. Improve the operational efficiency and financial viability of the Aqaba Railway Corporation (ARC).

b. Components

To achieve the above objectives, three components were selected :

- A. Reconstruction and upgrading of the 71 Kilometer Ras El-Naqab to Wadi Yutum section of the Desert Highway
- B. Road Rehabilitation Program
- C. Technical Assistance

Revised Components :

Public transport component : An additional project component was added to provide technical assistance to the Ministry of Transport (MOT) to franchise bus services in the Greater Amman Area (GAA) and to establish an authority to regulate public transport in Jordan .

c. Comments on Project Cost, Financing and Dates

The project was approved on March 11, 1993 and closed on June 30, 2000, one year behind the original closing date.

3. Achievement of Relevant Objectives:

Physical objectives :

Objectives 1(i) was fully achieved. The reconstruction and upgrading of Ras El-Nagab to Wadi Yutum Road was completed and eliminated a serious bottleneck in Jordan's transport system and helped to ensure that transit transport to neighboring countries will remain competitive vis -a-vis other alternative routes. The ex-post ERR is 17.8% versus 14.2% estimated at appraisal.

Objective 2(i): Three road links included in the Road Rehabilitation Program (totaling 93 km) were completed. The

Improved roads serve as principal trade routes and conduits of major population areas . The overall ex-post ERR is 36% versus 63.7% estimated at appraisal

Institutional and policy objectives :

Objective 2(ii) was fully achieved. Axle load limits were reduced from 16 tons per axle to 13 tons. A new pavement design was introduced to prevent premature deterioration of road conditions .

Objective 2(iii) was partially achieved. Funding from the general budget for road maintenance increased, but the objective to establish cost recovery strategy and a Road Maintenance Fund was not achieved .

Objective 3(i) was fully achieved. The project allowed a number of sector staff to acquire skills and capacities through the process of "learning by doing."

Objective 3(ii) was partially achieved. The government has awarded a concession to a private consortium to operate the Aqaba Railway Corporation (ARC). But the private consortium has not yet taken over operations from the government. Public transport operations is fully privatized and government subsidies are eliminated in this area . The government-owned Public Transport Corporation (PTC) was dissolved and its routes were franchised to private operators. A regulatory authority to oversee public transport operations was, however, not instituted as planned .

4. Significant Outcomes/Impacts:

- Public transport reforms have significantly improved the performance of services delivered . The beneficiary survey confirmed that bus passengers feel that services today are better than they were five years ago and are generally satisfied with the services provided by the private sector .
- Enforcement of axle load limits has reduced truck overloading, which will prevent premature damage of the road network.
- The establishment of a Project Implementation Unit was purposely omitted, and this allowed sector staff to gain valuable knowledge and experience through learning by doing .

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Road safety improvement was not adequately addressed . The Beneficiary Survey revealed that people living along the improved roads feel that their safety is jeopardized due to vehicles travelling faster .
- Delays in the implementation of the Road Maintenance Fund .
- Regulatory authority for monitoring and enforcing franchise operation of public transport services was instituted .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Substantial	The achievements in public transport reform and railway concessioning warrant a higher rating. Project implementation also allowed sector staff to increase their capacity through the process of "learning by doing".
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Exemplary	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR identifies the following lessons with broad applicability :

- Establishment of Road Maintenance Fund is likely to succeed in the context of an improving economy .
- Risk associated with privatization and restructuring should be spelled out and recognized during project preparation.
- Road designs for populated areas should include assessment of safety issues and pedestrian crossing and sidewalks.

8. Assessment Recommended? Yes No

Why? The lessons and experience from public transport reform and railway concessioning can provide

useful input to the OED study on private sector development and reform in the transport sector .

9. Comments on Quality of ICR:

The Intensive Learning ICR is comprehensive . It provides a candid analysis of the project's implementation experience and outcome . The beneficiary survey is noteworthy .