Working Paper No. 89

SUB-SAHARAN AFRICA TRANSPORT POLICY PROGRAM

A Framework for a Pro-growth, Pro-poor Transport Strategy

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Pro-Poor Transport Strategy

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Guidance Note

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October 2009

Sub-Saharan Africa Transport Policy Program

The SSATP is an international partnership to facilitate policy development and related capacity building in the transport sector in Sub-Saharan Africa.

Sound policies lead to safe, reliable, and cost-effective transport, freeing people to lift themselves out of poverty and helping countries to compete internationally.

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The SSATP gratefully acknowledges the financial contributions and support of the European Commission; the governments of Denmark, France, Ireland, Norway, Sweden, and United Kingdom; and the Islamic Development Bank, the African Development Bank, and the World Bank.

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FOREWORD

This Guidance Note builds on the knowledge generated by SSATP partners as they have worked to anchor Africa's transport in growth and poverty reduction initiatives. It provides a framework for the development of a pro-growth, pro-poor transport strategy (PGPTS), which is aimed at achieving national development objectives and the Millennium Development Goals (MDGs).

The Note reviews current transport strategy development practices and experiences in Sub-Saharan Africa as well as emerging national, regional and global initiatives supporting the growth and poverty reduction efforts of African countries. It also takes into consideration the progress towards meeting the MDGs made by SSATP member countries and development partners. The reviews and assessments establish the rationale for a PGPTS and are used here to propose principles that could be adapted for developing such a strategy.

The underlining principle stresses on the facilitation role of transport to growth and poverty reduction, and calls for the adoption of a responsive and evidence-based participatory approach. The general emphasis is on supporting national development objectives and the MDGs through promoting policies and investments that can deliver safe, clean and affordable transport. Likewise, the proposed principles require that policy choices be based on existing evidence and body of knowledge, and most importantly, on stakeholders' views.

The Note proposes a structured and participatory approach to the development of a transport strategy. This would make it possible to formulate strategic objectives and investment frameworks anchored in growth and poverty reduction. It also provides policy options that could increase coherence between sectoral spending and results.

The concepts contained here have been reviewed by SSATP member country transport stakeholders. Going forward, it will be disseminated in SSATP member countries as a contribution to the efforts to promote the principles of a pro-growth, pro-poor transport strategy under the SSATP Second Development Plan (DP2).

I hope that SSATP stakeholders find this Note useful in their endeavors to promote transport strategies that facilitate growth and poverty reduction.

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ACKNOWLEDGEMENTS

The author would like to thank the peer reviewers: Anca Cristina Dumitrescu, Charles Kunaka, Jephthah Chagunda, John Riverson and Yutaka Yoshino. Special thanks should go to Charles Kunaka for his advice and guidance from inception to completion, and likewise, to Monique Desthuis-Francis for her support in structuring the paper. The author would also like to acknowledge the valuable comments that were received from Jean-Francois Marteau, Yao Gbevope Adzigbey, the SSATP national coordinators and the SSATP team on the initial draft of this Note.

ABBREVIATIONS

AADT	Annual average daily traffic
AfDB	African Development Bank
AU	African Union
EC	European Commission
EU	European Union
GDP	Gross domestic product
IDA	International Development Association
IMT	Intermediate Means of Transport
km	kilometer
MDG	Millennium Development Goal
MGDS	Malawi's Growth and Development Strategy
NEPAD	New Partnership for Africa's Development
PGPTS	Pro-growth, pro-poor transport strategy
PRS	Poverty Reduction Strategy
PRTSR	Poverty Reduction and Transport Strategies Review
REC	Regional Economic Community
REC-TCC	REC Transport Coordinating Committee
RONET	Road Network Evaluation Tools
SF	Stakeholder Forum
SG	Steering Group
SGPRS	Second Generation Poverty Reduction Strategies
SP	Sector Program
SSA	Sub-Saharan Africa
SSATP	Sub-Saharan Africa Transport Policy Program
SWAp	Sector Wide Approach
SWOT	Strength, Weakness, Opportunity and Threat
U-PAEP	Ugandan - Poverty Eradication Action Plan
UN	United Nations

INTRODUCTION

A pro-growth, pro-poor transport strategy (PGPTS) responsive to the second generation poverty reduction strategies (SGPRSs) and the millennium development goals (MDGs) are essential instruments to promote transport development that facilitates economic growth and poverty reduction. However, the national poverty reduction and transport strategy reviews, undertaken by SSATP member countries, and the MDG review (UN Millennium Project-2005), have shown that the existing transport strategies are deficient in many respects in supporting this objective. The strategies have not been successful in delivering adequate access to the rural and urban poor in Africa to reach economic opportunities, and to social and administrative services.

The purpose of this framework document (Guidance Note) is to highlight possible options for the development of a PGPTS. It identifies the questions that need to be asked and the choices that need to be made in framing such a strategy. It offers, at each stage, a checklist of issues for consideration and some examples of good practices. Its aim is to encourage policy-makers and planners to adopt a structured approach to assessing gaps, defining sectoral vision and goals, and mapping transport interventions and policy changes required to anchor transport in growth and poverty reduction.

This Guidance Note is based on development scenarios and strategy formulation processes in Sub-Saharan Africa countries, and it is designed to facilitate the development of transport strategies that would support the achievement of the MDGs in these countries, and increase Africa's trade competitiveness and integration.

The Note defines the principal elements of a pro-growth, pro-poor transport strategy. It also identifies interventions that allow transport to play a facilitation role in economic growth, poverty reduction and achieving the MDGs. Thus, it looks into developing a process leading to a sectoral framework that focuses on two fundamental points:

- improving efficiency and effectiveness with which internal and external resources are utilized by defining appropriate investment framework for the transport sector; and
- increasing coherence between sectoral policy, spending and results.

To create a better understanding of the purpose and outcomes of this initiative, the Note looks into what a PGPTS is, why it is needed, what it contains, and how to develop it.

BACKGROUND

Transport, growth and poverty reduction

National development strategies and the MDGs have set priority economic and social objectives leading to growth and poverty reduction that are principally anchored in: i) increasing agricultural productivity, ii) investing in labor intensive infrastructure and industrial development, iii) developing social services focusing on reducing maternal mortality and improving girls' education, iv) decentralizing administrative services and development, and v) safeguarding the environment.

In response, African countries are updating their transport strategies factoring in the evidence and body of knowledge on the facilitation role of transport in economic growth and poverty reduction, highlighted as follows.

Studies conducted in Africa, Asia and Latin America show that improvement of rural roads reduces cost of marketing agricultural produce and encourages farmers to increase production of goods for market, particularly high value cash crops. Improvement in transport encourages the introduction of agricultural mechanization, and the use of chemical fertilizers and high yield varieties; it also increases access to institutional credit. Road Investments generate great increases in rural non-farm GDP (more than five-fold in the case of China). Further, opening up of rural access increases the opportunity to reach health services and schools, in particular for women in labor and girls' pursuing education.

Cognizant of these potential impacts, African governments and development partners have adopted rural accessibility as one of the indicators for growth and poverty reduction. For example, the World Bank (IDA 14, Measuring Results, 2004) has adopted a rural accessibility index, "the proportion of rural people living within 2 kilometers of an all-season road", as a means of measuring transport's contribution to achieving the MDGs, mainly related to improved agricultural production and reduction in food insecurity; increase in girls' enrollment and pursuing education and reduction of maternal mortality.

On the other hand, cities are widely acknowledged as an engine of economic growth, cultural diversification and technological progress. However, to thrive and be efficient, cities must be able to move people and transport goods. Transport development plays a vital role in enhancing economic growth by lowering production and distribution costs, improving labor productivity, stimulating private investments and technological innovations. Also, availability of fast,

reliable and affordable transport has historically been the building block around which cities and regions have developed and flourished. Transportation systems not only facilitate the movement of people and goods, but also have potentially wide-ranging impacts on land use, economic growth and quality of life.

Transport network connecting major cities or the primate city with secondary cities and main rural market hubs facilitates urban rural linkages, by increasing exchange of products. In addition, efficient transport link to sea ports facilitates export that encourages cities to produce more, and in return, the increases in production, sales and export inject dynamism to cities by generating investment capital and employment. Moreover, inter-city transport infrastructure is one of the most important factors in decentralizing development from the capital or major cities to the rest of the country.

Increasingly, regional integration and globalization is becoming an important topic in the development arena. In relation to this, transport is playing a significant role in making countries function as a region and compete in the international market. In this regard, the trade facilitation measures (modernizing customs, creating one-stop border posts, etc.), which have been adopted in some of Africa's transit corridors are delivering results in terms of reducing transport costs and delays.

The launching ground for transport sector strategies

Country and regional level initiatives

The Second Generation Poverty Reduction Strategy (SGPRS) of many African countries[1] attaches high importance to agricultural development, agro-industries, tourism, mining, social services and governance, which rely on the provision of safe, reliable and affordable transport. Cognizant of these, a SGPRS considers infrastructure development, mainly transport, as one of its priorities. However, by and large, the existing transport strategies are deficient in coping with these demands.

Most SGPRSs have expressed their transport demands and have provided a framework for transport sector development. For example, Malawi's Growth and Development Strategy outlines the goal, outcomes and broad framework for the transport sector and sets provision of safe, affordable and reliable access to the rural population and improving multi-modal transport services as a priority. The overall assessment of the SGPRSs calls for improvement of the transport network and increasing the efficiency of the existing transport system.

Africa's share in the international (between Africa and other part of the world) and intra-regional (among African countries) market is limited to 2 and 10 percent, respectively, partly due to physical and non-physical barriers along transit corridors. To overcome this challenge,

[1] This statement is based on the review of the SGPRS of Malawi, Mali, Ethiopia, Rwanda, Uganda and Zambia.

NEPAD/AU has prepared a Medium to Long Term Plan, which is focusing on increasing regional and international trade volume through completing the Trans-African Highways and adopting sound trade and transport facilitation measures along regional and inter-state corridors. This plan is the successor of the NEPAD short term action plan, which assembled projects in the pipeline, mainly inter-state road projects, with the objective of facilitating the integration of Africa and increasing its trade share in the world market.

The SSATP through the Transport Coordination Committee of the Regional Economic Communities (REC-TCC) has been implementing activities fully coherent and relevant to NEPAD's regional integration and trade competitiveness initiatives. This has been done by promoting the establishment of multi-national transport corridor management groups, monitoring transport corridor performance through harmonization of transit regulations and creation of one stop border posts.

Box 1 Proposals from the MDG review

- Increasing rural access to facilitate the development of the rural economy, both on and off-farm; and supporting " twenty –first century African green revolution";
- Overcoming Africa's high transport cost;
- Encouraging the private sector (mostly) to deliver transport services, including NMT, that are safe, reliable and socially responsible;
- Maintaining, renovating and upgrading road networks and other infrastructure to expand developing countries' capacity to deliver services at scale;
- Major improvements in international rail, roads and communication to reduce transport cost and promote export (with special consideration to landlocked developing countries);
- Strengthening governance and capacity to plan and manage transport infrastructure development and to regulate transport services.

The Africa Infrastructure Country Diagnostic (AICD) initiative, launched by the World Bank with the support of other development partners and the African Union, has delivered a baseline and foundation for prioritizing investments and designing policy reforms in the infrastructure sector. The transport part of the initiative has identified the gaps in the transport infrastructure development and highlighted priority areas. The products of this initiative could be essential inputs for undertaking sector diagnostics and defining priority interventions during a PGPTS development process.

The global development arena

THE MDGS

Many African countries are lagging behind in achieving the MDGs, and in most cases, a SGPRS is designed to improve progress towards meeting these goals. For that purpose, the MDG review (UN millennium project-2005), specific to Africa's transport, proposed to focus on the elements defined in Box 1.

Box 2 MDGs Related Transport Indicators and Targets (for 2015)

- Halving the proportion of the rural population living beyond 2 km of all season road
- Narrowing down the difference in average transport cost between Africa and Asia by 50%
- Closing the inter-African Highway gap
- Focusing on employment generation, Road Safety and transport services reducing maternal mortality and improving access to girls' education

In line with the MDG review, the African Transport and MDGs initiative has developed MDGs related transport targets and indicators. The main targets and indicators are shown in Box 2 while a complete matrix is presented in Annex 1.

The MDG review and the G8 meeting on reducing global poverty are gradually influencing the support for developing countries, in particular Africa. In response to the initiatives by NEPAD and the Africa Infrastructure Consortium (AIC-established to promote infrastructure development in Africa), there is a renewed focus on Infrastructure by Africa's development partners (Box 3).

Box 3 Renewed Focus on Infrastructure

- **The EU-African Partnership on Infrastructure**, launched in October 2007, is potentially the biggest initiative contributing to infrastructure development in the continent. This in turn will serve as an engine for economic growth, regional integration and poverty reduction. The partnership, Europe's response to NEPAD's initiative, places substantial emphasis on opening up and improving regional transport corridors, facilitating interconnectivity of Africa, reducing transport cost and improving the quality of services and safety.
- **The World Bank's Africa Action Plan,** in partnership with others, is supporting African countries to reach as many MDGs as possible by 2015. The action plan is focused on four selected pillars. Of the four, the most relevant to the transport sector are the focus on rural infrastructure, results measurement, capacity building and governance.
- **The African Development Bank (AfDB)** continues to be one of the major financiers of the transport sector and serves as the anchor for NEPAD. AfDB finances a wide range of transport projects both at regional and national level. It provides financing for physical works, technical assistance and capacity building.
- **Bilateral donors** are also attaching emphasis to infrastructure development in Africa. However, several bilateral donors have of late been shifting from the transport sector.
- **Local resources** are expected to increase: Road Funds continue to be the main sources for maintenance financing. Increase in Government allocations are also expected due to the renewed focus on Infrastructure. Community involvement in rural access development is expected to increase.

Key issues to the transport sector

Support to the MDGs and AU/NEPAD initiatives

The current transport strategies and programs are not generating sufficient financial resources for maintenance and improvement of the existing road network. The strategies are not comprehensive, as they only partially address the problems of access and mobility of the poor. Most importantly, the strategies do not provide the framework for efficiently managing transport services. Problems related to physical and non-physical barriers, including cartels along transport corridors remain unattended. As a result, Africa's transport is characterized by:

- High freight transport costs, 3 to 5 times higher than in Asia and Latin America;
- Inadequate access, about 60 percent of the rural population in SSA lives beyond 2 km from an all-season road;
- Unaffordable urban transport services and unsafe pedestrian walkways;
- Lack of inter-state transport links and high transport cost (transport cost can account for as much as 56 percent of the value of exported goods) ;
- Critical shortage of financing for rural roads maintenance and development;
- Fragile sector management capacity and weak inter-agency coordination; and
- Pre-existing policy induced distortions and lack of efficiency.

Lessons from transport sector programs

The sector strategies and programs[2] developed by African counties are deficient in many respects. The poverty reduction and transport strategy (PRTS) review carried out in 18 countries since 2003 have helped to identify the gaps in the existing strategies. The reviews pointed out several deficiencies:

- Skewed interest towards one dominant sub-sector or a specific component;
- Focus on physical interventions with transport services often neglected;
- Transport demands of social sectors are neglected and strategies overlook cross-cutting issues;
- Policies are not developed through broad based sector policy dialogue, but are rather attached to project loans and grants as conditionality;
- Various transport functional areas are not integrated; and
- Strategy or program formulation processes are not broad-based, and often lack inputs from stakeholders.

The formulation of a comprehensive pro-poor transport strategy addressing the gaps observed in the existing transport sector strategy and programs was one key recommendation from the

[2] The sector strategies and programs exist in different forms: transport master plan, sector program (in some instances a sub-sector is considered as a sector), medium-term investment framework, transport sector policy (in some countries, the contents of such policy documents capture all elements of a sector strategy or program-policy, investment and monitoring framework).

PRTS reviews. Most importantly, the reviews recommended the new strategies to be coherent with the SGPRSs.

Table 1. Status of sector program development and implementation as of June 2007

Implementing	*Formulating*	*Identifying*	*Move to SP*
Ethiopia	Ghana	Benin	Burkina Faso, Burundi, Cameroon,
Mozambique	Malawi	Madagascar	DR Congo, CAR, Gabon, Gambia,
Zambia	Tanzania	Lesotho, Mali	Guinea Bissau, Kenya, Mauritania,
	Uganda	Rwanda, Senegal	Niger, Sierra Leone, Chad, Togo

- Policy dialogues between governments and donors were helpful in adopting sound transport strategies, such as establishing road funds. The dialogues are also leading towards programmatic approach addressing the challenges of the sector in a holistic manner. The dialogue takes place in different forms. The European Commission (EC) and other donors encourage governments to engage in a policy dialogue through SWAps (Sector wide approach). The World Bank engages in policy dialogue with governments at country and sector assistance strategy formulation levels leading to multi-year strategy and sector investment programs supported through projects, which are anchored in a periodically updated sector policy letter issued by governments. Bilateral and multilateral donors engage in policy dialogue during project or general and sector budget support discussions.

In mid 2007, EC made an assessment of the status of sector program development and implementation and found that many African countries are moving towards sector program (SP) while some have already started implementation. See Table 1 for details.

A review by EC, carried out in conjunction with the SP assessment, indicated the benefits and challenges of the approach, which included:

- Increased demand for cross-sectoral dialogue;
- Improved annual sector plans;
- Improved donor-government dialogue;
- Enhanced consultation with stakeholders;
- Strengthened sector performance monitoring; and
- Increased threats related to institutional and financial strength and sustainability, including high staff turnover and inability of most road funds to meet maintenance demands.

RATIONALE FOR A PRO-GROWTH, PRO-POOR TRANSPORT STRATEGY

What is a pro-growth, pro-poor transport strategy or a PGPTS? It is a sectoral instrument directing resources to transport interventions supporting economic growth and poverty reduction, as well as creating a vibrant transport sector. It is also an essential tool to improve efficiency and effectiveness of resource utilization through increasing coherence between sectoral policy, spending and results.

Transport plays a critical role in ensuring that a "pro-growth" approach has "pro-poor" effects in the long run. This instrument focuses on transport policies and interventions stimulating growth and have explicit benefit to the cause of poverty reduction. The strategy gives emphasis to transport interventions facilitating the achievements of the goals that poverty reduction strategies (PRSs) consider to be the source of growth.

Box 4 Essential Elements of a Pro-growth, Pro-poor Transport Strategy

- Vision and strategic objectives (goals) for the transport sector;
- Investment in transport to facilitate economic growth and poverty reduction;
- Policy and inter-sector partnership and institutional changes and strategies required to achieve the investment targets and create sound sector management capability;
- Monitoring and evaluation framework to measure the impact of transport on economic growth and poverty reduction.

A PGPTS provides a long term vision and strategic objectives for the sectoral development. It outlines the requirements and scope of the strategic partnerships between transport and other economic and social sectors so as to effectively achieve these goals; and by this deliver a clear definition of transport's mission within the national economy.

A PGPTS contains a long term investment plan for the sector and defines policy changes required to achieve sectoral objectives. A PGPTS must be consistent with the national growth and poverty reduction strategies and must contribute to the achievement of the national economic objectives. It typically provides the elements contained in Box 4.

A sectoral vision refers to what the transport sector shall be in the long term. It expresses intentions that are broad, inspiring and forward thinking. Likewise, strategic objectives state what the sector seeks to achieve in the short, medium and long term. These objectives represent results to be achieved by the sector.

The process for setting out a transport investment framework refers to developing "a transport master plan" that identifies investment programs, legal, institutional and regulatory changes, as well as the activities necessary to promote integrated transport development, including a financing plan and the timetable for implementing the development programs.

In this note, policy is defined as *direction, approach and governing principle to overcome critical issues constraining the achievement of sectoral objectives*. A transport sector policy has to be con-

sistent with the government economic policy and should contribute to the achievement of national economic objectives.

A policy framework shall also contain strategies or *implementation principles and mechanisms to achieve sectoral objectives*. The strategies to be developed, in line with the policy, shall provide general rules and principles for short, medium and long term actions aiming to focus efforts and resources to ensure that the present situation of the sector progressively approximates the vision.

A monitoring framework contains a set of verifiable indicators and institutional arrangements for evaluating progress and measuring impacts of transport investments and policy changes. The indicators would facilitate cross-country comparisons and adoption of good practices.

Why a pro-growth, pro-poor transport strategy?

The principal reason for initiating a PGPTS is the urgent need to develop transport investment and policy frameworks responding to the current development environment. African countries are currently implementing SGPRSs to stimulate economic growth contributing to poverty reduction and achieving the MDGs. Transport strategies should therefore be adapted to the changes so as to fulfill the requirements of the SGPRSs and MDGs.

Furthermore, the MDGs and PRTS[3] reviews have confirmed that the existing transport strategies are not adequate to deliver transport services that are required to profoundly change the livelihood of the rural and urban poor. The reviews call for the formulation of a pro-growth, pro-poor transport strategy that could improve the mobility of the poor, and deliver access to market and social services.

Transport strategies can be designed to be more pro-growth and pro-poor. There is ample evidence on how transport facilitates growth and poverty reduction. There is also substantial body of knowledge on specific areas where transport makes a direct contribution to poverty reduction. Thus, the new generation strategies should be built on this body of knowledge and evidence.

The piecemeal or fragmented approach, adding to the disconnect between national development strategies and transport strategies as well as between implementation of sector interventions by transport and non-transport sectors, is significantly contributing to the excessive transport cost and lack of access, which could be better addressed by developing a comprehensive transport sector strategy.

Integrated transport strategies that are consistent with national economic objectives will help to attract more resources to the sector since transport investments have to compete with other

[3] By the end of 2008, 18 African countries had undertaken a PRTS review to identify the gaps in the poverty reduction and transport strategies and made the two strategies coherent.

key sectors for scarce resources. Moreover, integrated transport strategies demonstrate how transport contributes to growth and poverty reduction and ensure effective and efficient use of resources, all essential factors in influencing the budgetary process and increasing allocations to the transport sector.

Transport strategies and programs aimed at supporting growth and poverty reduction have shown tangible results in improving the performance of the transport sector, and increasing productivity and investment. Tanzania's Road Sector Development Program has delivered improvement in the road network, which in-turn has helped to attract domestic and foreign direct investment. The rural roads improvement programs in Ghana, Guinea and Malawi, among others, have contributed to improved rural accessibility and increased agriculture productivity. The Ethiopian Road Sector Program implemented over the last 15 years has doubled the size of the classified road network, increased the proportion of roads in good and fair condition from less than 50 percent to over 70 percent; and helped construct about 70,000 km community access road. More importantly, the changes have contributed to the increase in agriculture productivity and farm gate prices.

PRINCIPLES AND METHODOLOGY FOR DEVELOPING A PGPTS

Guiding principles

There are three principal elements underpinning a PGPTS development process. First, the transport strategy has to be coherent with the SGPRS and the MDGs. Second, the process should be fully owned by stakeholders. Third, it should be enriched by analytical work and good practices. In general, responsiveness, evidence and participation buttress a PGPTS development process.

During the development of a PGPTS, the following guiding principles could be considered:

- Transport investments and policies should be responsive to the priority economic and social sectors of the poverty reduction strategies (PRSs) and the MDGs.
- Transport strategies should be designed to improve efficiency and effectiveness with which internal and external resources are utilized through increased coherence between national development strategies and investments, as well as results.
- The strategy shall promote integration of the various transport functions while providing a framework for sharing responsibilities among the various transport stakeholders.
- Stakeholders (public, private and civil society, including transport and non-transport sector players) should play a central role in formulating investment and policy frameworks while policy makers should take into account the views of the stakeholders in final decisions to the extent possible.
- The process should recognize that transport strategies are dynamic, and thus emphasizes on strategies that allow the sector to adapt to the changing development environment, and be updated from time to time.

The overall process

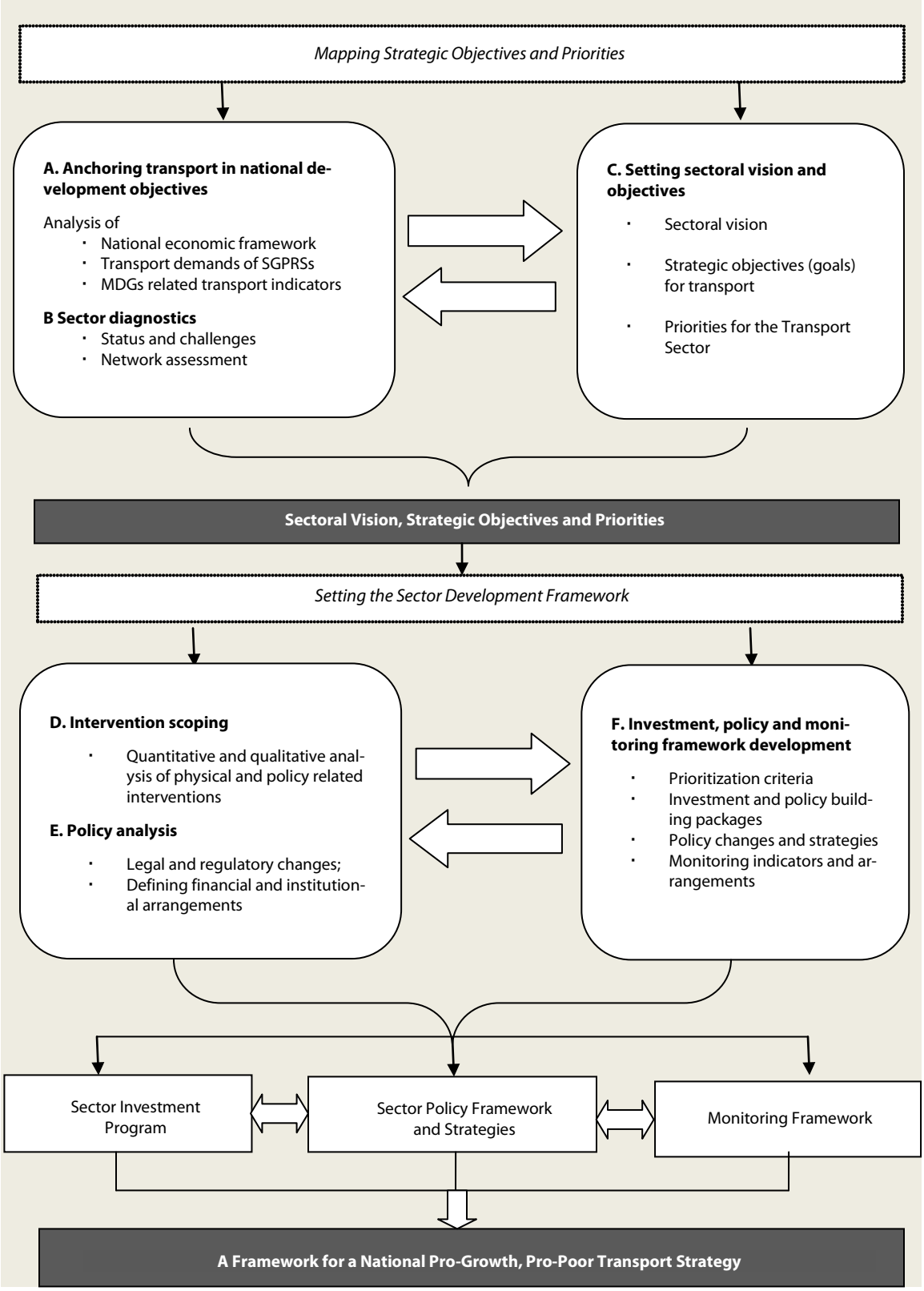
A strategy development process that adopts responsive and evidence-based participatory approach involves:

i) Establishing a process that allows direct and interactive participation of key stakeholders from public, private sector and civil society including transport and non-transport sector players.

ii) Developing a pro-growth, pro-poor transport strategy through a series of structured analytical work and consultations with key transport and non-transport

stakeholders, policy makers and development partners. The strategy development process is schematically presented in Figure 1 while the methodology is outlined in the following sections.

iii) Adoption of the strategy by the government, and sensitization of decision-makers and donors to achieve buy-in to the outcomes of the process and to secure sufficient resources for implementation.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A Framework for a National Pro-Growth, Pro-Poor Transport Strategy

Overview of the methodology for a PGPTS definition

The methodology builds on the core values of responsive transport strategies, principally articulating transport interventions facilitating the achievement of national development objectives and the MDGs, as well as supporting good governance and the decentralization process taking place in many SSA countries. The methodology for the development of a PGPTS could include the following approaches:

STAGE 1: MAPPING STRATEGIC OBJECTIVES AND PRIORITIES

- *Anchoring transport in national development objectives:* This task focuses on establishing the link between transport, and macro and sectoral level goals, by identifying transport interventions supporting national economic and social development objectives. At this stage, the PGPTS development is expected to define the outcomes or results of the transport sector by determining the changes that need to take place.
- *Undertaking sector diagnostics:* Assessing the state of the transport sector and its challenges is the basis for determining the changes needed. The diagnostics exercise also provides an opportunity to establish a knowledge base for the sector.

STAGE 2: SETTING THE SECTOR DEVELOPMENT FRAMEWORK

- *Scoping transport interventions:* Determining the key interventions, both soft and hard, is the basis for setting the investment framework. This process builds on the sector strategic objectives and priorities identified in stage 1, and it reflects on the gaps and sustainability issues identified during the sector diagnostics process. Furthermore, to provide a sound plan of action, the PGPTS process, at this stage, should address questions related to institutional and financing requirements.
- *Policy analysis:* Deriving evidence through analysis of the existing situation and body of knowledge, as well as defining policy changes are important tasks to be undertaken at this stage. The policy analysis would also consider and define the regulatory, institutional and financing reforms required to realize the priority interventions.

CROSSCUTTING ACTION

- *Stakeholder consultation:* The inclusion of the stakeholders' views from key transport and non-transport sectors is critical for the development of sound investment program. The methodology considers that stakeholders will lead the process of defining the framework for transport development. Stakeholders' views shall be mainstreamed in the process at all stages in order to develop a strategy consistent to the interest of the public, in particular the poor. In order to have an effective stakeholders consultation, it will be essential to create an inclusive forum and provide evidence derived

from analytical work and body of existing knowledge for the dialogue. The consultation process will also be facilitated through questions and points of discussions that will help to structure the interaction, build consensus and determine actions to be implemented.

WINDING-UP

- *Consolidating the outcomes of the interactive process and analytical work:* This step allows verifying the coherence between on one hand, the proposed transport interventions and on the other hand, the overall national development objectives and the macro economic framework. To facilitate this exercise, this guidance note proposes the development of a results framework as shown in Table 2 (see page 28).

  The following sections present the details and application of the methodology at the different stages of the strategy development.

Mapping strategic objectives and priorities

A. *Anchoring transport goals in national development objectives*

ASSESSING THE ECONOMIC FRAMEWORK AND TRANSPORT DEMANDS OF THE SGPRS

The development of a PGPTS starts with the analysis of the SGPRS or its equivalent instrument, and the national macro economic framework. The analysis, at this stage, focuses on broadly defining transport demand and the requirements of the priority economic and social sectors of the PRSs, as well as assessing the implications of the macro economic situation on transport development. This exercise involves:

Identifying key development objectives/ goals of the SGPRS and **determining priority transport interventions** required to achieve the national development goals. At this stage, it is essential to broadly assess what could feasibly be achieved within the macro-economic capacity of the country. This could be demonstrated in the following example.

> The Ugandan Poverty Eradication Action Plan (PAEP-2004) defines "expanding agricultural output through increased farm productivity and household income" as one of its priority development goals. In this case, the analysis could look into good practices on how transport facilitates improvements in farm productivity and household income. In relation to this, several studies and research work have shown that provision of access and efficient transport services does facilitate improvements in farm productivity and household income, and thus, a better rural access and transport services delivery will form part of the priority transport areas. Along with this, an assessment could also be made of (i) parallel or complementary agricultural actions that are needed for increased productivity and production in general; (ii) the

spatial requirements and the potential gaps in infrastructure and services that would shape the scope of intervention in both transport and agricultural sector; (iii) location and scope of social services development to best serve the needs of the poor, and the level of collaboration required to achieve the transport development goals.

Given the enormity of the development benefits transport development could bring to the economy in Africa, the outcome of transport sector development may well influence the general economic development trend as well as policy in the long run. This situation is also considered in the methodological design of a PGPTS while, in the first step of, anchoring transport in national development objectives. A transport sector strategy could be developed based on pre-existing socio-economic needs, i.e. "defining transport demands of the priority economic and social sectors of the poverty reduction strategies (PRSs)". While the need for consistency among policies is very much important from the point of view of development policy management (and particularly so with PRSs), it is also essential that the strategy development process incorporates some sense of dynamic path in the long run where outcomes of transport sector development could influence the future orientation of growth and poverty reduction strategic objectives of a country.

ACHIEVING THE MDGS

At this stage, a review would need to be done to determine the contribution of the transport sector to achieving the MDGs. To this effect, the MDGs related transport targets and indicators developed by the African ministers responsible for transport could be used as a guide to identify the priority areas. The targets and the indicators are annexed to this note (Annex 1).

On the other hand, the MDG review process has identified key transport interventions that could facilitate the achievement of the MDGs. The transport interventions proposed during the review are shown in the background section of this note (Box1).

The review suggested that increasing rural access to support the "Twenty-First Century African Green Revolution" is a priority to reach the inclusive goal of eradicating extreme poverty and hunger. The suggestions related to transport cost reduction and improvement of the national road network are also equally important to improving agricultural production and enhancing domestic and international trade.

One of the MDGs, "global partnership for development", requires the development of interstate and regional transport. However, the environment sustainability goal has wider implication for transport. It calls for delivering affordable transport for urban slum dwellers. It also requires making transport resilient to climate change and mitigating the negative impacts of transport on climate change.

AGGREGATING PRIORITY TRANSPORT DEMANDS

The identification of transport priorities should cover the needs of all the priority economic and social sectors, including the provision of access to economic opportunities and basic social services by the rural and urban poor, a bottom line for a pro-growth, pro-poor transport strategy. The aggregation of the transport interventions required is the entry point to mapping priority areas for transport. Then, adding up the requirements to achieving the MDGs provides the bigger picture of the transport priority areas.

The steps that could be followed in this process are outlined in Box 5.

Box 5 Steps for Mapping Priority Transport areas supporting PRSs & MDGs

- Identify priority economic and social development objectives of a PRS;
- Search for good practices and body of knowledge on how transport facilitates the achievement of the intended goal of the priority sector;
- Determine the transport interventions supporting the achievement of the goals based on good practices and body of knowledge;
- Assess key transport interventions underpinning economic growth and poverty reduction, such as: facilitating trade through provision of access and transport services linking production centers to markets at all levels (local regional and world market); strengthening inter-sectoral linkages,; etc;
- Identify transport interventions contributing to the meeting of the MDGs;
- Consultation with priority sector stakeholders (cross-sector consultation) and target groups (rural and urban poor) to create a common understanding of the transport interventions required to facilitate the achievements of the sectoral level development goals, and to support the poverty reduction process; and
- Aggregate the priority transport areas contributing to the achievement of national development objectives and the MDGs.

B. Diagnosis of the transport sector

One important step in this process is the diagnosis of the transport sector to mainly assess the existing situation, and identify challenges and contributions of the transport sector to economic growth and poverty reduction in the context of a particular country. The sector diagnosis would include:

- Assessing the state of the transport sector: transport infrastructure stock and condition (roads, rail, ports, etc.); status of transport service delivery, etc;
- Undertaking audit of the current institutional and financing arrangements;
- Evaluating the contribution of the transport sector to the growth and poverty reduction process;
- Identifying major challenges key sectoral issues;
- Assessing the situation of cross cutting issues: road safety, governance, HIV/AIDS, gender, employment generation, and environment;

- Assessing the soundness of the transport asset management practices (ownership, financing, and effectiveness of maintenance arrangements).
- Assessing whether connectivity to market (local, regional and world market), and social and administrative services is a bottleneck to development.

The state of the transport network could be assessed by applying modern network management tools[4] or traditional network stock assessment methods. For example, the road network assessment could be carried out by using tools such as Road Network Evaluation Tools (RONET)[5] while categorization of the condition of other transport networks could be undertaken using the traditional visual road condition inspection approach.

One of the main outcomes of the diagnostic exercise is the identification of challenges to the transport sector. Undertaking a SWOT (strength, weakness, opportunity and threat) analysis, preferably by engaging key stakeholders at sub-sector level, could be an option to creating a better understanding of sectoral issues.

Evaluation of the asset management practices in terms of ownership and responsibility to manage the network, existence of stable flow of maintenance funding, and effectiveness of maintenance arrangements (planning, contracting, etc) is an essential exercise to be carried out at this stage.

An overall assessment of the existence of a basic network in terms of linking production and consumption areas, linking local markets to larger markets or trade hubs, different level of service centers to each other, and providing access to domestic, regional and overseas markets is essential to determining the level of connectivity and its impact on the development process. Points that could be considered during the sector diagnostics process are indicated in Box 6.

Box 6 Points for Discussion during Sector Diagnostics

Transport sector diagnostics

- What characterizes the transport sector?
- How is the sector performing in terms of up keeping the transport network?
- Is access to market and services a bottleneck to the achievement of national development objectives?
- What are the major challenges of the transport sector?
- What are the strengths of the transport sector?
- What is the country specific evidence of the contributions of transport to the process of economic growth and poverty reduction?

[4] For the evaluation of road networks, the choice of tools could be made by referring to an SSATP publication "A User Guide to Road Management Tools," released in December 2008.

[5] RONET is a tool that allows predicting future road conditions, transport costs, benefits to road users and to society, and road asset value, depending on the level of funding.

C. Vision, strategic objectives (goals) and transport priorities

Box 7 Questions for consideration during the definition of vision, strategic objectives and transport priorities

- Is the transport sector successful in supporting economic growth and poverty reduction?
- What are the weaknesses and threats to the sector?
- What are the strengths of the sector?
- What will the transport sector be in the long term (what do stakeholders expect from it)
- What should the transport sector achieve in the short, medium and long term?
- What are the focal areas for the transport sector in line with the SGPRS and the MDGs?

The outputs of the transport priority mapping exercise feeds into a consultation process that involves key stakeholders. In this process, stakeholders brainstorm to establish a vision/shared vision for the transport sector – stakeholders' intentions as to what the transport sector should be in a defined period of time, which could possibly be over longer timeframe.

The stakeholders set the strategic objectives for the transport sector vis-à-vis the requirements of the SGPRS and the MDGs, and identify the challenges facing the transport sector. The strategic objectives are core elements for linking transport to a SGPRS and should indicate the goals to be achieved in the short, medium and longer term.

The stakeholders' proposal on the vision and the strategic objectives shall then be shared with high level policy makers. The consultation at this stage may include ministerial level representation from institutions responsible for poverty reduction and national development programs, finance, transport and the priority economic and social sectors.

One important deliverable at this stage is to determine the priority transport areas required for achieving the strategic objectives. This involves aggregating and screening the transport areas identified during the exercise of anchoring transport in national development objectives, and the sector diagnostics.

Questions that could be considered by the stakeholders during vision setting and identification of strategic objectives and transport priorities are contained in Box 7.

Setting the sector development framework

D. Intervention scoping

DEFINING SPECIFIC TRANSPORT INTERVENTIONS

The sector investment framework provides specific actions to be undertaken within the transport priority areas identified in stage 1. For example, if improvement of rural access is one of the priority areas, development of local (district) roads providing access to market towns, hubs serving cluster of settlements or villages, could be determined as a major investment. Then, prioritization could be done by using a simple matrix of selected objectives/indicators

(multi-criteria analysis), which may include population, traffic, change in accessibility, development potential and costs of improvement or construction. Likewise, measures to improve transport services delivery such as improving the regulatory framework, financing schemes, tax regime, incentives, and means of transport choices should be considered as key interventions. The analysis may consider the cost and benefits of developing the rural roads network to meet the Rural Roads Index *the proportion of the rural population living beyond 2 km of an all-season road*, and determine the level of accessibility commensurate with what could be achieved within the timeframe of the strategy.

Analyzing the gaps in the national network, by using appropriate models[6], will be helpful in determining the interventions required to link production and consumption areas – enhancing trade – and linking development poles[7] with each other. The analysis should extend to identifying interventions related to inter-state & regional links and access to ports, which requires undertaking a comparative analysis of all modes and determining the appropriate choice. It is also essential to define maintenance and rehabilitation requirements by undertaking a network sustainability analysis based on maintenance and rehabilitation cycles practiced in the country. Where sufficient data is available, investment needs to improve the existing road network could be determined using the model HDM-4.

Inducing employment and income generation initiatives: An important task at this stage is the integration of innovative ideas that could make interventions more labor absorptive- employment generation and creation, which is the direct contribution of transport to poverty reduction. For example, construction of rural roads and maintenance of roads could be labor intensive to the extent possible. Further, the strategy could create an enabling environment for micro and small scale entrepreneurs to engage in transport service delivery and maintenance contracts. Likewise, maintenance and small scale construction works could be carried out through community contracts and length person systems, which are effective income generating schemes for the rural and urban poor.

The interventions shall also articulate stand-alone projects to address cross-cutting issues related to road safety, governance, HIV/AIDS, gender or environment and where necessary, incorporate them in transport projects in visible ways.

Prioritization criteria would be drawn by the technical team, endorsed by the key stakeholders, and sequencing of interventions be based on them. The criteria should determine allocation of resources to the most cost effective areas. Prioritization and sequencing of interventions for short, medium and long term should be based on the principle of responsiveness to the demands of the growth and poverty reduction strategy. For instance, if increasing agricultural productivity and enhancing trade are priorities, the transport strategy should focus on policies

[6] The technical team may adopt models such as: four (five if time is a factor) stage model (trip generation, trip distribution, traffic assignment, and evaluation of efficiency and economic viability of alternative schemes); general network editor, and GIS and other spatial analysis techniques.
[7] Commercial, high level services and manufacturing centers

and interventions improving rural access and inter-city connections, as well as import-export corridors.

AGGREGATING SPECIFIC TRANSPORT INTERVENTIONS

The identification of specific interventions has to cover all the priority transport areas and then the core activities have to be aggregated into physical and non-physical interventions. The aggregated product may serve as a "master plan" for the sector. It shall also define interventions to be undertaken at sub-sectoral level so that responsibilities could be allocated to the respective institutions.

The aggregation process looks into integrating various transport functional areas: road infrastructure, road transport services and safety, inland water, rail and air transport, and ports. This process should also consider the comparative advantages of multi-modality and modal competitiveness for increasing the overall efficiency of the transport system.

All non-physical interventions, such as capacity building related actions, legal, institutional and regulatory framework formulation, etc, have to be captured in a project form and have to be encapsulated in the policy building packages.

The main task at this stage is to undertake detailed quantitative and qualitative analysis to determine the scope of the specific interventions responding to the transport priority areas as indicated in Box 8.

Box 8 Steps for Scoping Specific Transport Interventions

- Identifying transport infrastructure interventions related to the priority transport areas, and defining measures to improve transport services delivery;
- Identifying the gaps in the national network and determining missing links required to improve inter-state and regional trade;
- Determining maintenance and rehabilitation requirements
- Inducing employment and income generation initiatives and articulating interventions related to road safety, governance, HIV/AIDS, gender and environment;
- Defining the interventions required to meet the MDGs related transport indicators;
- Determining the institutional arrangements and financing requirements for the implementation of the interventions. Who are the key actors and what are their roles? What will it cost? How will they be paid for (potential sources of revenue and finance, national regional and local resources given in terms of money or in-kind contributions)?
- Aggregating specific demands and integrating individual and sub-sector level interventions
- Developing prioritization criteria and ranking interventions.

E. Policy analysis

Assessing existing policies, identifying the gaps and developing a comprehensive policy package supporting the achievement of the strategic objectives will be an important product of the policy analysis process.

The policy packages have to be supported by establishing sound strategies to achieve the intended interventions and implement the policy changes. The strategies should not end with stating broad mechanisms; instead they should clearly define what should be done, how it should be implemented to achieve the planned objectives, and how it will be paid for.

To facilitate policy definition, examples of policy options adopted in different circumstances are presented in Annex 2. The technical team and stakeholders could look into some of the options that may fit the situation in the specific country and elaborate them further.

The policy analysis involves:

Reviewing the regulatory framework, tax regime and pricing principles, and delivering policy options can be daunting, but the most essential part of this exercise. This process shall provide policy options addressing questions such as: what should be done to improve entry to the transport service market? What should be done to eliminate cartels? What should be done to remove the physical and non-physical barriers along Africa's transport corridors? Constraints to transport development are not always caused due to lack of infrastructure or externalities, thus, the analysis should also outline solutions to pre-existing policy induced market distortions and inefficiencies.

Defining institutional development polices and strategies: In this process, the overall sector management arrangement has to be scrutinized in terms of providing sound leadership, avoiding duplication of responsibilities and creating a harmonized and integrated institutional framework for transport development. This should also extend into analyzing: i) the existence and strength of the institutions required for effective implementation of the interventions (infrastructure development and transport services provision regulatory agencies, network management bodies, safety management units, etc); ii) the existence and use of systems and operational procedures; iii) adequacy of manpower and strategy for human resources development, iv) the need for decentralized management and implementation of infrastructure and services and associated establishment or strengthening of local level institutions, and v) constraints of weak inter-agency coordination prohibiting setting up and implementing multi-sectoral and sector wide policy frameworks.

Determining the role of the private sector: In the context of Africa, the engagement of the private sector is limited to provision of transport services, construction and business services, including largely marketing and trading. However, there is a need to explore options for a wider public-private partnership and to create conducive legal/regulatory environment to enhance private sector participation.

Developing financial policies and strategies: Developing policies related to funding transport infrastructure development and maintenance (fuel levy, direct pricing, etc), national and local resource mobilization and allocation, safety management, support to public transport services (e.g. taxation on IMTs, credit for public transport vehicles, etc.) is an important task to be carried out at this stage. Further, the policy analysis shall look into issues such as: i) the possibility of generating more revenue from existing dedicated funding mechanisms, such as road funds, ii) identifying potential sources of financing, including possibility of strengthening community participation, iii) transparency and effectiveness in the use of funds- ensuring the existence of robust financial and technical auditing arrangements, and iv) effectiveness of donor coordination mechanisms.

Box 9 Questions for developing policies and strategies

- What are the institutional changes required for effective implementation of the strategy?
- What should be done to improve implementation capacity?
- What should be done to improve and strengthen private sector participation?
- What are the regulatory, pricing, etc., measures required to enhance competition and improve transport infrastructure management and transport services delivery?
- What are the potential sources and mechanisms for financing, including resource mobilization and allocation criteria that reach and serve the needs of local governments, cities and communities?
- What mechanisms should be in place to improve donor coordination?
- What are the policies and strategies required to ensure sustainability?

Policy dialogue: Creating a policy dialogue forum that engages stakeholders (public, private and civil society) is the cornerstone for instilling good governance in the sector. The road agency and road fund boards are good living examples in bringing together the private and public sector, and winning the confidence of the public and development partners. Building on this good practice and intensifying the engagement of stakeholders in policy dialogue is an important strategy. Thus, this process has to show how to tap into this resource and devise a strategy to integrate their participation in all aspects and levels of transport development.

Points that need attention during policy and strategy formulation are presented in Box 9.

F. Defining the investment, policy and monitoring frameworks

The investment and policy frameworks will be drawn through intensive analytical process as outlined in the previous sections. However, the critical investment and policy concepts have to be determined by stakeholders being informed of good practices from other countries and the body of knowledge.

The stakeholders shall review the investment framework, the policy changes and the monitoring arrangements, and forward their recommendations for government's endorsement.

During the stakeholders' workshop, the participants could consider the points contained in Box 10.

Box 10 Points for Consideration by Stakeholders to Define Investment, Policy and Monitoring Frameworks

- Agreeing on prioritization criteria;
- Reviewing the priority interventions proposed by a technical team and ensuring their responsiveness to the SGPRS and the MDGs;
- Agreeing on the share of the key interventions, e.g., rural access, transport services, maintenance, institutional development and capacity building, etc.
- Determining the policy changes required to facilitate the implementation of the transport investment; and
- Defining the indicators and monitoring arrangements.

THE MONITORING FRAMEWORK

To evaluate the effectiveness and efficiency of the proposed investments, there is a need to establish a sound monitoring framework, by defining verifiable impact, outcome and output indictors and putting in place appropriate monitoring arrangements.

The presence of a sound data management system and a responsible unit are the cornerstones for having an effective monitoring and evaluation framework. In regards to this, the strategy development process has to look into the national level data management arrangements and come up with a proposal that will ensure the presence of sound data management system at sectoral level and indicate the means for interconnecting it with the national data grid.

To share the experience of SSATP member countries, some generic indicators developed through the SSATP indicator initiative are presented in Box 11.

CONSOLIDATING OUTCOMES OF THE STRATEGY DEVELOPMENT PROCESS

At this stage, the process will have delivered key interventions, policy measures and implementation mechanisms, and thus it will be essential to establish logical linkages between actions and results/outcomes defined during strategic objectives setting. Most importantly, this step shall ensure that the strategy delivers the anticipated results/ outcomes. To demonstrate this process, a "partial" results framework based on one of the common development objectives of many African countries' poverty reduction strategy papers is presented in Table 2.

Box 11 Examples of key indicators

Network management, standard & utilization

- Total road network size (km)
- Paved road network in good and fair condition
- Unpaved road network in good & fair condition
- % of paved road with less than 300 AADT
- % of unpaved road with over 300 AADT
- Percentage of paved network with less than 30AADT
- Average network AADT (vehicle/day)

Rural access

- Percentage of rural population living within 2 km of an all-season road

Urban transport

- Average travel time to formal and informal work places
- Number of buses per 1000 inhabitants
- Length of paved/dressed walkway

Road Safety

- Fatality rate
- Road crash-incidences

Transport services

- Vehicle population
- Freight transport rate (ton-km)
- Average Passenger fare person-km(rural, intercity, urban separately)
- % of household income consumed by transport (rural & urban)

Inter-state and import export corridors

- Port dwell time
- Freight rate (ton-km)
- Railway length (km)
- Rail transport volume (ton-km)

Institution, financing and development

- Existence of road agency, road fund and transport regulatory institution
- Percentage of road maintenance requirement covered by road fund
- Employment in transport sector (infrastructure & services)
- Share of transport in total public expenditure & GDP
- % of transport cost of internally traded goods, imports and exports

This process shall deliver a comprehensive pro-growth, pro-poor transport strategy for transport sector investments and policy reforms. The strategy shall contain concrete physical and policy related projects with defined deliverables (overall transport sector goal to support national development objective: e.g. facilitating economic growth and poverty reduction through provision of safe, clean and affordable transport). The main features of the outputs are presented in Box 12.

Table 2. Results Framework

Outcome	*Outputs*	*Inputs*	*Risks & Assumptions*
Outcome statement	**Deliverables**	**Case specific**	**Risks**
Improved rural access	• Newly constructed access roads • Improved trails and tracks • Improved services		Country specific
Indicators • % of rural population living within 2 km of all season road • Reduction in passenger & freight rate	**Indicators** • Length of road newly constructed • Length of improved trails and tracks • Vehicle & IMT Population • Targets (country specific) **Baseline value** (country specific)		**Assumptions** Country specific

STAKEHOLDER PARTICIPATION, COORDINATION AND EXECUTION

Stakeholder participation

There are several reasons for considering a participatory approach as important in the development of transport sector strategy. Without participation of all concerned actors, it will not be possible to explore all available options, take account of synergies and advantageous interlinkages and decide on hard policy choices. The prime element of any transport system is its direct users and external beneficiaries (from the non-transport, economic and social sectors). Ensuring the users' participation in the strategy development process is important to understand their needs, attitudes, aspirations, desires, priority, possible contributions, how they could be affected by proposed changes, patterns, etc. In a participatory approach, a large amount of qualitative data in plain text format as well as numeric or quantitative data can be generated to tell about people's views, desires, priorities, and also provide much deeper insights into the complexities involved.

In the traditional planning approach, planners carry out almost all activities starting from problem identification to plan formulation by themselves with limited input from the beneficiaries and other stakeholders. A flaw in this type of approach is that qualitative and quantitative analysis of issues and data, in itself, may not be sufficient to identify problems or desired actions required to address them, because it is based on the planners' own value judgments in interpreting the results of identified problems, which may not necessarily be the ones perceived by the real beneficiaries. Furthermore, even if a problem is rightly identified and suitable solutions are recommended, the beneficiaries may not develop the level of ownership required to properly implement them; complementary actions will also inevitably be required to ensure a holistic solution to the provision of transport.

There is no "one size fits all" approach to stakeholder participation in a national transport strategy development process, but the fundamental principle to be observed is the design of a mechanism that allows a direct and interactive participation of key stakeholders from the public and private sector, as well as the civil society.

Their involvement, either directly or indirectly, can occur at several stages of the process. It may begin with an initial stage when their views are sought concerning identification of the problems and their root causes, their vision of the future, including priority transport interventions to best impact their sectors, and ways that they could directly contribute to realizing the vision. At subsequent stages, the stakeholders should be involved in reviewing the findings of the analysis and in considering the draft plans and the policy developed.

This participation can be achieved at three levels. First, engaging key stakeholders in a core group, "steering group/committee" that provides strategic guidance and regularly instill public views into the process. Second, involving all interest groups (broader representation) in a

Stakeholder Forum that deliberates on strategic issues as well as investment and policy proposals, to be presented for government approval. Third, consultation with focus groups, policy makers and development partners, which could take place at sector diagnostics stage and validation of the proposed investment and policy frameworks. Brief accounts of the proposed arrangements are described below.

Steering group (SG)

The strategy development process involves extensive consultation and analytical work that require inputs from stakeholders and regularly overseeing the progress and outputs of the technical team/consultants. The SG, thus plays a critical role in mobilizing and maintaining the involvement of the stakeholders in the strategy development process, and providing strategic guidance to the analytical work through approving plans for studies and reviewing reports generated at all stages. The SG should therefore represent key transport sector and related stakeholders.

The SG is suggested to be established by the ministry responsible for transport policy development. The key factor in determining the constituencies to be represented at the SG level is the need to balance the views of key interest groups from the public and private sector, and the civil society. Knowledge of economic growth, poverty reduction and transport issues is also essential. The SG members should also be influential, preferably holding a Director or above level post in the institutions responsible for transport policy development and implementation as well as key economic and social sector ministries. The representatives from the private sector and civil society should be those who can strongly stand for the interests of users and disadvantaged groups.

Stakeholder forum (SF)

At critical milestones, stakeholder forums representing all interest groups shall deliberate on strategic issues and formulate core proposals for government approval. The forums shall review suggestions by the technical team and formulate the vision and strategic objectives for the transport sector. The forum could be organized at three stages. First, to set strategic objectives and priorities for the transport sector based on the demand analysis and sector diagnostic findings. Second, to draw investment, policy and monitoring frameworks for the sector, following the investment scoping and policy analysis exercises. Third, to validate the draft sector development framework to be approved by government.

The strategy development process should engage all stakeholders interested in the development of the transport sector, and who could propose policy orientations, and take part in the dialogue. However, to conduct effective and productive dialogue, the forums shall involve limited number of stakeholders from civil society, the private and public sectors, and development partners, with a good gender mix. The steering group with the support of a facilitator, or the technical team, shall undertake stakeholder analysis to identify those who would be participating in the forums. The areas of knowledge covered by this group may include: na-

tional planning; the issues of the economic and social sectors; issues of inter-state/regional trade, decentralization, the needs and interests of population groups targeted by the poverty reduction strategy, such as women, elders, etc.; transport sector (infrastructure and services, all modes); the key cross-cutting issues (good governance, employment creation, gender , HIV/AIDS, environmental protection…) and issues of the global development arena .

Consultation with focus groups, policy makers and development partners

CONSULTATION WITH TARGET POPULATION, LOCAL GOVERNMENTS AND STAKEHOLDERS

Consultation with target population (rural and urban poor, women, etc.) and local government is essential to better understand their priorities and define their roles in the program implementation. This task could be undertaken by the technical team, in collaboration with the steering group.

The involvement of sub-sector stakeholders could be integrated with the sector diagnostic work. To facilitate this, the SG could establish sub-sector level stakeholder groups to undertake SWOT analysis in order to attain a balanced and realistic perception about the sector.

CONSULTATION WITH POLICY MAKERS AND DEVELOPMENT PARTNERS

Further, the steering group has to hold consultations with policy makers, mainly, to develop a shared vision and strategic objectives, and set investment and policy frameworks. Policy makers shall consider the proposals by stakeholders as an important input for their final decision making and use them to the maximum extent.

Donors, as development partners, have to be consulted at critical milestones. They could share the vision and strategic objectives of the sector as well as the final decision of the stakeholders. Donors may bring international experience into the process. Their engagement at an early stage will help them to consider how they will harmonize their procedures and explore all funding mechanisms. Coordination arrangements, if in place, may help to create the forum for the consultation and providing feedback to the process.

Coordination and execution

In general, this approach involves establishing and making operational the following coordination and execution bodies:

- Designating a coordination unit/department within the lead transport policy development institution;
- Establishing steering group and stakeholder forums; and

- Engaging the technical team and service providers (consulting firm, stakeholder workshop facilitator and workshop services provider).

Overall coordination

The steering group is to be responsible for the overall coordination of the process. However, to ensure effectiveness and the institutionalization of the process, the lead transport policy development institution shall designate a Unit or a Department to house the strategy development task. The Unit will be responsible for the day to day coordination of the process, following-up contacts and the adoption of the outcomes, spearheading implementation and monitoring activities. It will also be responsible for procurement and provision of operational support to the process.

Technical team/consultancy team

This approach underlines the importance of adopting evidence-based participatory process as a better option to develop sound transport policies and strategies. In this regard, a technical team/consultancy team is suggested to undertake analytical work to develop options addressing critical issues and provide input to the steering group and the stakeholder forums.

It is important to understand that the role of the technical team/ consultant in a participatory approach is that of a facilitator and needs the cooperation of the stakeholders in order to develop a consensus on investment and policy frameworks. To accomplish this outcome, the team will need to work closely with the SG, which is seen as the key link to stakeholders. The team could identify good practices and propose policy options, but ownership of the policy needs to be built and eventually agreed to by the stakeholders and not by the technical team.

The team should be multi-disciplinary. The professionals – technical team members – could be provided by a consulting firm. However, the option of establishing an in-house taskforce could be considered, as long as the professionals are available fulltime and the necessary incentive mechanism is in place. Main tasks of the technical team/consultant include:

- Conducting baseline studies
- Consultation with key stakeholders and target population;
- Preparing background documents for stakeholder workshops, including notes on findings of the analytical work; issues and options paper encapsulating suggestions on vision, strategic objectives and transports priorities;
- Based on the input from the stakeholder forum, preparing draft sector development framework with a preliminary road map for its implementation;
- Annex 3 provides a detail TOR for the consultancy services.

ADOPTION OF THE STRATEGY

Approval of the final strategy document (policy and investment framework) will be the responsibility of the National Government Ministry of Transport (or the lead institution for transport policy development), which will prepare a Cabinet memorandum to the Council of Ministers and Parliament for adoption as the Transport Sector Policy and Strategy of the country, if the law of the land requires so.

The strategy will serve as an instrument to lead transport sector activities, and thus, it is essential that the resources for implementation are incorporated in the budgetary process, and implementing institutions know their roles and responsibilities.

Adoption of the framework by the government is an indication of the buy-in to the principles and objectives of the framework. It also marks the launching of the strategy. At this stage, it is essential to set some indicators of the buy-in to the strategies, which could include:

- Increase in resources for transport;
- Adoption of legislations and policies anticipated in the framework; and
- Start-up of implementation of quick win projects

APPLICATION OF THE PROCESS

Depending on the stage of transport strategy development, countries may engage in the process at three levels:

i) Developing a new comprehensive transport sector policy, strategy and program, in countries where strategies were formerly developed in a piecemeal manner.
ii) Updating an existing transport strategy or sector program
iii) Peer reviewing a recently completed transport strategy/sector program or a strategy whose development process is at a final stage. Stakeholders may review the latter to identify gaps and forward proposals to enhance quality and improve contents. During the review process, stakeholders may consider the questions and points of discussions contained in this guidance note.

This process will be critical to countries where the poverty reduction strategy (PRS) or its equivalent instrument had conceived transport as a priority sector or the priority economic and social sectors of the PRS have expressed demand for transport. This approach/process would also be beneficial in countries that are engaged in a policy dialogue, considering sector wide approaches (SWAps) or intending to develop a comprehensive transport sector strategy or program responsive to economic growth, poverty reduction and the MDGs.

In countries where transport policy development responsibilities are decentralized, the process needs to be customized to fit into the legal and administrative framework. The overall goal and objectives could be defined at central level and further elaborated by the stakeholders at regional and local level. Further, detailed plans could be prepared at regional and local level and then aggregated centrally. Alternatively, it is possible to initiate policies at grass root level and feed into regional and central policy development processes.

SUSTAINABILITY OF THE STRATEGY

Sustainability of a PGPTS depends on, inter-alia: delivering and reporting results; adapting to the changing environment; and mainstreaming transport strategies in the national development planning and budgetary process.

Regularly collecting data and reporting on indicators showing the results delivered by the strategy, in terms of supporting growth and poverty reduction is essential to win the confidence of key stakeholders and the public. Stakeholders should be updated on what is delivered and be encouraged to participate in the implementation process. As well, policy makers and development partners should be engaged in the implementation from the beginning and be updated regularly. Outstanding policy issues should also be resolved in a timely manner.

However, strategies, which are dynamic by nature, have to be updated from time to time. The guiding principle of a PGPTS is responsiveness, and thus, the strategy should be updated regularly to cope with the changing environment. A PGPTS has to predict what is to be done in the long term, about 10 to 20 years depending on the situation of the individual country; as well strategies should also provide a framework for the medium term, 3 to 5 years. The strategy updating process has to be synchronized with the cycle of the growth and poverty reduction strategy review process. This will help to ensure coherence and relevance of the transport strategy.

Transport strategies should be mainstreamed in the national development plan or the poverty reduction strategy (PRS) or its equivalent instrument. The lead transport implementation institution should be engaged in the annual budgetary process as well as public expenditure reviews, and ensure decision makers recognize the contribution of transport to growth and poverty reduction. The lead institution should also engage in donor-government dialogue and preparation of country support strategies.

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ANNEX 1. TRANSPORT TARGETS AND INDICATORS RELATED TO MDGS

MDG	*Targets*	*Indicators*
MDG 1 Eradication of extreme poverty and hunger	1. Access to inputs and markets, generation of employment opportunities improved by halving the proportion of rural population living beyond 2 km of an all-season mode of transport.	1. Proportion of rural population within 2 km of an all season mode of transportation 2. % increase in road and rail density 3. % Reduction of travel and vehicle turnaround time 4. % Increased productivity in agriculture and economic activities 5. % Increase in employment opportunities and income generation from transport related activities
	2. The difference in average transport cost between Africa and Asia narrowed down by 50%	6. % Reduction in passenger fares (passenger kilometer) 7. % Reduction in unit goods transport cost (ton kilometer) 8. Level of affordability of transport cost as % of income by the urban and rural poor 9. % Increase in the use of intermediate means of transport (IMT) 10. Existence of sustainable financing mechanisms such as Road Funds… 11. % Increase in the proportion of modes of transportation in good and fair condition
MDG 2 + 3 Universal primary education and gender equality	3. Rural access and urban mobility improved and cost reduced to eliminate constraints on the time which all children have to spend to obtain education and to enable effective education to be delivered and reached safely	12. % of schools which have reliable access 13. % of households which report transport constraint on education, i.e. : · Lack of girls time for school · Difficulty (cost) of access · Poor quality of education service · Lack of safe access to school
	4. Access by women to appropriate transport services	14. Proportion of women with access to appropriate modes of transport
MDG 4 + 5 Child Health and Maternal Mortality	5. Rural access and urban mobility improved for reliable supply of inputs to health facilities, to provide affordable access for all households and to enable cost effective outreach of health activities	15. % Health centers, clinics, etc., with reliable rural access 16. % of households reporting constraints on access to health services because of: 17. Distance · Cost / difficulty of travel · Unit cost immunization / capita · Unit cost / coverage of outreach services / capita
	6. Emergency transport response to medical crises in rural communities improved through community communications facilities linked to improved transport services	18. % Emergency patients unable to reach health care in time for: · Expectant or postnatal mothers · Children under 5 years 19. % of child birth at home or on the way to a health facility

MDG	*Targets*	*Indicators*
MDG 6 HIV/AIDS, malaria and other diseases	7. Ensure transport sector ceases to be an agent for spreading HIV/AIDS	20. HIV/AIDS Prevalence among transport sector workers (public and private) 21. HIV/AIDS prevalence rate in transport affected communities 22. Inter-country coordination of actions relating to AIDS in transport sector (per 10,000 person) 23. % of countries that have included transport in their HIV/AIDS programs
MDG 7 Environmental sustainability	8. Share halved of urban residents for whom mobility problems severely constrain access to employment and essential services	24. % of households (in the various urban living environments) which report transport costs and time as major obstacles to employment 25. % of households which report access as a major obstacle for essential services
	9. Environmental sustainability promoted in all transport operations and development programs	26. Environmental impact identified by audits of transportation programs undertaken 27. Implementation and enforcement of international conventions in air and maritime transport
	10. Production of leaded petrol ceased by 2010	28. Number of countries banning sale of leaded petrol
	11. Rate of road accident fatalities reduced by half by 2015	29. Rate of fatality (per million vehicle-km) 30. Number of countries adopting road safety strategies
MDG 8 Global partnership for development	12. Transport cost for landlocked countries reduced by half and their access to global markets improved, by 2015	31. % reduction of missing links of the Trans-African Highways (TAH) network and transit corridors 32. % reduction in transport cost for landlocked countries 33. % increase in rail network, between countries 34. % increase in direct private investment 35. Implementation and enforcement of international conventions in air and maritime transport
	13. All non-physical transport barriers that increase journey time, customs clearance, border delay and impede the flow of goods and services dismantled by 2015	36. Proportion of countries that have reduced checkpoints along their main transit corridors to a maximum of 3 (between port and border of land-locked country) 37. % Reduction in the level of pilferage and diversion of goods in transit 38. Proportion of countries that have reduced their border crossing time to the OECD/ Industrialized countries average 39. % Increase in the number of one-stop border posts 40. Proportion of countries that have reduced their port clearing time to the OECD/Industrialized countries average. 41. % Increase in corridor management committees
	14. Axle load limits, equipment and infrastructure for all modes of transport, technical standards harmonized by all RECs by 2015	42. Proportion of countries that have implemented axle load limits and design standards for transport infrastructure
	15. Air and maritime transport services improved, fares reduced, and movement of goods and services facilitated in all African countries by 2015	43. Number of new connections between African countries established 44. Number of products and volume of traffic of products transported by air and sea 45. Percentage reduction in air and maritime transport fares
	16. Compliance with international transport conventions on safety and security	46. No of countries that have ratified, implemented and are enforcing international conventions in the transport sector

ANNEX 2. EXAMPLES OF POLICY OPTIONS FOR CONSIDERATION DURING STRATEGIC FRAMEWORK DEVELOPMENT A

Road infrastructure management	*Railway infrastructure and operation*	*Port management and air transport*	*Concessions and privatization*
Road Agency (public or corporatized) managing road network on behalf of government. Accountable to Ministry of Transport /Public Works or multi-stakeholder Board.	Freight services provided by privately owned principal, regional and local companies.	**Port Management** Public Service Ports have a predominantly public character.	Concession through Leasing, Franchise, Build-operate-transfer (BOT), etc.
Outsourcing most functions other than policy formulation, regulatory controls and system of accountability. With corporatized and privatized planning, design, construction and maintenance units.	Intercity passenger services provided by government-owned companies.	Private Service Ports: Fully privatized ports are found in few developed countries. Port land is privately owned. Some governments may simultaneously transfer the regulatory functions to private successor companies.	Privatization through Build-own-operate (BOO), Divestiture by license, Divestiture by sale.
Decentralized road management: Most functions for network performance being the responsibility of the state/regional agencies. Policy coordination and primary roads/highways financing/management at central level.	National governments owning the rail infrastructure and, in most cases, the operating companies.	Landlord Ports: Characterized by mixed public-private orientation. The port authority acts as regulatory body and landlord, while port operations (especially cargo handling) are carried out by private companies.	Separation of the functions of owner and operator, so that the government can hold the operator accountable for performance in pursuit of clearly-defined objectives.
Individual project concessionaires to develop and manage part of national network.	Government granted concessions to private operators.	Tool Port is relatively rare. It is a blend between the Public Service and Landlord Ports.	Transparent competition between potential investors, service providers, managers or operators, and straightforward criteria for selection - Adopting appropriate procurement procedure.
National agency managing the network while regional implementing agencies/offices (commercialized agencies) competing for contracts with the private sector.	Separated infrastructure management, freight operations and passenger operations, run by public or private companies.	**Air Transport** Strategic decisions about location, scale and basic configuration to be made best by governments under a national Air Transport Master-Plan	Agreement on the allocation of risks between government and private parties - which party is best able to manage the risk.

Road infrastructure management	*Railway infrastructure and operation*	*Port management and air transport*	*Concessions and privatization*
Rural roads managed by regional or local government district administrations.	Freight operators owning their infrastructure and operate their own trains, with one railway company allowed to operate services on lines owned by another – i.e., tracking rights.	Commercializing development and operation of passenger and freight terminals, aircraft maintenance, catering and related services.	Concession agreements that formalize all rights and responsibilities of parties and include arrangements for monitoring compliance.
Managing rural access roads through local community engagement. Roads in private estates managed by owners.	Most passenger services are loss-making and require government budget support. Sometimes priced below variable cost and not able to cover infrastructure maintenance and replacement costs from operating revenues.	Development and operation of terminals and aircraft maintenance through state owned enterprises by outsourcing most operational and management activities.	Private sector investments should be consistent with strategic plans.
Outsourcing development and maintenance of rural roads to private sector with government subsidy for cost recovery.	Separating management of infrastructure from operations, and placing infrastructure management in the hands of a more independent track agency.		
Unified institutions for urban (large cities) transport infrastructure management, transport planning and regulation. In some countries these functions are merged with land use planning.	Rail concessions may benefit from initial injections of capital, equipment and upgraded facilities. May help to improve labor and asset productivity, cost structures, marketing, quality of service and internal business practices. But, railways may unlikely be able to finance major infrastructure renewals from retained revenues.		

ANNEX 2. EXAMPLES OF POLICY OPTIONS FOR CONSIDERATION DURING STRATEGIC FRAMEWORK DEVELOPMENT B

Competition	*Operational and Regulatory Policies*	*Protection of Public Safety and Environment and Enforcement of Regulations*	*Pricing, Taxation and Subsidy Policies*
Opening up distribution and logistics markets to foreign participation.	Controls that help achieve society's goals in relation to efficient and demand-responsive services, public safety, the environment and protection of public assets. And dismantling unnecessary constraints such as by whom, in what way and at what price should services be provided.	Operators to comply with technical and operational standards – for the design of road infrastructure, vehicles/vessels, the use of safety equipment (seat belts, signal flares, etc.). Minimum qualification requirements for operators, drivers or pilots.	Inconsistent application of pricing policies and price controls may result in market distortions and limit the ability of operators to develop the services needed by users.
Independent third party logistics service providers responding to distribution markets by developing modern logistics networks, including warehouses, packaging plants, inter-modal transshipment facilities, freight consolidation centers…	Unlike heavily structured approach to service licensing in the pursuit of higher standards, relaxation of controls can often help improve vehicle/vessel productivity, reduce unit costs, and allow more flexible and affordable services to develop.	Restrictions on certain operations found to be detrimental to public safety, the environment or public assets (e.g., speed restrictions, limits on overloading, emissions, noise, etc.).	Encourage more efficient services by relaxing licensing and operating controls, allowing new market entrants, and encouraging operators to raise productivity and customize the services to suit demand.
Route franchises in which operators are invited to bid for the right to operate a defined service for a period in return for revenues collected and a periodic subsidy, with the winner awarded on the basis of the minimum subsidy and/or tariff.	Promote alternative approaches that utilize market forces more effectively such as Urban Bus Route Franchises.	Mandating minimum safety features for public infrastructure (e.g., sight distances for roads, etc.).	Making users face the full incremental costs of their transport decisions, including the costs of infrastructure and any externalities (congestion, pollution, accident risk, etc.).
Franchising rural transport services or services to remote communities with subsidy.	Incentives that result from operators striving against competitors to win market share and/or greater profit. Incentives encouraged by pricing/taxation tools.	Using incentives to promote compliance in addition to enforcement measures. The renewal of a business, operating or driving license, for example, could be made dependent on a satisfactory safety record of drivers and overloading records of operators).	Setting tariffs for transport services and infrastructure based on markets wherever possible, reflecting quality of service, costs – including financing and provision for asset replacement – and the choices made by users faced with alternative suppliers.

Competition	*Operational and Regulatory Policies*	*Protection of Public Safety and Environment and Enforcement of Regulations*	*Pricing, Taxation and Subsidy Policies*
Code-sharing for outsourcing the service to privately-owned specialists, e.g., services of "virtual" state-owned (national carrier) being provided by the private sector.	Relaxed market entry by retaining basic standards of financial, management and safety proficiency as qualification for a license.	Fuel taxation can be an important tool to encourage the adoption of more fuel efficient vehicles and fuel efficient transport solutions.	If public services are to be priced at below marginal cost, then clearly identify and state the subsidy.
Transfer of goods between road, rail, inland waterway and maritime transport provided by freight forwarders.	Allowing operators to: i) set prices based on costs and affordability; ii) choose the vehicle or vessel they consider most suitable for the intended purpose; iii) allocate vehicles or vessels to routes to raise productivity and lower unit costs; iv) schedule their services to maximize productivity.	Independent monitoring of enforcement efforts, in some cases even outsourcing the enforcement task under performance-based contract, combined with the use of random checks and surveys, e.g. outsourcing the operation of weighbridges to private sector specialists, with independent spot surveys to check compliance.	Deal effectively with the possibility of collusion among suppliers – not necessarily through price controls, but by sanctions (such as the loss of a license).
New and revised laws governing trade, customs, competition, investment, enterprise reform and management of transport modes to facilitate multimodal transport.		Automating the enforcement task as much as possible (e.g., use of automated weighbridges) to minimize the involvement of staff.	Service franchising arrangements to support essential but unprofitable services. With the subsidies being explicit and phased out over time, as demand develops and profitability improves, e.g. provision of services to the remote poor using price controls and/or cross subsidies between profitable and non-profitable routes.
		Raising public awareness of the costs of ineffective enforcement and/or tariff.	Adopting a more structured system of taxation based on the principle of charging users for those costs they impose on society – the marginal costs of public infrastructure, congestion, noise, pollution, accident risk, etc. Taxes suppress demand and reduce the viability of transport services.
		Establishing stand alone Road Safety agency or unified transport regulator and safety agency.	Assess possibility of applying special taxes to transport inputs. Such as levies on users like car owners and air travelers.

Annex 2. Examples of Policy Options for Consideration during Strategic Framework Development- C

Planning and Investment Decisions	*Resources and Cost Recovery,*	*Stakeholders Participation and External Reviews of Plans & Strategies*	*Government unctions*
Projects should be consistent with long-term strategic and regional development plans and goals.	Effective use of resources from Government budget and donor support.	Project proposals should be subject to independent review, preferably by an agency separate from the sponsoring ministry.	Policy formulation, Planning, regulating, coordinating and monitoring functions, especially in market entry, competition, pricing, taxation, public safety and environmental protection.
Minimum acceptable standards of environmental impact and safety; and factoring in gender equity and employment generation.	Enhancing private sector participation and Community in-kind and/or cash contribution.	Review should test variations from overall objectives and initial assumptions; availability of resources, affordability, and sustainability.	Establishing more autonomous agencies to manage state-owned commercial assets in a more business-like way – and selling them to the private sector when there is a competitive market.
Addressing both infrastructure management and transport services delivery. Rational allocation of funds for infrastructure building and maintenance, transport services, policy, capacity development, safety and environmental impact mitigation.	A rational structure of user charges and taxes, coupled with a policy of recovering the costs of externalities.	Participation of stakeholders from public and private sectors and civil society in planning, decision making and monitoring by engaging them in multi-stakeholder boards or consultative groups.	Outsourcing tasks with improved contract/concession agreements, performance targets & monitoring procedures.
Establishing a threshold economic rate of return, in terms of a positive Net Present Value (NPV) or Economic Internal Rate of Return (EIRR) with costs and benefits forecast over a specified period. A financial internal rate of return (FIRR), e.g., where user charges are levied and the project serves a commercial purpose.	Dedicated funding such as a Road Fund.	Keeping the public informed of progress and using media to effectively secure its support.	Engaging stakeholders and external reviewers in planning, regulation and performance-monitoring.
National standards for transport infrastructure providing guidance on safety, geometric and load-bearing appropriate to the traffic level. Staged development of higher standards in line with growth in demand, to be tested at the project evaluation stage.	Commercialization of ports, airports and toll roads, and thereby towards cost recovery for those types of infrastructure.		

Note: This is neither an exhaustive list of options nor a complete description of the options.

ANNEX 3. TERMS OF REFERENCE FOR CONSULTANCY SERVICES

TOR sample of consultancy services for the definition of a PGPTS

Background

The development of transport strategies facilitating growth, poverty reduction and achieving the millennium development goals (MDGs) is increasingly becoming top priority for Sub Saharan African (SSA) countries. In line with this [name of country] has initiated a process of developing a pro-growth, pro-poor transport strategy (PGPTS).

The strategy is intended to set the vision, strategic objectives, and investment and policy framework for the transport sector. The strategy development process involves an intensive consultation with a broad range of stakeholders from public, private sector and civil society. The process also envisages the need for undertaking an extensive analytical work, by a technical team (a team of consultants), and providing proposals for stakeholders' consideration.

In this process, the technical team will analyze the second generation poverty reduction strategies (SGPRS) and existing transport sector strategies and programs and prepare a series of reports to be considered by the stakeholder group. A brief account of the SGPRS and the transport sector strategies and programs is provided below.

[Brief accounts of the second generation poverty reduction strategy- mainly the goals, priority sectors and how transport is conceived in the strategy. Overview of the transport sector of the subject country- mainly the state of the transport sector, major challenges and existing transport strategy formulation mechanism].

The process will be coordinated by [name of the institution responsible for the strategy development], following the strategic guidance to be provided by a steering group (SG) composed of key stakeholders representing the public, the private sector and civil society. A proposal on the process formulating the strategic framework referred to is set out in a guidance note that will be made available to the consultants. The robustness of the strategy depends on the quality of the input to the stakeholders and the procurement of the consultancy services to support the stakeholders in the development of the strategy is the subject of these ToRs.

Objectives of the services

The principal objective of the consultancy services is to prepare a draft sector investment program and policy framework by undertaking analytical work and providing inputs to stakeholders' consultation processes through drafting interim discussion papers.

Approaches to the development of a PGPTS

The strategy development process is participatory. In line with this, the government will establish a steering group composed of key stakeholders from the public, private sector and civil society. The steering group will establish a stakeholder forum representing the interest of all transport and non- transport actors. The stakeholder forum deliberates on strategic elements at workshops based on the inputs to be provided by the consultancy team. The outputs of the analytical work to be carried out by the consultancy team will also be regularly reviewed by the steering group. The overall process involves:

- Stage one: Undertaking transport sector diagnostics and identifying transport demands of the SGPRSs and the MDGs by the consultancy team. And, based on the findings and proposals of the consultancy team, facilitating stakeholders in formulating sectoral vision, and defining strategic objectives and priorities.
- Stage two: Identifying specific transport interventions and determining the policy changes and strategies required to facilitate investments. The analytical work will be carried out by the consultancy team while specific actions and policies will be determined by the stakeholders.
- Stage three: Drafting investment, policy and monitoring frameworks based on the deliberations of the stakeholders.

Scope of work

Overall task

- Undertake analytical work, provide technical advice to the steering group and serve as a resource person at stakeholder forums.

Stage one (mapping strategic objectives and transport priorities)

- Assess the implications of macroeconomic policies on transport development.
- Identify the transport demands of the priority economic and social sectors of the SGPRS and achieving the MDGs.
- Conduct baseline study of the transport sector with the objective of: i) assessing the state of the transport sector, ii) identifying major challenges/issues of the sector, iii)

identifying weaknesses and strengths of the existing transport policies, strategies and sector and/or sub sector programs, iv) assessing the level of investment in transport; and v) assessing the contribution of transport to economic growth and poverty reduction.

- Conduct consultation with key sectoral stakeholders and target population (rural and urban poor, women, the aged and disabled persons) to establish a better understanding of sectoral demands and interest of the vulnerable groups.
- Prepare background documents for stakeholder consideration. The documents shall include the findings of the above mentioned assessments, and a brief note on sectoral vision and strategic objectives.

Stage two (setting the sector development framework)

- Undertake quantitative and qualitative analysis to identify specific physical and policy related transport interventions, including but not limited to the following:
    - Undertake a comprehensive rural (feeder) roads network analysis to identify the rural roads (access) network (new and existing) at district level and rank the interventions. The consultant may use a simple matrix of selected objectives (multi objective criteria), which may include population, traffic, change in accessibility, development potential and costs of improvement or construction to prioritize the proposed interventions. The consultant shall also propose appropriate institutional arrangements for the management of the access roads/rural roads. Further, the consultant has to review the situation of transport services provision and incorporate appropriate interventions to improve the services, in particular, improving the mobility of the rural poor. (*This specific task is mentioned as a priority since the Poverty Reduction Strategy (PRS) documents of many African countries conceive agriculture and rural development as a priority sector. While adopting this ToR, if agriculture is not a priority sector, for the case country, this task could be adjusted accordingly*).
    - Review the mobility constraints in the urban areas and incorporate appropriate interventions to improve urban mobility. (*This specific task is mentioned as a priority following the recommendations of the poverty reduction and transport strategy reviews (PRTSR) undertaken in 18 SSA counties since 2003. While adopting this ToR, if urban mobility is not a priority, for the case country, this task could be adjusted accordingly*).
    - Following the derived demand of priority economic and social sectors, and trade flows, undertake road network gap analysis: i) trip generation, ii) trip distribution, iii) traffic assignment, and iv) evaluation of efficiency and economic viability of alternative schemes, and rank interventions.
    - Assess transport related constraints to interstate/regional and overseas trade and identify physical interventions and trade facilitation measures.

The consultant shall assess the option of developing a multimodal transport system along interstate/regional corridors and major internal transport corridors, including import- export corridors.

- Assess crosscutting issues (Road Safety, Gender, Employment and Environment) and incorporate appropriate measures.
- Assess the potential for the development of inland water transport and associated ports.
- Assess transport infrastructure maintenance requirements and draw maintenance action plan.
- Assess all other transport interventions required to respond to the SGPRS and the MDGs.
- Aggregate all transport intervention and develop a comprehensive and integrated investment framework that could serve as a master plan for the sector.

· Assess financial requirements of all the interventions.
· Review existing transport policies and identify policy changes required to lead and facilitate the investment.
· Outline strategies facilitating the implementation of the transport interventions and policy changes, and ensuring sustainability of the investment.
· Identify indicators to measure progress, outputs, outcomes and impacts of the transport investment and policy changes; undertake a baseline survey and identify a sustainable monitoring and evaluation arrangement.
· Prepare and present to the stakeholder forum a discussion paper containing the points indicated above.

Stage three (preparing the strategic framework)

· Based on the deliberations of the stakeholder forum prepare a comprehensive document containing a sector investment framework, sector policy framework and strategies, and monitoring framework.

· Prepare good practice document showing the actual process, areas of improvement and good practices emerging during the strategy development process. The document shall also highlight key features of the strategy.

Outputs of the services

· A transport sector update describing the state of the transport sector as a whole with details on road infrastructure, transport services, ports, rail and regional corridors (Transport Sector Baseline Study-diagnosis- Report).

· First interim report - mapping transport priorities. This report shall include a brief note providing information that helps to develop a sectoral vision and strategic objectives, reflecting experience of other countries.

- Second interim report consisting of i) investment program showing articulated policy related and physical intervention projects with cost estimate- folding in all modes, transport services and crosscutting issues; ii) policy framework cross referenced to the strategic objectives, key issues and proposed policy actions; iii) strategies facilitating the implementation of the policies and investments, including regulatory, institutional and financing aspects; and iv) monitoring framework with indicators, baseline data and monitoring and evaluation arrangements. It is also desirable to prepare a brief note on prioritization of investments.
- Draft final report: a comprehensive pro-growth, pro-poor transport strategy (sectoral vision and strategic objective, investment framework, Policy and strategic framework and monitoring framework) to be drafted based on the outcomes of the stakeholder forum.
- Final report: The drafting of the final sector development framework - pro-growth, pro-poor transport strategy - with a preliminary road map for its implementation, which is prepared based on the outcomes of the analytical works and stakeholders views, is the final deliverable of the consultancy services. The consultant should also deliver a brief report summarizing the process, lessons learnt, good practices, and key features of the strategy.

The consultancy services

The consultancy team

The consultancy will deploy a team which will possess the following competencies and any others which may be required:

A multi disciplinary team consisting of Transport Planner/Economist, Transport Engineer (supported by intermittent sub sector specialists), Development Planner/Economist, Social and Environmental Scientist, and Workshop Facilitator (agreed by the steering group).The consultants should be competent with documented experience in their respective fields and hold a university level degree with a minimum of 15 years experience. Experience in data collection, processing, statistical analysis and strategy development is essential.

Timeframe

It is anticipated that the Consultancy/firm would complete the services over a duration of nine months (to be adjusted based on specific situation of the subject country).

Reporting

- The consultant will submit an inception report clearly outlining the methodology, organization and schedule of activities for the assignment within 4 weeks of signing the contract –commencement.
- First interim report – Synthesis of the analysis work carried out at stage 1 and Transport Sector Update - Baseline Study report (Within 12 weeks of commencement).
- Second interim report (within 16 weeks of the first stakeholder forum- this forum is suggested to be organized right after submission of the first interim report).
- Draft final report (within 4 weeks of the second stakeholder workshop).
- Final report and good practice note (within 4 weeks of the validation workshop).

Input from the Client

To be determined by the subject country.