

Terms of Reference for Consultancy Services (Individual)

Research Assistant

A. Program and Sector Background

Thailand has a long history of railways, which began 120 years ago, during the reign of King Rama V. Recognizing the importance of the rail transport system, the country founded the Department of Railway in 2433 BE (1890) and began running the first train route between Bangkok and Ayutthaya on March 26, 2439 BE (1896). This marked the inaugural date of Thai railway development. In 1928, Thailand was the first country in Asia to replace steam locomotives with diesel equipment. The Department of Railway was later transformed into a State-owned Enterprise (SOE), The State Railway of Thailand (SRT), in 1951. SRT is a State-owned Enterprise under the Ministry of Transport (MOT) and currently has a coverage of 47 provinces and serves 36.4 million passengers each year.

The development of railways sector in Thailand is important from the logistics cost point-of-view. Inter-city passenger and freight transport have over-relied on road and suffered from traffic congestion at various bottlenecks. Railways, if properly developed, and fill in some of the efficiency gaps particularly in connecting industrial estates North of Bangkok to the Eastern Seaboard maritime ports. In addition, ASEAN (particularly CLMVT) regional trade has been among the fastest growing in the world. Railways has the potentials as one of key infrastructures supporting regional connectivity.

However, SRT is among the most indebted SOEs in Thailand. SRT's outstanding debt, as of February 2017, is approximately US\$5.5 billion, which will continue to grow due to the government's policies on expansion of transport infrastructure. As an SOE, SRT's debt is considered "public debt" which fall under the responsibility of the Ministry of Finance (MOF).

Public Debt Management Office (PDMO), an MOF agency, is tasked with managing the public debt of 20 (of 55 total) SOEs, including SRT. And one of PDMO's responsibilities is to evaluate the credibility of SOEs and government financial institutions, since 2008. This is to reflect on SOE's capability to repay debt and on MOF guarantee/on-lending fees. SRT has been continuously ranked at "low" and "very low" credibility, in which SRT has not paid guarantee/on-lending fees to PDMO during 2008-2016 in the amount of THB 2 billion and JPY 900 thousand (the total of approximately US\$58 million). Therefore, PDMO sees an urgent need to improve SRT's capabilities so that the growing public debt from SRT is properly managed.

In this regard, PDMO has engaged the World Bank to provide advice on how to improve competitiveness in the railway sector, inform the implementation of SRT's financial and operational reform, exchange ideas and experiences with international experts pertaining to SRT's challenges, compare SRT's performance with other countries, and support the reduction of SRT's credit risk, which will improve SRT's credibility in the future.

B. Objectives

The World Bank team consisting of international experts based on Washington D.C. and Bangkok will Bank Group will deliver a diagnostic report on SRT's performance, which will be benchmarked with other countries. The report will include an assessment of SRT's project implementation, financial modeling for SRT, and risk analysis, which will inform the options and scenarios for reform. The consultant will assist the team's desk research, data collection, data management, basic data analysis, and coordination with SRT and relevant agencies as a part of the diagnostic and benchmarking exercise. The consultants will

work closely with the Bank Task Team and assist in the policy dialogue with the government using the results of the task set out in this ToR.

C. Scope of Services

The Consultant will be responsible for the following activities:

- a) **Review relevant literatures** and perform desk research, following team leader's guidance, on SRT and Thailand's railway sector;
- b) Guided by the team, **collect and manage data** relevant to the diagnostics, specifically for the benchmarking analysis, and as required by the financial modeling;
- c) **Conduct basic data analysis**, under guidance from the team, both statistical and qualitative in the context based on literature reviews; and,
- d) **Coordinate** with relevant agencies and contribute to key deliveries as directed by the Task Team Leader.

The Consultant will support Team Leader/Railway Strategy Specialist in the consultations with the Government and SRT and other relevant stakeholders, including through workshops.

D. Deliverables

The Consultant will work closely with the Team Leader and railway experts; and will be responsible for the following key outputs:

- a) Literature reviews on Thailand's railway sector investment and financing
- b) Database of Thai Railway Sector, and SRT's performance and financial indicators
- c) Technical note on SRT's performance indicator and as instructed by the TTL

E. Duration of Assignment

The duration of this assignment will be 60 working days (during the period from November 1, 2017 to June 30, 2018), which may be extended if needed.

F. Qualifications of the consultant

- Bachelor degree in one or more of the following areas: Economics, Accounting and Finance, Engineering, or related subject;
- Have training in accounting and finance and/or familiar with balance sheet analysis;
- Computer skills (Microsoft Office, Excel, Power Point Presentation);
- Familiar with Thailand's infrastructure sector technical and political context will be a plus;
- Strong organizational and research skills with hands-on and action-oriented approach;
- Excellent oral and written communication skills in English and Thai; and
- Enthusiasm for and commitment to development work.