

Sustainable Transport Initiative and Financial Management

Presentation by

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The logo for the Asian Development Bank (ADB), consisting of the letters "ADB" in white, serif font, centered within a dark blue square.

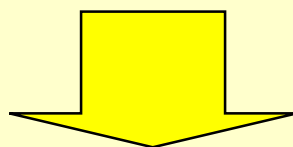
ADB

New thrust in STI

By 2020

- Highways (tolls)
- Railways (>16% by 2015)
- Urban transport (>23% by 2015)

Heavy and light rail, metros, BRT (bus rapid transit) systems, public transport services, etc.



- Transport Demand Management
- Pricing

Financial Due Diligence

- Financial due diligence questions
 - Are projects viable?
 - And Sustainable?
- Fiduciary concerns
 - Will ADB's funds be used for their intended purpose?

Method

- Financial Management Assessment
- Financial Analysis
 - Project FIRR
 - Entity analysis
 - Financial forecast/projection

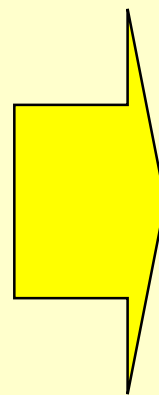
FMA

- Inherent Risks

- Country level
- Sector/Entity specific
- Project specific

- Control Risks

- Accounting
- Staffing
- Financial Reporting
- Funds Flow
- Procurement/Asset Management
- Internal Control/Audit
- External Auditing



- Risks
- Mitigation
- Covenants

Findings on FMA

- Information System (outdated)
- Staffing (low incentives)
- External Audit (Govt Auditor)
- Internal Control (weak)

Sustainability

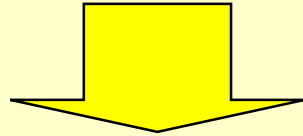
- Asset Management is KEY to Success
- Who Maintains? how?
 - general budget
 - ring-fenced fund
 - user charges

Findings on Road Pricing

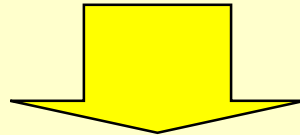
- Demand Risk
- Unclear risk sharing arrangement
- Average toll-1 cent per km
- Success: middle income countries with high congestion level
- Failure: lack of competition, insufficient incentives, and deficient user involvement and transparency

For Future

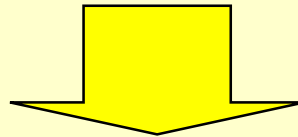
Sustainable Transport Initiatives



Transport Demand Management



User pay principle/Cost Recovery



Financial Due Diligence



Further Information

<http://www.adb.org/Financial-Management/default.asp>

Financial Management - ADB.org - Microsoft Internet Explorer provided by Asian Development Bank

http://www.adb.org/Financial-Management/default.asp

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Financial Management and Analysis of Projects

Updated: 5 June 2009



Guided by ADB's Charter, the financial management team take measures to ensure that the proceeds of loans provided, guarantee, and participate in are

- used only for the purpose for which the loan was granted
- premised on the principles of economy and efficiency
- guided by sound banking principles in its operations

Financial Management Community of Practitioners (FM CoPr) undertake initiatives to improve financial management arrangements both within ADB and in its developing member countries. The Capacity Development and Governance Division (RSCG) of ADB's Regional and Sustainable Development Department (RSDD) supports the Financial Management and

Analysis of Projects Initiatives.

To learn more about our efforts to support improved operational financial management and financial governance arrangements, explore our various tools and resources.

Community of Practitioners (CoPr)



Share knowledge, exchange ideas, views and information, and participate in discussions and collaboration of financial management issues through our Community of Practitioners (CoPr).

What's New

Pakistan Sindh Province: Public Financial Management and Accountability Assessment

This report presents a snapshot of the relative strengths and weaknesses of the province in managing budgetary outcomes, aggregate fiscal discipline, the strategic allocation of resources, and efficient service delivery.

Key Publications

 <p>Financial Management and Analysis of Projects View policies, procedures, and the approach governing the financial management of investment projects financed by ADB.</p>	 <p>Handbook for Borrowers on the Financial Management and Analysis of Projects (2006) View information and instructions for borrowers on the financial management of investment projects financed by ADB.</p>
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Stand Alone Tools

View templates, tools and suggested formats for financial management and analysis of projects.

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Trusted sites 100%

start EN presentation_Transp... McAfee Security Scan Financial Managemen... Handbook for Borrow... 11:35 AM

ADB