

**STRATEGIC REVIEW  
SSATP**

**ANNEX REPORT**

**Volume III**

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This Annex Report (Volume III) is one of the final outputs of the strategic review of the Sub-Saharan Transport Policy Programme (SSATP). In addition to this Annex Report, an Extended Executive Summary (Volume I) and a Final Report (Volume II) have been produced.

In the Annex Report the following annexes are included:

1. Terms of Reference
2. References
3. Country Report Côte d'Ivoire
4. Country Report Ethiopia
5. Country report Ghana
6. Country Report Malawi
7. Country Report Mozambique
8. Donors' Perspective
9. The policy issues
10. Partnerships beyond Africa
11. Review Framework SSATP
12. Expenditures and Budget Assessment
13. SSATP Framework Document
14. UNECA: minutes of meeting

## **Annex 1**

### **Terms of Reference**

## **Terms of Reference**

### **A. Background To The Review 2001**

The Sub-Saharan Africa Transport Policy Program (SSATP) was launched as a joint initiative of the World Bank and the United Nations Economic Commission for Africa (UNECA) to improve transport sector performance by promoting policy reforms and institutional changes. The basic premises of the Program are that: (i) policy reform is essential to obtain improved transport services; and (ii) countries and their development partners need to collaborate within the common framework of policies in the sector. The program has over the last twelve years evolved into a flexible tool for the development of such a framework.

SSATP is a broad collaborative effort of national development aid agencies, international agencies (UNDP, ILO and UNCTAD), and African institutions (i.e. UAR, MINCONMAR, PTA), with the World Bank and the ECA acting as the Executing Agencies. An International Advisory Committee chaired by UNECA which first met in 1987 initially coordinated its activities. The principles and the coverage of the SSATP were laid down at a meeting of the IAC in Oslo in 1988. By 1992 policy reform had emerged as the prime area needing attention. Program management resides with the World Bank.

A review of the SSATP was conducted in 1995. Some of its principal findings were:

- ▲ Need for sustained, multiyear flexible financing.
- ▲ Geographic expansion of SSATP components within Africa.
- ▲ Deepening of SSATP ownership by SSA countries and shedding of donor-led image.
- ▲ Need for increased attention to mechanisms employed to translate policy into practice.
- ▲ Improve dissemination and sensitize the general public at national level.

In 1996, the World Bank underwent major reorganization, which resulted in components of the program, hitherto located within one division, to be located in several units of the Bank. For some time, this resulted in some lack of cohesiveness in the program, but recent merger of the Africa Transport units has assisted in unifying program and component management.

The SSATP is currently implemented through five sub-components

- ▲ Road Management Initiative (RMI).
- ▲ Urban Mobility (UM).
- ▲ Rural Travel and Transport Program (RTTP).
- ▲ Trade and Transport (T&T).
- ▲ Railway Restructuring (RR).

SSATP Mission Statement was formulated in 2000:

*The SSATP is an international partnership to facilitate policy reforms 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.

While SSATP is viewed by its sponsors to have been overall successful and to have played an innovative role in evolution of African transport policy, it now is at a juncture that demands a comprehensive assessment of SSATP and reformulation of its strategies. Change in the program's emphasis, evolving need of its beneficiaries and requests by donors supporting the program for improved clarity in linkages between objectives and inputs and outputs of the program, is now necessitating recalibration of SSATP. An interim study of the management of SSATP was conducted in the fall of 2000, assessment of which can be used as input to this review.

*This review is intended to support a SSATP reform process started at a Business Meeting in June 2000, and to be a significant input into a SSATP General Assembly meeting scheduled for September, 2001. It will therefore be important that indicated timing be adhered to. Inception report needs to be presented about 3 weeks following the start of the assignment, and a draft report to be presented 7 weeks hence. A final report is expected 2 weeks following submission of comments on the draft. The assignment requires extensive travel during the study period.*

## **B. Purpose of the Review 2001**

The Review 2001 will provide a "Strategy to 2006" for SSATP management, supporting donors, beneficiary countries and cooperating partners. This Review will take account of the SSATP's performance since 1987, the new orientation developed during the SSATP 2000 business meeting and decisions made at a follow up meeting in Copenhagen in November, 2000. It will locate the "Strategy to 2006" within a clear logical framework demonstrating how the SSATP vision, as prescribed in its mission statement, may be realized.

The results of focused analysis will thus provide SSATP stakeholders with sufficient knowledge to (i) adapt the program focus (ii) decide on whether the program should be modified to allow for new or emerging subject areas, such as road safety, gender, environment and HIV-Aids issues, and if so, how these issues can be accommodated by the program, (iii) secure sufficient resources for ensuring SSATP can, at regional, sub-regional and country levels adequately facilitate the formulation and implementation of transport policy reform as well as building sufficient capacity to resolve post-reform issues, (iv) further strengthen its program structure and management, and (v) translate vision into results measured by simple performance indicators.

The review will, based on learning lessons from the past, recommend a strategy for ensuring SSATP policy reform initiatives effectively contribute to meeting wider development goals, particularly poverty reduction strategies. Further, the recommended strategy will, to the extent feasible, complement current and evolving developmental approaches, including the Comprehensive Development Framework (CDF), Poverty Reduction Strategy Papers (PRSP) and Heavily Indebted Poor Countries (HIPC) initiative.

### **C. Results of the Review 2001**

The Review will deliver the following:

#### *(Program)*

- i. an assessment of the added value and the Program's comparative advantage for translating policy reform into sustainable practices in three countries, as well as views of these countries on the proposals of the Review to be delivered under points (v) to (ix) below.
  - ii. to gain comparative indication, the review will assess standing of transport policies in a Sub-Saharan country that has had minimal exposure to SSATP.
  - iii. an assessment of the way in which the program and its components respond to stakeholders' demands at the regional, sub-regional and country levels, and recommendations for improving SSATP's role in facilitating reform at these levels and responding to post reform issues,
  - iv. in this context, assess whether new and recently emerging subject areas should be advanced by SSATP, such as road safety, gender, environment and HIV-Aids issues (relationship between transmission patterns and transport corridors) – if so recommended, how these issues can be accommodated by the program and how should SSATP involvement be harmonized with existing efforts.
  - v. an assessment of how SSATP components can improve their interface between country and sub-regional transport programs,
  - vi. analyze the value added of a program approach vis-a-vis component approach; develop proposals for ways in which SSATP can move from a program of discrete components to developing an SSATP program approach at regional, sub-regional and country level,
  - vii. an assessment of the impact of the annual coordinating meetings of RMI, RTTP and UM, and identification of ways for improving how such meetings could, firstly, strengthen the focus of these components and improve their interfaces with and support to country and sub-regional level transport programs, an assessment of the existing media for sharing experiences and disseminating and proposals for improving the flow of knowledge to stakeholders engaged in transport reform and sector development programs at all levels,
- (Governance)*

- viii. proposals for increasing African participation in setting priorities and delivering Program and component results at regional, sub-regional and at country levels.
- ix. assessing the working practices of SSATP's new management structure for ensuring these practices improve accountability to stakeholders,
- x. proposals for ways of learning lessons of similar policy initiatives of partners beyond Africa

*(Resources)*

- xi. An assessment of the application of financial resources since 1995, to (a) studies, dissemination (publications, seminars), capacity building, evaluation (b) regional, sub-regional and country programs, and (c) financial resources used in each country by each SSATP component
- xii. an assessment of the resources, financial and human, required for managing, administering and implementing SSATP and its components and the flexible management of these resources to meet the Program and component needs. Such assessments should include resource forecasts based on low and high funding scenarios. Existing funding level can be assumed to be a low case scenario.

**D. Issues to be Studied**

The main issues are outlined below.

**Relevance**

*(Program Level)*

- ▲ SSATP has yet to find its position at a sub-regional and country level to facilitate transport sector-wide policy reform. What is the entry point for SSATP at these levels and what obstacles have blocked or could block SSATP developing a transport program approach.
- ▲ What opportunities exist for SSATP for ensuring transport plays its proper role in country poverty reduction strategy papers.
- ▲ The extent of any duplication of efforts between SSATP and sub-regional organizations such as ECOWAS, COMESA, SADC (SATCC-TU) and whether any SSATP activities could be done better by others.
- ▲ SSATP has been innovative, particularly at component level. Such an unique quality should be encouraged and developed also at the program, sub-regional and country level.
- ▲ What are the objectives of "membership" of the components; what should be the obligations of the countries as members, what expectations are of the benefits of membership or association. Are the right countries in the programs, do the components role wise have the right people as coordinators?
- ▲ The program and its components have sometimes suffered criticism from donors and beneficiaries for being supply driven. If correct, how can enhanced demand orientation be introduced.

- ▲ To what extent is SSATP sufficiently integrated into donor policies and interventions in the transport sector and related sectors as well as trade development.
- ▲ How can SSATP support or complement sub-regional initiatives such as the implementation of SADC's Transport and Communications Protocol and similar initiatives of ECOWAS and COMESA?

*(Governance)*

- ▲ Few African institutions, regional or national, have been identified as suitable partners to promote or facilitate or support implementation of reform. What opportunities are emerging to address this situation?
- ▲ SSATP is regarded by many African stakeholders as a program that must retain a considerable degree of external identity for it to influence sub-regional and national political and technical attitudes. What is the best way of maintaining the influence of this externality.
- ▲ To what extent can the present low level of African ownership, in comparison to other stakeholders, in SSATP at a conceptual and planning level be improved?

*(Component level)*

**RMI:**

*(focus)*

A pilot survey to review the RMI vision, goal and strategic program is underway, with a draft report expected to be completed by early April, 2001. The Review will assess its output and where deemed applicable incorporate its results.

- ▲ The Yaoundé goal of “Sustainable Maintenance by 2000” has not been achieved. What are the issues that RMI or SSATP has failed to overcome and what new issues have arisen that RMI has not tackled or has not identified a viable solution for.
- ▲ This component is moving forward at different speeds in many countries. Where countries have implemented all four building blocks new post-reform issues are emerging, for example, insufficient domestic capacity in the consulting and contracting sectors, reluctance of Ministries of Finance to pass on in full and in a timely fashion to the Road Fund the revenue generated by road user charges, primarily the fuel maintenance levy.
- ▲ RMI has enjoyed many successes and attracted support. To what extent has its success discouraged this component from becoming more integrated with RTTP, UM and T&T.

*(governance)*

- ▲ What mechanisms could be introduced to correct the perceived supply-led nature of RMI without inhibiting its freedom for innovative actions?
- ▲ In what way could stakeholders be given more ownership in the thematic studies launched by RMI, which can last two to three years.
- ▲ The impact of the country national coordinator (RMI and RTTP) depends largely on his/her position in their respective transport agency. Their enthusiasm and drive is also important. What are the options for harmonizing the position of the country coordinator within administrations to improve sub-regional networking and the closer working of RMI and RTTP within the holistic approach adopted during the Business Meeting 2000? Is there an issue of incentives or resources with regard to the performance and status of national coordinators?



**RTTP:***(focus)*

- ▲ RTTP has moved successfully from a conceptual stage to country-focused actions through a strong network of professionals working mainly in the field. Drawing from the main lessons and successes, to what extent is there a danger of these actions becoming too fragmented. Could such a fragmentation cause RTTP to lose its focus and not achieve a sufficient “critical mass” of success for it to be replicated at a country or sub-regional level.
- ▲ RTTP appears the component most sensitive to the different transport needs of men and women. What are the lessons that can be learnt from RTTP’s gender approach and how should they be adapted and applied to other components and SSATP itself.
- ▲ On-going decentralization in many of RTTP client countries and the donor's drive to community driven development (CDD) are issues which RTTP needs to come to grasp with.
- ▲ How can mainstreaming of RTTP into planned and on-going rural roads projects or other projects with rural roads components in the various countries be enhanced.
- ▲ How is RTTP’s sectoral approach to rural travel and transport being facilitated by RTTP and implemented by national bodies at a country level?

*(governance)*

- ▲ RTTP has a broad constituency at a community and district level. How can this success be replicated at a national level and help integrate RMI and RTTP in its working to create a road transport network and systems.
- ▲ Country coordinators – see comments under RMI above.

**UM:***(focus)*

- ▲ This component has successfully progressed for the last years in terms of partnership, work program and new thematic issues. Complementary to the historic approach based on the institutional reform, the UM has also developed a thematic approach which takes into account the main issues affecting mobility in African metropolitan areas: safety, provision of public transport services by the private sector, air pollution. Hence its most active themes, endorsed by the component’s constituencies are: (a) institutional reform; (b) road safety (protection of safe movement for pedestrians), (c) micro enterprises; (d) urban air pollution and (e) capacity building, forming five “building blocks. Many good lessons have emerged from this work and with an increased understanding of urban mobility the next move should be to develop a wider sectoral approach to urban mobility. What needs to be done?
- ▲ Who are the essential partners at a sub-regional and country level necessary to pursue a sectoral policy reform approach?
- ▲ Which practices can be adopted and adapted from other components to facilitate a sectoral policy approach,
- ▲ UM has led the work on the three issues: micro enterprises, environment and road safety, complementary to institutional reform and capacity building. What lessons can be passed on to other components for tackling these important cross-cutting issues.

*(Governance)*

- ▲ To what extent is there a greater opportunity for involving the private sector in this component, as urban areas are likely to be the source of future economic growth in many SSA countries?
- ▲ To what extent should the component reinforce the emphasis on the increasing role of the local authorities as key actors in the sustainable economic and social development of African cities.

**T&T:**

*(focus)*

- ▲ This component's focus so far has been maritime trade and its sole partner MINCOMAR, which has resulted in a West and Central African coverage. For some time there has been a call for the inclusion of East and Southern Africa. Recently, T&T's narrow focus has been questioned and suggestions made that this components also cover land-based trade, so as to address trade-related transport issues on a more comprehensive fashion. Such trade has historically been export/import but intra-regional trade is increasing. The transport issues associated with international, inter- and intra-regional trade also need addressing. What lessons can be learned from the experience of regional economic groupings in attempting to facilitate trade based on clearly defined intra-regional transport corridors?
  - ▲ Transport operations costs is of grave concern in many countries of Sub-Saharan Africa, in particular landlocked economies. Should this issue be accommodated within T&T?
  - ▲ This component has an opportunity of addressing the many issues of globalization, and competition as well as facilitating regional integration. What are the opportunities for T&T building closer links with RMI, RTTP and UM in tackling many of these issues, for example, cost recovery and transport costs and tariffs etc.
- (governance)*
- ▲ The private sector is potentially the most direct beneficiaries – freight forwarders, road transport companies and shippers. To what extent and how can they play a more active role?
  - ▲ This component lends itself to a sub-regional and regional approach. What private and public sector bodies in Africa, Europe and elsewhere could potentially be involved?

**RR:**

Railway Restructuring successfully promoted and introduced concessioning of railway operations and the associated restructuring of railways corporations. Almost all the railways of SSA are implementing concessions. Since the Railway Concessioning Seminar of October 1997 the component has been a sleeping partner within SSATP.

- ▲ To what extent has the SSATP support to the concessioning process built local capacity to conceive and operate policy reform and the concessions?
- ▲ The current challenge is how can SSATP assist railways corporations tackle post-concession issues for sustainable railway operations, for example, by providing examples of good practice or by providing such support through other country transport programs,

- ▲ Lastly, to what extent does this component still have a role under SSATP? If none, what should be the steps to taken for it to “graduate” from the Program?

### **Cross-cutting issues**

- ▲ A systematic approach needs defining at a program and component level for integrating safety issues, the environment and gender. What are the possible options?
- ▲ Although the issues and costs of road accidents are well understood they are insufficiently tackled at any regional or country level in SSATP. How can this situation be reversed?
- ▲ Transport operations costs are significantly higher in many Sub-Saharan countries than they are in South and South-East Asian countries with similar developmental profiles. This is believed to result in very high levels of suppressed transport demand, which if released would have dramatic development impacts. How can SSATP address this issue.
- ▲ The 1995 Prospective Review recommended that capacity building and institutional development be integrated into each component. To what extent has this been implemented? And, to what extent is the methodology used satisfactorily facilitating the implementation of capacity building and institutional development.
- ▲ Should SSATP enhance its capabilities as a knowledge network where information flows not just top down as it does now, but laterally also and where more south-south exchange takes place with other developing countries in Asia and South America.

### **Partnerships beyond Africa**

- ▲ Many good practices developed by SSATP have been adopted in other regions, particularly RMI policy in Asia and India and the message of RTTP in Asia and Latin America through the TRL Rural Transport Course and activities of the Rural Transport Thematic Group of the World Bank.
- ▲ How can SSATP learn from the application of its own reform policy in other regions?
- ▲ How can SSATP learn from other policy reform programs in the developing and developed regions and countries?
- ▲ To what extent can the proposed Advisory Group contribute to forging global partnerships?
- ▲ Can any lessons be drawn from the donor partnership developed under SSATP and how could it be strengthened?

## Feasibility

The Review 2001 will, on the basis of the possible options available to respond to the various issues and taking account of the conclusions of the Business Meeting 2000 and decisions made in November 2000 by the Initial General Assembly in Copenhagen, and recommend a five year program with a more detailed plan for the first three years for SSATP and its components.

An overall logical framework should be prepared for the SSATP program, with interlocking logical frameworks for each existing and proposed component and the different funding scenarios. Following description may serve as a general guide, but the consultants are expected to add and subtract from these prescriptions to reflect their overall recommendations.

**Overall Goal/objective:** SSATP Mission statement; cost effective transport as underpinning of macro-economic stability and growth; providing opportunities for enhanced livelihood prospects for the poor through affordable access and transport services

**Purpose:** Sustainable, enabling, appropriate, national & regional policy formulation, processes and outcomes)

**Outputs:** (Program/Component deliverables)

**Activities:** Program/Component inputs]

## Sustainability

*(Program)*

The sustainability of SSATP can be considered at country, sub-regional and regional level:

- ▲ *Country level:* Ownership of SSATP varies at a country level and thus sustainability is uncertain. Countries have generally a strong ownership in one or more components but insufficient identification with a transport reform program SSATP is promoting. What form of commitment is necessary for a country to take ownership? What qualitative and quantitative indicators need to be defined to assess such a commitment?
- ▲ *Sub-regional level:* All African regional institutions subscribe to the SSATP principles but few actively encourage their adoption at a sub-regional level or require their member countries to update national regulations to facilitate SSATP reform. Such mixed performance can stifle regional integration. What new approach should SSATP toward the sub-regional organizations.
- ▲ *Regional level:* SSATP has had limited visibility at a regional level. Is there an opportunity for SSATP to address transport policy reform or to be facilitator for such reforms at regional level.

Sustainability also requires that the SSATP remains relevant to all stakeholder needs. This means ensuring SSATP deals with thematic issues that are stakeholder driven, generates transport data that illustrates its impact, and shows how transport contributes to overall development goals. To what extent will the orientation proposed at the

Business Meeting 2000 be sufficient and what additional steps should be taken to strengthen sustainability.

What change is necessary to sustain financial and human resource support? Resource sustainability has relied upon donors to provide finance and/or staff for the program for the past 10 years. Clearly these backers of SSATP perceive the added value of SSATP in the transport sector, but can the program count upon continued support without change?

**These lists of issues are not exhaustive.** The consultants are required to use their professional experience to review and bring to the attention of the SSATP Program Manager all relevant factors.

## **E. Work Plan**

The consultants shall, at all stages of the assignment, co-ordinate their work closely with the SSATP Program Manager. They will be supported by the SSATP team, which will provide all material and assistance necessary to support them in carrying out the Review. At the beginning of the assignment, the consultants will be provided with a comprehensive package of relevant papers and studies to assist them in initiating their duties.

Focus of the work will be on discussion with key people that have an in-depth knowledge of the program and its components. For this purpose, the assignment will start by the team visiting the World Bank in Washington to interview SSATP headquarters based staff, including Program Manager and Task Managers of components, Bank based sector management, and to review files held by Africa Transport. The consultants are also expected early in their assignment to meet or at minimum have telephone discussions with most of the European based SSATP donors.

At least one or two representatives of the review team will need to attend the annual RMI/RTTP coordinating meetings scheduled to be held on May 16-23, 2001, in the vicinity of Dakar, Senegal. The meetings will afford the consultants the opportunity to meet at one place all SSATP RMI and RTTP country coordinators, representatives of many of the SSATP donors, representatives of sub-regional and international institutions, NGOs associated with SSATP, as well as SSATP staff and consultants. While in Senegal, the review team will also discuss with persons involved in the institutional reform in place since 1997, which was prepared with UM assistance (Conseil Exécutif des Transports Urbains de Dakar - CETUD).

For an in-depth review of SSATP in practice, the review team will visit Côte d'Ivoire, Ghana and Malawi, for meetings with key transport stakeholders – sub-regional institutions, federal and local governments, coordinators, public and private transport operators and users, multi and bilateral donors. Each of these countries have been

expansively associated with two or more components of SSATP. One or more team member is also expected to visit Ethiopia for discussions with UNECA and review SSATP experience in the country. Also, to gain comparative indication, the reviewers will visit a Sub-Saharan country that has had minimal exposure to SSATP in order to assess its standing of transport policies. This country will be identified in collaboration with the Program Manager.

The team will be expected to make itself available to present the draft report to the SSATP Board, Program Managers and donors, in a day-long meeting to be held in Brussels, London *or* Paris.

#### **F. Expertise Required**

The consultants must have proven analytical skills and an in-depth understanding of development issues and problems, particularly in the African context. The review requires the following expertise but may necessitate intermittently additional input.

- ▲ Transport economist – team leader with 15 years experience in transport policy and management and substantial experience of transport in Sub-Saharan Africa.
- ▲ Transport planner, with substantial experience of transport in developing countries.
- ▲ Development expert with knowledge of transport's role in economic and social sectors and the cross cutting issues of environment and gender.
- ▲ Government/Public Sector specialist with substantial experience in Sub-Saharan Africa.

At minimum, the team leader and one additional team member shall have a working knowledge of French.

#### **G. Reporting & Time Schedule**

*Strict adherence to indicated timing will be necessary, in order to allow for discussion of the findings of the team in a SSATP general meeting scheduled for early September, 2001.*

The language of the reports will be English. In addition, the executive summary of the Draft Report shall be translated to French. All reports are to be submitted to the SSATP Program Manager.

The Draft and Final Reports shall contain a summary sufficiently detailed to allow for comprehensive understanding of all major findings and recommendations of the Consultants.

INCEPTION REPORT shall be presented about 3 weeks following the start of the assignment, after the team has had meetings and discussions in Washington, with most of the SSATP donors and attended the RMI/RTTP coordinating meetings in Senegal. The Inception Report will outline principal focus of the analyses to be done and present report headings. The report need only be submitted in an electronic format.

DRAFT REPORT shall be presented 7 weeks following submission of the Inception Report. Five hardcopies are required in addition to an electronic format.

FINAL REPORT shall be submitted in 15 hardcopies, as well as in an electronic format 2 weeks after receipt of comments on the Draft Report.

Upon receipt of the final report, SSATP may choose to translate the report to French and include both languages of the report in its formal list of publications and distribute in both hardcover and electronic versions.

## **Annex 2**

### **References**



Below an overview of literature used for the strategic review is presented under the following headings:

- ▲ Road maintenance Initiative (RMI).
- ▲ Rural Travel and Transport Program (RTTP).
- ▲ Urban Mobility (UM).
- ▲ Trade and Transport (T&T).
- ▲ Railway Restructuring (RR).
- ▲ Review and Progress Reports SSATP.
- ▲ Minutes of Meetings and Terms of References SSATP.
- ▲ Documentation on Poverty Reduction Strategy Papers and Heavily Indebted Poor Countries.
- ▲ General SSA/Africa.
- ▲ Others.

### **Road maintenance Initiative (RMI)**

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7. Rodrigo S. Archondo-Callao – *Findings; Roads Economic Decision Model (RED)* – March 2001.
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10. M.I. Pinard and S.M.A. Kaombwe – *Pilot Survey of Country Stakeholders Views of the RMI Vision, Strategy and Indicators of Progress in Implementation and Impact, Volume I, Main Report* – April 2001.
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26. Wetteland, T. – *RMI in perspective, Assisting people to get what they want and are willing to pay for* – presented at RMI/RTTP Annual Meeting in Dakar, Senegal, May 2001
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29. RMI and RTTP coordination – *Zambian experience* – May 19, 2001
30. Uganda delegation – *Comments on the consultant's report* – May 19, 2001
31. Statement delivered on behalf of RMI Coordinators – May 19, 2001

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### **Rural Travel and Transport Program (RTTP)**

32. *Rural Travel and Transport Program, Proposal for Program Management* – SSATP, March 2001.
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## **Annex 3**

### **Country Report Côte d'Ivoire**

**Sub-Saharan Africa Transport Policy (SSATP)  
Review and Future Strategy**

**Draft Country Report Republic of Côte d'Ivoire**

**July 2001**

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## **EXECUTIVE SUMMARY**

### **The transport sector**

Transport sector management has been and continues to be somewhat diffuse and less than satisfactory overall. The Ministry of Economic and its predecessor the Ministry of Equipment, Transport and Telecommunications have been in charge - inter alia - of the administration of all transport sector activities. In a relatively recent development, a Delegate Ministry in charge of Energy and Transport was established within MIE in March 1996 then transformed into a full Ministry of Transport at the end of 1997. Oversight of transport sector parastatals by MIE's predecessors has been rather ineffective. During the past three years problems have, however, begun to be addressed mainly as part of Government's general policy of divestiture from the provision of services and their transfer to private operators.

A large-scale National Transport Plan Study was carried out in 1989, followed by a World Bank sector review in 1991. The studies identified major problems and policy issues in the regulatory framework for transport activities, in the areas of investment planning and infrastructure maintenance financing, and in the operation and management of the main public enterprises active in the sector (public bus company, railways, airline and, to a lesser degree, ports). Preparation of sector development plans, designed to address some of the major problems identified, moved slowly until 1998 when agreement was reached on a World Bank sponsored five-year hybrid Transport Sector Adjustment/Investment Programme (TSAIP) to complete the restructuring of important transport sector institutions and to rehabilitate and maintain transport infrastructure.

Under the Ministry of Economic Infrastructure, the Directorate of Highways and Urban Roads is responsible for the development, maintenance and administration of the country's entire road system. In accordance with its policy to reduce direct state involvement and to transfer the provision of economic services progressively from the public to the private sector, the Government, in April 1996, took the decision to abolish force account operations, and to carry out all future periodic and routine maintenance works through private contractors. The major issues in the road sub-sector, inadequate funding of road maintenance and inefficient public works administration built around works execution by force account, are being addressed under the ongoing TSAIP.

The regulatory framework for the transport sector essentially dates back to colonial times and has been updated in a haphazard manner. Under the TSAIP, the emphasis is on re-establishment of compliance with basic regulations that have been increasingly flouted over the last ten years or more, in particular through the elimination of the ubiquitous road blocks, the reaffirmation of the respect of basic safety standards and the strict control of driver training, especially for bus-transport and for hazardous cargo.

The railway, a 1260 km single track line constructed between 1904 and 1954 and connecting Abidjan and Ouagadougou was managed from 1960-1986 as a public corporation jointly owned by Burkina Faso and Côte. In July 1992, the two Governments announced their decision to reunify and privatise railway operations through a concession agreement to be signed with a private operator. A concession Agreement became effective in August 1995. Since then, the concessionaire (SITARAIL) operates commercial freight and transport passenger services in a fully deregulated environment. The concessioning arrangement has been reasonably successful.

The problems of urban mass transport are concentrated in Abidjan, where 2.5 million people or close to 20 percent of the country's population live. As services of the public bus company SOTRA declined, the largely informal sector of mini-buses and shared-taxis expanded rapidly to take up the slack, especially in the suburbs. The Government, acknowledging the potential role of the private sector in the provision of urban transport services, announced in February 1996 its decision to concession out bus-passenger services in two Abidjan suburbs. In this new context, the Government agreed to establish a body for the co-ordination of urban mass transit operations (Agence des Transports Urbains, AGETU), that involves all the parties concerned

Given the important savings to shippers and the substantial gain in competitiveness of Ivorian products, the Government agreed to liberalise maritime transport in successive steps: bulk and refrigerated cargo were partially liberalised in October 1994, and non-conference general cargo was effectively liberalised in May 1995.

### **SSATP Exposure and Impact**

Côte d'Ivoire is not a formal participant in the RMI but has embraced its key message: commercialisation. Under the ongoing TSAIP, there is strong government commitment to the formulation, adoption and implementation of a more efficient and sustainable road sector policy framework. The concept of a new generation of Roads Funds, financed inter alia by a fuel levy as a proxy user charge, has been endorsed and is currently under consideration to secure a more stable flow of adequate road maintenance funds. From the interviews, it was felt that the responsible road agency DRV would very much benefit from RMI as a service providing facility, centred around the implementation of the core message of commercialisation of road management and financing and based on its four building blocks.

Côte d'Ivoire is a recent member of the RTTP. The country has been coming into the programme against the background of the failure of its previous attempts to address rural transport issues. A senior official of the Ministry of Transport was nominated in November 2000 as national RTTP programme co-ordinator and a national RTTP Steering Committee was installed to host future programme activities. The next programme steps - assessment of the country's experience, conduct of national and local rural transport seminars, formulation of a national rural transport policy and strategy and reform of institutions - have yet to be taken. Also in this case, there would seem to

be a need for a broader dissemination of Programme achievements and related documentation.

The impact of the UM programme in Côte d'Ivoire has been most visible through the intervention of the responsible UM programme officer (P. Bultynck) in the set-up of the Agence d'Execution des Transports Urbains (AGETU), a new regulatory body for the co-ordination of urban mass transit operations in Abidjan. The initiative has been welcomed by all parties involved, including the private sector, but the agency is in desperate need of operational and investment funding. In addition, the programme officer was involved in the formulation (and supervision) of most of the urban transport institutional reform covenants in the World Bank funded sector programmes such as the concessioning of bus-passenger services in two Abidjan suburbs - Abobo and Yopougon - to private contractors. While sector institutions may have been in one or other way involved in other SSATP-sponsored activities in the field of road safety, clean air, microenterprises or non-motorised transport, none of them have taken an active role in the formulation of follow-up actions. Interviews with responsible agencies reveal that most of the meetings and workshops have been attended by representatives of the Ministry of Transport. In general, it appears that documentation has been usually carried by one or two delegates but not further disseminated to subordinates or the subordinate sector institutions.

Côte d'Ivoire participated in the various Trade and Transport Round Table meetings on the strategic, political and institutional reforms needed in the sector but interventions of the programme did not possess the cohesion needed to create a regional momentum towards more liberal trade. Due to the absence of concrete proposals, the T&T component more or less stalled for the last five years. The T&T component is now attempting to broaden its past focus on ports and maritime transport to develop a better understanding of the whole transport chain. Plans for executing Transport and Trade Facilitation Audits and case studies on existing operational corridors are welcomed by the sector organisations interviewed but there is general concern about the support to implement proposed remedial agendas.

SSATP played a useful role in taking forth into implementation the key topic of this component ( railway restructuring) and catalysing the introduction of the concession technique for the first time in Sub-Sahara Africa in Côte d'Ivoire and Burkina Faso, who jointly concessioned the Abidjan-Ouagadougou railway to a private operator in December 1994. The experience provided and continues to provide useful lessons to

# **1 COUNTRY BACKGROUND**

## **1.1 General**

The Republic Ivory Coast is roughly as big as Italy, Great Britain or Japan and has a population of approximately 14.5 million consisting of more than 60 ethnic groups in four large culture groups. One of the larger of the west African coastal countries, the Ivory Coast - officially Côte d'Ivoire - produces 40% of the world's cocoa. Most of its population lives along the sandy coastal strip; the forested interior, apart from the capital Abidjan, is sparsely populated. It was often held up as one of Africa's rare models of political stability and economic success.

## **1.2 Political development**

Côte d'Ivoire acquired independence in 1960. From then until his death in 1993, Felix Houphouët-Boigny served as the country's president. Massive protests by students and farmers forced the president to legalise opposition parties and hold the first contested presidential election in October 1990, which Houphouët-Boigny won with 81% of the vote.

His reluctance to name a successor created years of uncertainty until his death in 1993. Contenders were the then prime minister, Alassane Ouattara and Henri Konan Bédié, then president of the National Assembly. France's support for Konan Bédié proved decisive, and Ouattara resigned to take a senior IMF appointment. Pro-government media systematically vilified Ouattara, claiming that he was not of pure Ivorian descent, but in August 1999 he returned to national politics, declaring himself a candidate for the presidency. Konan Bédié, a conservative in the mold of his predecessor, had meanwhile surrounded himself with loyalists and worked to undermine the already weak opposition parties. By December 1999, however, his attempts to prevent Ouattara running for the presidency had backfired and he was ousted in a military coup headed by General Robert Guei. The majority of foreign aid to the country was instantly suspended. In what was seen as the first step towards reasserting democracy, voters overwhelmingly approved a new draft constitution in July 2000. This was followed by new presidential elections in October 2000 between the military ruler Guei and a civilian opposition candidate Laurent Gbagbo. Each declared victory but the popular outcry against Guei turned violent, forcing him to leave the country. The electoral cycle was completed in March 2001 when local elections - in which all political parties participated - passed off relatively peacefully. The results prompted most of the donors to recognise the contest as a step forward in the democratic process and the restoration of aid flows.



### **1.3 Economic background**

Côte d'Ivoire experienced strong and sustained economic growth during the seventies with real GDP increasing by 6.5 percent a year in an environment of rising international commodity prices. However, between 1985 and 1993, the country's growth performance and external position were seriously affected by a marked loss of competitiveness and a sharp deterioration in the terms of trade, as well as the persistence of structural rigidities in the economy. The CFA Franc appreciated by 43 percent in real effective terms while many of Côte d'Ivoire's major competitors experienced currency depreciations. In addition substantial declines over 1985-93 in the world market prices for the major Ivoirien export crops led to a 46 percent fall in the terms of trade. As a result, the Ivoirien economy faced a protracted period of stagnation and internal and external financial imbalances widened.

In January 1994, a more comprehensive adjustment strategy was adopted, involving a 50 percent realignment in the parity of the FCFA in terms of the French Franc as well as appropriate accompanying macro-economic and structural policies. The Government's development strategy was outlined in a new policy document "L'éléphant d'Afrique". The document was followed in March 1997 by working paper on poverty fighting. The new adjustment strategy, aiming at a rapid restoration of conditions necessary for sustained economic growth, was broadly successful. Breaking with a long period of economic stagnation, rapid growth was restored as real GDP increased with an average 5.5 percent over the period 1994-1998 providing the first sustained improvement in per capita GDP since the late 1970s. External competitiveness improved and the overall fiscal deficit was reduced from 11 percent of GDP in 1993 to 4.8 percent in 1997. In the structural area, the government made substantial progress on its reform agenda. It adopted a new, more flexible labour code and a new investment code, implemented a programme of privatisation and restructuring of public enterprises, initiated reforms of the regulatory, legal and judicial framework and undertook substantial trade and price liberalisation as well as reforms in key agricultural sectors.

By the end of 1998, however, the momentum was lost. Weaknesses re-emerged on the fiscal front, progress on structural measures slowed and a number of governance issues resurfaced. By the end of 1999 substantial domestic and external arrears had accumulated again. In addition, little progress was made on the ambitious social agenda. The economy was also adversely affected by a sharp downturn in the terms of trade as well as a significant slowdown in disbursements of external assistance. In 2000, real GDP growth dropped to 2.4 percent. Investment slipped with the private sector's adoption of a more cautious stance and donors suspended aid disbursements in the uncertain political environment following the December 1999 coup d'état. Outside the primary sector, where value added rose by 8.6 percent - thanks to bumper coca harvests - real GDP in the secondary and tertiary sectors declined by 8.6 percent and 7.8 percent respectively. Economic growth is expected to pick up again in 2001 as activity in retailing, transport and agro-industry slowly resumes rising and donors return.

## **1.4 Poverty trends**

Côte d'Ivoire's traditional growth model tended to be insufficiently participative and broad based. Poverty alleviation was a low official priority as government traditionally tended to favour policies oriented towards rapid growth, under the assumption that poverty reduction would follow automatically. A debate over poverty came sharply to the forefront in 1996-97 when the government formulated a series of "priority actions" to eradicate poverty and formulated a National Poverty Reduction Action Plan (NPRAP). The broad objective of the plan was to reduce poverty from 37 percent of the total population in 1995 to less than 30 percent in the year 2000. It focused on seven areas: basic education, adult literacy, family planning, basic infrastructure, rural development and social funds.

Although ambitious but realistic targets were set for each of those priority, most of the targets have not been reached as political unrest disrupted the governmental administration and the economy went into a major recession. Under the circumstances, the country's social indicators remained disappointing and well below the norms of countries at similar income levels. Primary health care and education - services most important for the poor - did not show any significant progress. The development of the health sector favoured high-cost curative care in the urban areas at the expense of low-cost preventive care for the vast majority of low-income households in rural and peri-urban areas. The inefficiency of the education system has been characterised by a high drop-out rate at the primary level or termination of further studies after this level. Government social funds meant to help the poor were not able to reach them for a variety of reasons including the complexity of the application process and collateral requirements. As yet, life expectancy is currently 52 years, only 32 percent of women and 52 percent of men are literate and primary school enrolment is about 50 percent. Although about 75 percent of the poor live in rural areas the share of the urban poor increased and is significant.

## **1.5 Governance and decentralisation**

Building the capacity to deliver public services constitutes a rising constraint, pointing to the need for public sector reform, client orientation and effective decentralisation. Over the last decade, government has pursued the "ivorisation" of its public administration by significantly reducing its reliance in external technical assistance. The 1996 National Capacity Assessment of Côte d'Ivoire concluded that the problem in Côte d'Ivoire is essentially poor utilisation of capacity, pointing to a management problem. Priority areas for attention were industry, the tertiary sector public administration and education. Government recognises that more attention has to be paid to the appropriate role and behaviour of government, particularly in infrastructure maintenance, human resources development, sustainable agriculture, environmental protection and private sector partnership.

As yet, there is much to fault in the government's efforts to involve civil society in decision making. Civil society repeatedly expressed its desire for more communication

and information about, and participation in, the preparation and implementation of socio-economic reforms and the management of public affairs (including privatisation).

Legal backing and features for decentralization and other legislative provisions facilitating the implementation of a decentralisation policy, are under consideration in the context of a still largely centralised and autocratic society.

## **1.6 Donor assistance and co-ordination**

Assistance to Côte d'Ivoire, in the form of grants and concessional loans from over 20 multilateral and bilateral donors, totals approximately US\$ 600 million a year. Among the bilaterals, key donors include France, Germany, Japan and USA. Multilateral donors include the IDA, the African Development Bank, EU and the UN agencies. Donor assistance focuses on structural adjustment, economic growth and poverty alleviation.

Donor coordination efforts are minimal. At the overall level, co-ordination takes place within the framework of the Consultative Group meetings arranged by the World Bank and the Special Programme for Africa (SPA). In Côte d'Ivoire, co-ordination is ad-hoc and informal.

The co-ordination process generally takes place under the leadership of the relevant ministry and is most advanced in the health, drinking water, sanitation, education and, to a lesser extent, in the transport sector.

## **1.7 Cross-cutting issues**

### **Environment**

The main environmental issues in Côte d'Ivoire are deforestation, biodiversity protection, rural land tenure and land management. While a National Environmental Action Plan was adopted and a donor round table meeting was organised in 1996, little progress has been made so far in its implementation. Comprehensive solutions to halt depletion of forestry and wildlife resources are still under development. Government policies intended to protect the environment include the promotion of bottled butane gas and expansion of appropriate sewage systems in urban areas and industrial pollution control programs. While the level of official and public awareness of environmental questions has risen noticeably in the past years and more debate is under way, much is needed in way of effective actions.

### **Women in development**

A Ministry for the Advancement of Women was initially created in 1975 before the United Nations decade conference on women in 1976. This Ministry was dissolved in 1986, reinstated in 1987 and replaced again in 1994 with a broader mandate. Despite the efforts made and the raising awareness of the issue, poor women continue to be

identified as particularly marginalised, having less access to social services, lower levels of human capital development, high demands on their time, limited control over productive resources including their own labour, and little or no voice in public policy decisions.

## **2 THE TRANSPORT SECTOR**

### **2.1 General**

Côte d'Ivoire's transport sector absorbed massive investments during the 1970s and 1980s. The country's transport infrastructure is therefore very well developed: it has a classified road network of some 68,000 km of which 5,300 km are paved, two deep water ports in Abidjan and San Pedro; three international airports (Abidjan, Bouaké and Yamassoukro) and 22 smaller airfields serving regional centres and a single track international railway line connecting Abidjan to Ouagadougou and Kaya in Burkina Faso.

### **2.2 Administration**

Transport Sector Management has been and continues to be somewhat diffuse and less than satisfactory overall. The Ministry of Economic Infrastructure (Ministère des Infrastructures Economiques, MIE), and its predecessor the Ministry of Equipment, Transport and Telecommunications have been in charge - inter alia - of the administration of all transport sector activities, i.e. planning and programming works execution by force account and works supervision, administrative oversight of sector parastatals and, finally, co-ordination and regulation of sector activities.

In a relatively recent development, a Delegate Ministry in charge of Energy and Transport (Ministère délégué auprès du Ministre des Infrastructures Economiques, chargé de l'Energie et des Transports) was established within MIE in March 1996 then transformed into a full Ministry of Transport at the end of 1997. Oversight of transport sector parastatals by MIE's predecessors was rather ineffective and did little to address major problems of management and commercial viability. During the past three years these have, however, begun to be addressed mainly as part of Government's general policy of divestiture from the provision of services and their transfer to private operators.

A Directorate for Large Scale Works (Directions et Contrôle des Grands Travaux, DCGTx), first set up in the MIE predecessor-ministry in the early-1980s, but soon transferred to work directly under the Presidency until 1990 when it was transformed into a public sector company and transferred to the Prime Minister's office, has played a powerful role in Côte d'Ivoire. For well over a decade, it practically supplanted the role of MIE (as well as that of other sector ministries) in investment and works programming, in procurement and in works supervision. As some of these functions returned to the technical ministries, DCGTx, in September 1996, was transformed into the Bureau National d'Etudes Techniques et de Développement (BNETD), attached administratively to the Presidency, under the technical supervision of the Prime Minister's office, and under the financial control of the Ministry of Economy and Finance. Its functions are those of: (i) a support agency to Government on policy

development; (ii) a high-powered consulting agency, carrying out assignments for public and private sector clients on demand, and (iii) a depository and administrator of a number of macro-level and sectoral data bases.

In the mid-eighties, transport parastatals, whether in urban or rail transport, in the maritime sector or in civil aviation, all relied on Government subsidies to remain operational. Run as public service providers rather than on a commercial basis, they were characterised by overstaffing, profligate investment decisions and poor operational management. In a context of severe fiscal constraint, and faced with the choice to either liquidate consistent loss-makers or find a way to provide services more efficiently, Government, in 1992/3, launched a series of parastatal reform measures. Poor results of attempts to reform existing structures, and the increased urgency of rapid and durable-reduction of subsidy needs following devaluation in 1994, induced the Administration to turn to privatisation of a number of sector parastatals.

## **2.3 Sector planning**

Towards the late 1980s, the international donor community concluded that an in-depth review of the transport sector and its growing problems was needed and that future lending would have to be conditional on the implementation of a series of reforms throughout the sector. A large-scale National Transport Plan Study was carried out by DCGTx in 1989, followed by a World Bank sector review in 1991. These studies covered the road, rail, maritime and air transport subsectors. They identified major problems and policy issues in the regulatory framework for transport activities, in the areas of investment planning and infrastructure maintenance financing, and in the operation and management of the main public enterprises active in the sector (public bus company, railways, airline and, to a lesser degree, ports). Preparation of a Transport Sector Loan, designed to address some of the major problems identified, was suspended in 1992 over disagreements on the scope of the proposed reforms. Preparation of a subsequent Road Maintenance and Rehabilitation Programme also moved slowly because of disagreements over necessary institutional reforms, and was halted in late 1995.

It took another three years before final agreement was reached on World Bank sponsored five-year hybrid adjustment/investment programme to complete the restructuring of important transport sector institutions and to rehabilitate and maintain transport infrastructure. The 1998 Transport Sector Adjustment/Investment Programme (TSAIP) addresses remaining institutional problems sector-wide through its adjustment component. It supports, at the same time, a priority programme of reforms in the road, road transport, urban transport and port subsectors through a series of studies, capacity-building support, including equipment modernisation, together with priority rehabilitation and maintenance operations, as well as selected performance enhancing new investments.

## 2.4 The road sector

Under the Ministry of Economic Infrastructure, the Directorate of Highways and Urban Roads (Direction des Routes et Voieries, DRV) is responsible for the development, maintenance and administration of the country's entire road system of 5,3000 km of paved roads and 62,700 km of gravel and earth roads and tracks, classified into 6 different categories. Its functions are discharged through 10 regional directorates spread over the country. It is subject to central government budgetary policies, procedures and financial, managerial and economic policies. It is formally accountable through the normal governmental and public service mechanisms. In general, it lacks managerial targeting, monitoring and accountability procedures to give effect of its developing planning frameworks. Donor support is of critical importance to meet its performance plans for current and future requirements. The organisation is part of the civil service of the Government and subject to its disparaging reputation. There is some commitment to performance but morale is generally low due to poor remuneration and frustration with civil service structures on management performance.

While road users have traditionally contributed an important share of general tax revenues, resource allocation for road maintenance has been consistently unsatisfactory. In theory, MIE/DRV established the cost of annual maintenance programmes on the basis of the cost of inputs (wages, fuel, spare parts, etc.) and works executed by force account. In practice, the budgets allocated to road maintenance from 1989 onwards, when external financing for road maintenance dried up, were far from sufficient to cover even the cost of annual routine maintenance programs. Furthermore, during this period, force account personnel was maintained at full programme levels and their salaries paid in full (some 65 percent of the budgeted funds). Accordingly, while salary payments remained high, programme execution declined sharply.

In general, force account on which Côte d'Ivoire has relied to execute road maintenance programs, at the exception of major road rehabilitation projects, has been unable to perform efficiently. This has been due mainly to cumbersome administrative procedures for procurement of inputs, overstaffing and frequent mutation of trained staff, and to commandeering of public works equipment and personnel for non-programmed works. Also despite extensive support from the World Bank and other donors to improve DRV's institutional capacity to program, this capacity did not improved.

In accordance with its policy to reduce direct state involvement in commercial activities, and to transfer the provision of economic services progressively from the public to the private sector, the Government, in April 1996, took the decision in principle to abolish force account operations, and to carry out all future periodic and routine maintenance works through private contractors. The state divestment of road maintenance execution has significantly impacted on MIE's staff. Of the 4,000 employed by the road maintenance administration, some 3,400 were day-workers (journaliers), most of whom had been in this status for over 20 years, and 80 were short-term employees (temporaires), categories which disappeared at the end of 1997 under the ongoing civil service reform.

Transfer of public works equipment owned by the State to private operators has been completed recently. The large Equipment Directorate of Public Works (Direction de Materiel des Travaux Publics), which managed over 600 pieces of major public works equipment, has been privatised and transformed into several equipment rental/leasing companies serving the private sector. The majority of the fleet of some 800 trucks, presently managed by the Regional Directorates of DRV is also transferred to these companies

To profit from the substantially enlarged market for small road maintenance works, the development of small and medium contractors (Petites et Moyennes Entreprises, PME) is encouraged, especially by redundant staff from the force account brigades. Small contractors presently employed mostly in the building industry provide an additional pool of potential small contractors for the maintenance of culverts and bridges.

The major issues in the road sub-sector, inadequate funding of road maintenance and inefficient public works administration built around works execution by force account, are being addressed under the ongoing TSAIP. The investment component provides funding for a five-year rolling road sector programme that includes all planned expenditures for new construction and for maintenance of the priority national network funding for long-deferred essential rehabilitation and maintenance operations. The overall cost of the road programme is estimated at FCFA 379.5 billion (US\$ 690 million) including taxes. The entire programme of works is and will continue to be executed by private contractors. For the control of works, DRV will rely on either its Regional Directorates, local consultants or external consultants, depending on the size of the contracts.

Under the adjustment component, DRV and its Regional Directorates is being restructured around the two major functions for which they will be responsible in the future: (i) road network management, including establishment and maintenance of up-to-date road condition and road traffic data bases, and annual maintenance programming; and (ii) contract management including procurement, works supervision, and certification for payment.

## **2.5 The road transport sector**

Traditionally, access to the profession of transporter has been easy, demanding only a valid driving license and a vehicle that has passed inspection. As a result, the profession is characterised by a large number of informal operators with one or two vehicles, who often combine trade and transport (14,300 operators for a fleet estimated at 33,000 vehicles). A limited number of formal transport operators handle mostly specialised traffics (fuel, containers, export crops). With the exception of fuel transport tariffs, other tariffs are only indicative and non-binding and represent upper limits, however considered inadequate by formal operators. They are allowed to be, and are actually, negotiated downward in response to seasonal supply and demand.

In the past, available road transport capacity has exceeded demand, but a large number of vehicles are now reaching the end of their useful life. The average age of heavy truck fleet is 8-10 years, and many operators are finding it difficult to renew their fleets



especially since devaluation in 1994. In this context, the Government lifted the ban on the import of second-hand vehicles in exchange for stringent vehicle safety inspections. While some of the observed inefficiencies in road transport are due to Government regulation, others result from outdated arrangements put into place by the profession itself. The road transport industry is organised in so-called "syndicates" - professional associations, expected to act as freight consolidators and contractors. These have mainly served owner-operators, while most formal sector companies have avoided the syndicates.

The main problem faced by transporters today is multiple roadside controls. While a 1990 law restricted control posts to 18 throughout the country, transporters report that there are well over 1,000 posts actually in existence. The cash "tolls" levied on long-distance passenger vehicles as well as on freight transporters easily double the normal vehicle operating costs, not taking into account the value of time lost in the transactions. Tolls are conservatively estimated at CFAF10 billion annually and are usually assessed against real or imaginary infractions to ill-defined regulations. The end result is that the consumers pay the price of this rampant abuse that benefits a small group of individuals. The second main problem facing the road transport sector is the dramatically deteriorating level of road safety, with road accident victims per 1000 vehicles now more than twice the levels in Europe or the United States. Major reasons are the poor condition of the vehicle fleet, widespread overloading and often glaring driver deficiencies.

The regulatory framework for the transport sector essentially dates back to colonial times and has been updated in a haphazard manner. Under the TSAIP, the emphasis is on re-establishment of compliance with basic regulations that have been increasingly flouted over the last ten years or more, in particular through the elimination of the ubiquitous road blocks, the reaffirmation of the respect of basic safety standards (technical inspection and verification of required vehicle repairs); and the strict control of driver training, especially for bus-transport and for hazardous cargo.

The road safety issues are also being addressed: (a) in collaboration with the professional organisations, by developing minimum vehicle and driver standards, which they will enforce among their own members; and (ii) in collaboration with the Road Safety Office (Office de Sécurité Routière, OSER), by improving the quality of driver training, the compliance with vehicle inspection requirements, and vehicle loading limits.

A third cluster of measures addresses institutional changes through support to transporter "syndicates" to help them transform into professional associations supplemented with rehabilitation of existing, physical installations.

Efficient administration of Côte d'Ivoire's road transport sector is hampered by two main shortcomings: (i) there is no capacity for the systematic collection, analysis and timely publication of key sector data and indicators; (ii) the execution of normal administrative tasks such as the issuance of car licenses, drivers' licenses, etc., or statistical analysis of large data is slow and unsatisfactory due to the use of out-of-date technology.

To remedy these problems, the TSAIP currently supports the restructuring of the Directorate of Land Transport (Direction des Transports Terrestres, DTT). To help establish the transport sector data bank, including both the basic data and the key indicators to be regularly updated, the program will provide short-term consultancy support to the Directory of Planning, Programming and Management in MIE for establishing a satisfactory statistical framework.

## **2.6 Railways**

The railway, a 1260 km single track line constructed between 1904 and 1954 and connecting Abidjan and Ouagadougou was managed from 1960- 1986 as a public corporation jointly owned by Burkina Faso and Côte d'Ivoire (Régie des Chemins de Fer Abidjan- Niger – RAN). Initially the favoured mode for all bulk transport and passenger transport between the coast and the Sahelian hinterland the railways attained their operational peak in the mid-seventies when RAN transported close to a million tons of freight and some 4 million passengers annually. In the late 1970s operational and commercial performance of RAN declined. With increasing competition from a rapidly developing trucking industry the share of traffic carried from the coast to Burkina Faso by rail and road respectively reversed from two thirds/one third in the mid 1970's to one third/two thirds in the late 1980s.

A 1982 Diagnostic Study of RAN identified the company's major problems and proposed a detailed rehabilitation plan. Disagreements between the co-owners prevented adoption of this plan and RAN's performance continued to deteriorate. In 1986, a decision was taken to separate the railways into two national companies. In an effort to stem and reverse a trend that reduced international tonnage to less than 300,000 tons per year, in 1992, a joint Office was established for handling all international freight traffic. Although the Office had some initial success traffic and revenue losses continued. In July 1992, the two Governments announced their decision to reunify and privatise railway operations through a concession agreement to be signed with a private operator. The process was strongly supported by the IDA and bids were launched in February 1993. A concession Agreement was signed in December 1994 and became effective in August 1995. The property of the existing railway equipment and management of the railway infrastructure was put into two new "patrimony corporations". The concession was a "rolling concession covering 15 years initially, with successive five-year extensions possible thereafter. Since then, the concessionaire (SITARAIL) operates commercial freight and transport passenger services in a fully deregulated environment.

The concession agreement was complemented with an IDA funded rehabilitation programme covering the rehabilitation of railway equipment (motive power and rolling stock and railway infrastructure situated in both countries. With a total budget (at appraisal) of US\$ 81 million. The programme was co-financed by the Caisse Centrale de Développement (CDF), the European Investment Bank, the West African Development Bank (BOAD) and the Belgian Government.

The concessioning arrangement has been reasonably successful. In the first full year of operation, freight traffic almost doubled in comparison with the preceding year and the

quality of services rendered to freight customers improved substantially. Passenger services were restructured and loss-making services were abandoned. The only passenger service kept is the long distance service Abidjan – Ouagadougou which has reasonable prospects for financial profitability.

## **2.7 Urban Transport**

The problems of urban mass transport are concentrated in Abidjan, where 2.5 million people or close to 20 percent of the country's population live. The public bus company SOTRA, which had functioned well in the 1970s, but later experienced the difficulties faced by practically all public bus companies in the sub-region, saw its vehicle fleet decline over the 1990-94 period from some 970 to 510 buses. Inevitably, the largely informal sector of mini-buses (estimated at over 10,000) and shared-taxis (estimated at over 8,000) expanded rapidly to take up the slack, especially in the suburbs, where SOTRA service had to be considerably reduced. In 1993, SOTRA implemented a drastic staff reduction and carried out a restructuring plan based on the acquisition of second-hand buses and reduced operating costs. This allowed the company to recover and significantly improve its operational and financial performance.

The Government, acknowledging the potential role of the private sector - which already provides all interurban bus passenger transport services - in the provision of urban transport services, announced in February 1996 its decision to concession out bus-passenger services in two Abidjan suburbs - Abobo and Yopougon - to private contractors. The concessioning was tendered in September 1997. In this new context, the Government agreed to establish a body for the co-ordination of urban mass transit operations (Agence des Transports Urbains, AGETU), that involves all the parties concerned: MIE, the City of Abidjan, the public and private bus, mini-bus and taxi operators and representatives of passenger groups.

The TSAIP urban transport component is relatively modest and concentrates on: (i) supporting the process of concessioning of some mass transport routes in Abidjan to private contractors; (ii) supporting the establishment of AGETU for the institutional co-ordination of urban mass transport operations and regulation and; (iii) studies for the preparation of a future urban transport operation.

## **2.8 Maritime transport/ports subsector**

The most costly monopoly practices in the maritime transport subsector were abandoned under the World Bank Economic Recovery Credit approved in 1994. Restrictive practices in favour of the state-owned shipping line SITRAM, that resulted in high costs and poor service to Ivorian exporters of major crops, as well as to importers of essential goods, were first eroded in 1993. Given the important savings to shippers and the substantial gain in competitiveness of Ivorian products, the Government agreed to liberalise maritime transport in successive steps: bulk and refrigerated cargo were partially liberalised in October 1994, and non-conference

general cargo was effectively liberalised in May 1995. The national company SITRAM was liquidated in May 1995 and a new carrier, with majority private Ivorian ownership, COMARCO, was set up in October 1995. In December 1996 all non-conference traffic was formally liberalised.

A number of efficiency enhancing measures in the port subsector, aimed at reducing container dwell-time and facilitating more rapid movement of freight through the port of Abidjan have been agreed with port management and the customs administration. Under the 1994 IDA Private Sector Development Credit, the "Abidjan Port Community" was established with the goal of promoting the port's commercial services, followed in 1996 by the creation of a Port Competitiveness Commission to provide a forum for systematic dialogue among all parties concerned on improving port performance and quality of service. While resource mobilisation in the port subsector has generally been more than sufficient to cover operating and maintenance costs, some of the surpluses were affected to non-port related business which impacted negatively on the competitiveness of the port of Abidjan in the Western Africa Region. Competitiveness improved, however, when the statutes of both the Abidjan and San Pedro ports were changed to bring considerably enhanced managerial and financial independence.

Under the TSAIP, the port component has the objective to further improve the competitiveness of Côte d'Ivoire's trade through the modernisation of port related operations. It complements measures for the facilitation of customs and administrative procedures already under implementation and will mainly focus on: (i) operational improvement through selective infrastructure rehabilitation and extension, and performance enhancing equipment acquisition; (ii) institutional improvement mainly through systematic monitoring (audits) of operational and financial performance, and through closer implication of all port auxiliaries in the process of port performance reviews; (iii) the updating of the regulatory framework governing maritime transport activities and; (iv) introduction of measures to protect the marine environment.

## **2.9 Civil aviation**

Starting in the second half of 1995, plans for modernising and reforming operations in the civil aviation subsector, concerning both the agency responsible for airport management and the national airline, were launched as part of a major push for revitalising the Ivorian tourist industry. The Government agreed that private financing was needed for the modernisation and extension of Abidjan's ageing Felix Houphouët Boigny (FHB) International Airport. A 15-year Concession Agreement for the modernisation, extension and subsequent management of Abidjan international airport was signed with AERIA, a private group, in July 1996. The new arrangement also profoundly affected the ailing airport management agency, ANAM (Agence Nationale des Aéroports et de la Météorologie) and its almost 900 employees, that was previously responsible for the airport's operation as well as that of all other local airfields. In mid-1997, ANAM was restructured into two entities: SODEXAM responsible for the management and operation of airfields and of meteorological

services, and ANAC responsible for general aviation, administration, supervision functions, including regulatory activities and international affairs.

## **3 SSATP Exposure and Impact**

### **3.1 Road Maintenance Initiative (RMI)**

The Road Management Initiative (RMI) exists to facilitate policy and institutional reforms that result in sustainable management and financing of public road services in Sub-Saharan Africa. The main objectives of the RMI Programme are: (i) to develop and disseminate knowledge on sustainable road management and financing; (ii) develop monitoring and evaluation processes to systematically assess the impact of reforms implemented and (iii) build capacity to carry out policy analysis, strategy formulation, reform monitoring and evaluation.

Cote d'Ivoire is not a formal participant in the RMI but has embraced its key message: commercialisation. Under the ongoing TSAIP, there is strong government commitment to the formulation, adoption and implementation of a more efficient and sustainable road sector policy framework. The concept of a new generation of Roads Funds, financed *inter alia* by a fuel levy as a proxy user charge, has been endorsed and is currently under consideration to secure a more stable flow of adequate road maintenance funds. In a major move away from the traditional centralised force account operation, road construction and maintenance work is now contracted out to private enterprise and more business-like practices and managerial accountability are being introduced in the responsible government agency (Directorate of Highways and Urban Roads, DRV). There would seem to be scope, however, for the development of a proper methodology for the monitoring of the road condition. Also a user-friendly, robust model to allocate resources for low traffic roads is needed to assess risks at the stage in which decisions can be better shaped i.e. the pre-feasibility stage.

From the interviews, it appears that DRV management is aware of the existence of the RMI programme but has obviously not been involved as an active partner. In general, it was felt that DRV would very much benefit from RMI as a service providing facility, centred around the implementation of the core message of commercialisation of road management and financing and based on its four building blocks.

### **3.2 Rural Transport and Travel Programme (RTTP)**

The Rural Travel and Transport Program (RTTP) supports the participatory development and implementation of national rural transport policies and strategies in SSA countries. The program emphasises five key approaches: (i) establish policies and strategies for rural roads and transport; (ii) promote participatory delivery of services and infrastructure; (iii) decentralise decision-making to the local level; (iv) develop local transport solutions and; (v) use appropriate work technology (use of small-scale contractors and local labour).

Cote d'Ivoire is a recent member of the RTTP. The country has been coming into the programme against the background of the failure of its previous attempts to address

rural transport issues. Following the stationing of a regional RTTP co-ordinator in Abidjan, a senior official of the Ministry of Transport was nominated in November 2000 as national RTTP programme co-ordinator and a national RTTP Steering Committee was installed to host future programme activities. By doing so, the Government recognised the need for a more structured approach to the determination of the nature and form of further involvement in the Programme and of the type of services it can obtain from it. The next programme steps - assessment of the country's experience, conduct of national and local rural transport seminars, formulation of a national rural transport policy and strategy and reform of institutions - have yet to be taken. Also in this case, there would seem to be a need for a broader dissemination of Programme achievements and related documentation.

Pending the outcome of further policy and strategy work, the RTTP recently sponsored a small pilot project introducing motorised tricycles in the rural area of northern Côte d'Ivoire. The issue of motorised transport in poor rural areas is rather controversial - because of its relatively high cost - and will have to be addressed following completion and evaluation of the project and the strategy work.

### **3.3 Urban Mobility (UM)**

The objective of the SSATP UM component is to support and facilitate the provision of safe, efficient and less polluting transport in the cities of Sub-Saharan Africa, with special attention to those most affected by the urban mobility crisis: the urban poor. This overall objective has been pursued through a series of regional initiatives, meetings and publications on institutional reform, road safety, urban air pollution, management of microenterprises and non-motorised transport.

The impact of the UM programme in Côte d'Ivoire has been most visible through the intervention of the responsible UM programme officer (P. Bultynck) in the set-up of the Agence d'Execution des Transports Urbains (AGETU), a new regulatory body for the co-ordination of urban mass transit operations in Abidjan. The initiative has been welcomed by all parties involved, including the private sector, but the agency is in desperate need of operational and investment funding.

In addition, the programme officer was involved in the formulation (and supervision) of most of the urban transport institutional reform covenants in the World Bank funded sector programmes such as the concessioning of bus-passenger services in two Abidjan suburbs - Abobo and Yopougon - to private contractors.

While sector institutions may have been in one or other way involved in other SSATP-sponsored activities in the field of road safety, clean air, microenterprises or non-motorised transport, none of them have taken an active role in the formulation of follow-up actions.

Interviews with responsible agencies reveal that most of the meetings and workshops have been attended by representatives of the Ministry of Transport. In general, it

appears that documentation has been usually carried by one or two delegates but not further disseminated to subordinates or the subordinate sector institutions.

### **3.4 Trade and Transport (T&T)**

The Trade and Transport sub-program was intended to reinforce the international competitiveness of Sub-Saharan African economies by developing more cost-effective services to shippers.

Côte d'Ivoire participated in the various Round Table meetings on the strategic, political and institutional reforms needed in the sector but interventions of the programme - through the Ministerial Conference of West and Central African States on Maritime Transport (MINCOMAR) - did not possess the cohesion needed to create a regional momentum towards more liberal trade. Due to the absence of concrete proposals from MINCOMAR, the T&T component more or less stalled for the last five years.

At the national level, monopoly practices in the maritime transport subsector were abandoned in 1994 and all non-conference traffic was formally liberalised in December 1996. Also in the ports sector, a series of institutional and regulatory measures was taken to reinforce the international competitiveness of the port of Abidjan. All these reform processes have been initiated under World Bank funded structural adjustment or other credit agreements. Whether they have been inspired or directly facilitated by the SSATP, as such, is not clear. None of the sector organisations interviewed has been aware of such facilitation.

The T&T component is now attempting to broaden its past focus on ports and maritime transport to develop a better understanding of the whole transport chain in order to improve trade facilitation and the institutional and regulatory aspects. Plans for executing Transport and Trade Facilitation Audits and case studies on existing operational corridors are welcomed by the sector organisations interviewed but there is general concern about the support to implement proposed remedial agendas.

### **3.5 Railways Restructuring (RR)**

The objective of railway restructuring is to help countries establish efficient and financially sustainable rail enterprises, through private participation in the core activities of the railways under concession arrangements.

SSATP was able to play a useful role in taking forth into implementation the key topic of this component ( railway restructuring) and catalysing the introduction of the concession technique for the first time in Sub-Sahara Africa in Côte d'Ivoire and Burkina Faso, who jointly concessioned the Abidjan-Ouagadougou railway to a private operator in December 1994. While SITARAIL, the concessionaire, has experienced problems due to the political difficulties in Côte d'Ivoire, the concession arrangement is still considered to be the only way for transforming the railway into a business-oriented



enterprise. The experience provided and continues to provide useful lessons to other countries involved in restructuring their railways operations.

## **Annex 1**

### **Mission working programme and schedule of meetings**

## **Mission working programme and schedule of meetings**

- Sunday 24 June Departure Vogelaar/Rodts Amsterdam  
Arrival Vogelaar/Rodts Abidjan
- Monday 25 June Briefing World Bank Office, Abidjan  
Mr. Siélé Silué, Mrs. Patricia M—l dje
- Minist~~r~~re des Infrastructures Economiques (MIE)  
Cabinet Infrastructure  
Mr. Yapo Callixte and delegation
- Minist~~r~~re de l'Interieur et de la D—centralisation  
Direction de la Décentralisation  
Mrs. Alice Degni-Segui
- Minist~~r~~re des Transports  
Agence de Transport Urbain d'Abidjan (AGETU)  
Mr. Souare Mamadi
- Tuesday 26 June Minist~~r~~re des Finances  
Service de la Dette Publique  
Mr. Fofana
- Société des Transports d'Abidjan (SOTRA)  
Director  
Mr. Aka Assafoua
- Minist~~r~~re des Infrastructures Economiques  
Direction des Routes et Voieries  
Delegation
- Port Autonome d'Abidjan  
Mr. Koffi Firmin
- Formation de Développement de la Formation Professionnelle  
Mrs. Fatou Coulibaly
- Wednesday 27 June Bureau National d'Etudes Techniques et de Développement  
Mr. Atse Acho Parfait
- Minist~~r~~re de l'Environnement  
Mr. Guey Gilbert
- Promotion de la Santé de la Femme (PROSAF)  
Mrs. Toure Germaine and delegation

Syndicat National des Transporteurs Terrestres  
Mr. Dao Issa and delegation

Thursday 28 June    Union des Villes et Communes de Côte d'Ivoire  
Mr. Ekpitini I. Mathurin

Société de Transport Urbain (SOTU)  
Mr. Dohai Jonns Goho

Office de Sécurité Routière (OSER)  
Mrs. Coulibaly

Friday 29 June    Mutuelle d'Assurances de Taxis Compteurs d'Abidjan  
Mr. Coulibaly

Ecole Supérieure des Travaux Publics  
Mr. Echui Aka Desiré  
Departure Vogelaar

Saturday 30 June    Arrival Vogelaar Maputo  
Departure Rodts

Sunday 1 July    Arrival Rodts Amsterdam

## **Annex 2**

### **List of persons met**

### *List of persons met*

Mr. Siélé Silué	Conseiller Régional, AFTTR/SSATP/PTMR, The World Bank
Mr. Abinan Kouacou Guillaume	Ingénieur des Travaux Publics, Economiste des Transports, Conseiller Technique en Transports Terrestres, Coordonnateur National du Programme des Transports en Milieu Rural (PTMR) de la Banque Mondiale
Mr. Anoh Boko	Chef Programmes et Projects
Mr. Yao Kanga	Assistant DTEF
Mr. Boua Jonas Achi	Conseiller Technique, Ministère des Infrastructures Economiques.
Mr. Souaré Mamady	Directeur Général Adjoint, Agence des Transports Urbains
Mr. Assafoua Aka	Directeur, Direction de la Prospective et de l'informatique
Mr. Parfait Atse Acho	Directeur, Dépt. Infrastructures et Transports
Mr. S.K. Nnama	Manager, Operations Support Division, Central Operations Department
Mr. Dao Issa	Syndicat National des Transporteurs, Terrestres Côte D'ivoire

**Annex 4**  
**Country Report Ethiopia**

**Sub-Saharan Africa Transport Policy (SSATP)  
Review and Future Strategy**

**Draft Country Report Ethiopia**

**July 2001**



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## EXECUTIVE SUMMARY

With about 27km/1,000 sq.km, and 0.43km/1,000 population, the Ethiopian road network is among the least developed in the world. Only 20% of Ethiopians land area is located within a 10 km range of an all-weather road. Despite the extremely limited network, road transport represents by far the most important means of motorised transport in Ethiopia. It accounts for over 97% of the total domestic passenger and cargo traffic. Yet, it accounts for only about 20% of the total travel and transport by all forms of movement, the non-motorised transport taking 80%.

The classified road network in Ethiopia consists of 29,571 km of roads (2000), up from 23,812 km (1996), of which not more than 25% of this network is in good condition (up from 18% in 1995). Ethiopia's rail transport network is limited to a single-track line between Addis Ababa and the port of Djibouti.

Ethiopia joined the RMI in 1996 and started to implement RMI objectives in 1997 when the RSDP (phase I) was launched with support of the donor community. RSDP is implemented by ERA, the Federal Roads Agency. The first Maintenance Action Plan (1998-2000) was prepared, and the Ethiopian Road Fund proclaimed (March 1997) for financing the road maintenance works and to provide a funding source (3%) for road safety measures. Separate Boards for the Road Fund (16 members, 4 from the private sector) and for the federal Roads Agency ERA (6 members, all public sector). ERA Board is chaired by the Minister of Economic Development and Cooperation, the road Fund board by the Minister of Works and Urban Development. The Minister of Transport (and Communications) is a member of both Boards.

In FY 1999/2000, the Road Fund disbursed Birr 247 million (approximately USD 30 million) for maintaining 14,100 km of federal roads, 3,650 km of regional/rural roads, and 200 km of urban roads (allocations of Birr 167, 50 and 30 million respectively). The Rural Road Authorities in particular had difficulties absorbing allocated maintenance budgets, due shortages in equipment (Force Accounts works are still the dominant mode) and management/ supervision capability.

The transition from (public sector) Force Account works to private sector (domestic) construction industry dominance is presently a main stumbling block. There seems to be reluctance to privatise the (road) construction industry, or at least uncertainty how to do it.

Shortages in professional capacity to handle privatisation and decentralisation processes, primarily a lack of planning and management skills to deal with the separation of policy and regulatory functions (by the public sector) and operational/ executive functions (by a to-be-created private sector), is a major problem area in the transport sector.

Most operational functions have been placed at arms length of MOTC, in Authorities or Enterprises:

- ▲ Road Transport Agencies, Ethiopian Roads Authority (ERA) at the federal level, and 9 Regional Rural Roads Authorities (RRA's) at the regional level.
- ▲ Road Transport Authority (RTA) for road transport (services) regulatory functions.
- ▲ Ethiopian-Djibouti Railway Enterprise.
- ▲ ESL (shipping) & MTSE (shipping agent and forwarder of im/export freight)—a Government enterprise (monopolist), supervised by the Maritime Department of the Ministry.
- ▲ CAA, also still a Government authority to be restructured in the future, whereas Ethiopian Airlines is a self-financing, autonomous entity.
- ▲ Ethiopian Telecommunications Agency is still under the Ministry, whereas there is an autonomous telecom operator.
- ▲ Ethiopian Postal Services.

The most important, current mechanism of transport (policy) coordination is the MOTC representation in the Authorities or Enterprises Boards. In view of the Ministry's coordination and implementation monitoring functions covering this wide range of Authorities, each with their own weaknesses, the question arises whether MOTC will be capable to properly exert its future coordination and supervisory tasks, in this same way. Capacity building at MOTC level should not be overlooked.

The RSDP is an integral part of the Interim-PRSP and considered by the government as an important tool for enhancing growth and poverty reduction. RSDP contains an important sub-component, the Ethiopian Rural Travel and Transport Programme (ERTTP), aimed at opening up so far isolated, remote areas and linking them with the existing roads network. ERTTP has been greatly inspired by the RTTP component of SSATP. ERTTP is strongly related with the government's strategy of alleviating food insecurity. This strategy includes extensive construction of new rural roads and rehabilitation of existing ones, in order to reduce marketing costs and improve distribution of food; provision of market information needs to hand in hand with this in order to increase market integration.

The envisaged staged implementation of low level rural roads/paths is planned to add more than 37,000 km of new/upgraded local, rural access roads to the network—and to the maintenance load—in three phases that are likely to take longer than the scheduled period until 2007. For implementation of the ERTTP a four-tiered, complementary institutional/ organisational structure has been designed, needed not only for rural transport/ access but also for a range of (other sector) development interventions (e.g. rural water supply and sanitation, agricultural extension delivery, health centre and educational facilities).

A first, important milestone in ERTTP will be reached by mid 2002, when it will become clear to what extent the Wereda Development Committees (in 8 pilot wereda's) have 'claimed ownership' of the process, and to what extent their 'supervisors', the

Regional Program Coordination Committees and the Central Program Coordinating Board turned out to be stimulating factors.

Recognising the added value of RMI and RTTP, the Ethiopian stakeholders would welcome further SSATP-assistance—“*African countries need the reference from other SSA countries to turn around key players in change processes*”—and SSATP could continue to provide the required regional forum.

The most urgent needs are believed to be:

- ▲ Decentralisation-cum-privatisation *process design* (incl. e.g. transition process design from Force Account operations to fully private sector contractors operations managed by the road agencies).
- ▲ Design of an *overall* capacity building strategy for the transport sector.
- ▲ Addressing the urban (Addis Ababa) transport/mobility problems, preferably integrated within RSDP II.

# **I. LIST OF ANNEXES**

ANNEX 1 LIST OF PERSONS MET

## II. ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADLI	Agricultural Development Led Industrialization
(A)ADT	(Average) Annual Daily Traffic
BADEA	Bank of Arab for Economic Development in Africa
CAA	Civil Aviation Authority
CDE	Chemin de fer Djibouti Ethiopia
COMESA	COmmon Market for Eastern & Southern Africa
CPCB	Central Programme Coordinating Board
DCI	Domestic Construction Industry
EIRR	Economic Internal Rate of Return
EPRDF	Ethiopian Peoples Revolutionary Democratic Front
ERA	Ethiopian Roads Authority
ERTTP	Ethiopian Rural Travel and Transport Program
ESL	Ethiopian Shipping Line
EU	European Union
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
GOE	Government of Ethiopia
HDM	Highway Development & Management Model
HRD	Human Resources Development
IDA	International Development Association
IGAD	Inter-Governmental Authority on Development
ILO	International Labour Organization
I-PRSP	Interim Poverty Reduction Strategy Paper
MOTC	Ministry of Transport & Communications
MOWUD	Ministry of Works and Urban Development
MTSE	Maritime & Transit Services Enterprise
NAC	National Aids Council
NDF	Nordic Development Fund
NGO	Non-Governmental Organization
NPEW	National Policy on Ethiopian Women
NUPI	National Urban Planning Institute
ODA	Official Development Assistance
OPEC	Oil Producing & Exporting Countries
PRSP	Poverty Reduction Strategy Paper
RFO	Road Fund Office
RMI	Road Management (Maintenance) Initiative
RPCC	Regional Programme Coordinating Committee
RRA	Rural Roads Authority
RSDP	Road Sector Development Program
RSDP I	Road Sector Development Program – First Phase
RSDP II	Road Sector Development Program – Second Phase
RTA	Road Transport Authority

RTTP	Rural Travel and Transport Program
SSATP	Sub-Saharan Africa Transport Program
TA	Technical Assistance
TGE	Transitional Government of Ethiopia
TOR	Terms Of Reference
UDSS	Urban Development Support Services
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
VDA	Village Development Association
VLTS	Village Level Travel and Transport Studies
VOC	Vehicle Operating Costs
WB	World Bank
WTTP	Wereda Travel and Transport Plan

### III. NATIONAL MAP





# 1 Introduction

This report gives account of a country visit to Ethiopia, within the framework of the Review of the SSATP programme, in the week 7- 14 July, 2001.

The objective of the Mission was:

- ▲ To give a brief description of the Ethiopia Transport Sector (recent past, present situation and prospects).
- ▲ The performance, exposure, and potential of the SSATP programme.

The Mission (Klaus Broersma and Erik Klaassens of the NEI Review Team) is grateful for the co-operation with officials throughout the transport sector, co-ordinated by the RMI-Coordinator/ Director Planning & Programming Division, part of the Engineering & Regulatory Department of the Ethiopian Roads Authority (ERA), Mr. Zaid Wolde Gebriel, and in particular would like to thank Mr. Daniel Menghistu of the Division's Planning section.

## 2 Country background

### 2.1 General

Ethiopia is one of the largest countries in Africa in terms of population (65 million) and of land area (1.1 million km<sup>2</sup>). The greater part of the country consists of high plateau and mountains between 2,000 and 4,000-meter elevation. There are also extensive low land areas. The topography and the influence of surrounding continental masses and oceans have the effect of making the country's climate extremely varied. Mean annual temperature vary significantly ranging from 34.5<sup>0</sup> C in the Danakil depression to below 10<sup>0</sup> C in some parts of the highlands. Rainfall is also highly variable having an impact on the levels of agricultural out put. The terrain of Ethiopia is generally broken and badly eroded, rendering the construction of roads difficult and costly.

The high potential agricultural land, which can be easily cultivated, is one of the major endowments of the country. The potential agricultural land is cultivable to produce food and cash crop for domestic and foreign markets. Although soil erosion, overgrazing, and deforestation have seriously damaged the plateaux, nearly half the potentially cultivable land is still available for future use. Most of the reserve land is located in parts of the country that have favourable climatic conditions for intensive agriculture.

Ethiopia has also vast livestock resource, which ranks it first in Africa and tenth in the World. In 1997, the population of cattle in the country was estimated to be 33.6 million. In addition, there are also roughly 4.4 million horses, donkeys and mules, as well as nearly a 0.25 million camels (CSA, 1998). However, in spite of these vast quantities, their use in transport is inefficient due to constraints in the use of improved technology.

Several big rivers with large quantity of water throughout the year have made the country rich in water resource. The rivers can be used for power generation and irrigation; however, only few of them are used. On the other hand, almost all Ethiopian rivers are characterised by frequent falls and hence they are not suitable for navigation. The role of minerals in Ethiopia's economy is small. Only gold and platinum are of significance. However, there is some potential for copper, potash, lead, manganese, aluminium, chromium, cobalt, sulphur, and others.

The total projected population of Ethiopia based on the 1994 census for the year 2000 is estimated to be 63.5 million, of which 85 percent are rural and the remaining are urban. According to the forecasted population growth rate, Ethiopia's population will be doubled within 25 years. The life expectancy at birth is still below 50 years. The distribution of the population and settlement pattern varies among regions, zones and Weredas. Ethiopia's population is growing at a rate of 3.2 percent annually.

## **2.2 Political development**

Prior to 1991, Ethiopia was ruled by two highly centralist regimes: the imperial regime that ruled for almost half a century up to 1974; and the military regime which ruled for about 17 years. In December 1991, a new constitution was approved that featured a framework for establishing a decentralised, democratic, federal system of government.

As a result of the recent Ethiopia-Eritrea conflict, Ethiopia has seen a substantial increase in its defence budget; from 2 percent of GDP pre-conflict to more than 12 percent in the fiscal year 1999/00. Other effects include lost lives, displaced population (up to half million), and the loss of direct access to the sea.

Following the signing of a peace agreement with Eritrea in December 2000, the governing Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) faced greater criticism from domestic opponents for its handling of post-war ties with Eritrea and for domestic issues hitherto eclipsed by the war. Recent criticism of the government has expanded to include the fact that social indicators in Ethiopia are lower than the sub-Saharan average. Nevertheless, the war deflected opinion—both at home and abroad—away from domestic political issues, and helped strengthen the centralised, hierarchical organisational structures at the heart of political culture and control.

## **2.3 The Economy: Structure and Recent Performance**

Agriculture has always been the corner stone of the Ethiopian economy accounting for about 50 percent of GDP, 85 percent of total employment and 80 percent of Ethiopia's export. Coffee is the main export earner, contributing over half of merchandise export earnings, hides and skins are the second major export earner. The country also produces crops such as wheat, barley, sorghum, *tef* and others. Given the country's agricultural based economy and the low level of irrigation, Ethiopia is particularly vulnerable to the adverse effects of drought and fluctuations in commodity prices, especially of coffee. Geographic barriers to inter-regional trade and domestic economic integration are constraint by a low density of road networks. Even where roads are present, they are often in a poor state, imposing heavy penalties on agricultural activities through its effects on vehicle operating costs, delayed delivery of and damage to crops (ERA, 1996).

In response to policy measures, recent economic performance has been remarkably healthy. During the 1992-99 period, real GDP grew on average by 6 percent annually, more than twice the population growth. Over the same period, Ethiopia has successfully contained inflation within single digits. The most recent value is 4.3 percent (1999/00). Table 1 hereafter presents the main indicators for the last five years

However, Ethiopia's economic situation deteriorated in 1999/2000 because of severe drought conditions; a sharp drop of coffee export prices and steep rise in petroleum import prices; and the impact of the border conflict which boosted the fiscal deficit to

11.6 percent of GDP and led to a reduction in donor support. Real GDP growth was estimated at 4.6 percent and inflation remained subdued, in part because upward pressure on food prices was dampened by the availability of large food aid supplies. Large food grants by donors and government purchases of grain in surplus areas were distributed to the drought stricken parts of Ethiopia. The external position deteriorated sharply, and official reserves declined to two months of import cover. To contain exchange market pressures, the government imposed temporary restrictive measures in the exchange and trade areas. At the end of the financial year, an agreement for the cessation of hostilities was signed with Eritrea, terminating the two-year border conflict. A peace agreement was reached on December 12, 2000.

The economy quickly restored to its pre-conflict situation and the economic outlook for 2001-02 is promising, with real GDP growth forecast at around 6.5% in 2001 and 7% in 2002 (assuming normal rainfall patterns). The restoration of external lending, and gradual reductions in military spending, will also improve prospects for growth. Agricultural production is expected to increase, but coffee production is forecast to decline in 2001-02, owing to anticipated dry spells in coffee growing regions and to the longer-lasting effects of coffee berry disease on local coffee tree populations.

A lasting effect of the armed conflict is the rerouting of freight from the Massawa and Assab Ports to the Djibouti Port. This has resulted in additional costs of at least Birr 180 million (US \$24 million) in FY98/99 equivalent to 0.5 percent of GDP.

**Table 1 Selected economic indicators**

	1996	1997	1998	1999	2000
GDP at factor cost (US\$ m)	5,527	5,678	5,815	5,768	6,338
Consumer price inflation(d) (av; %)	-5.1	-3.7	0.9	4.8	5.0
Population (m)	56.4	58.1	59.9	61.4	62.0
Exports fob (US\$ m)	418	588	560	448	450
Imports fob (US\$ m)	1,002	1,001	1,309	1,244	1,475
Total external debt (US\$ bn)	10.1	10.1	10.3	5.5	n/a
External debt service, paid (% of exports)	42.2	9.6	11.3	16.8	n/a
Coffee production(b) ('000 tonnes)	230	228	230	232	230
Exchange rate Birr:US\$ (av)	6.35	6.71	7.12	7.94	8.11

*Source: EIU, 2001*

## 2.4 Poverty Situation

Notwithstanding the focus on poverty reduction and the economic progress of recent years, per capita income in Ethiopia is about US\$100 and almost half of its population lives in absolute poverty. Poverty in Ethiopia is widespread and multi-faceted. Measured mainly in terms of food consumption, set at a minimum nutrition requirement of 2,200 calories per adult per day, and also including non-food consumption

requirements, an estimate of 1995/96 shows that 45.5 percent of the population were below the poverty line.

Poverty is prevalent both in rural and urban areas, with coverage of 47 and 33 percent of the respective population. Since the rural areas account for about 85 percent of the country's population, poverty is primarily a rural phenomenon. The urban areas account for only 15 percent of the total population, but also have a high rate of incidence of poverty.

In 1994, life expectancy at birth was 50.6 years of age, infant mortality rate and child mortality rates were 118 and 173 per 1000 respectively, and maternal mortality rate was 700 per 100,000. Illiteracy rate in 1995 was about 77 percent for females and 55 percent for males, and gross enrolment ratio at the primary level of education was 23 percent in 1993.

## **2.5 Strategic Policy Framework**

Given the importance of agriculture for the economy, Ethiopia adopted the Agriculture Development Led Industrialisation (ALDI) in 1993 as its core long-term development strategy of the country. The adoption of ALDI presupposes an enhancement of productivity in smallholder agriculture and industrialisation, based on the utilisation of domestic raw materials and the adoption of labour intensive technologies. The strategy also addresses the development of large-scale private commercial farms.

ALDI was launched during the Government's Five-Year Economic Development Plan (1995-2000). In accordance with the strategy, due attention was given to the rehabilitation and construction of rural roads in order to help smallholders to obtain fair prices for their produce, to expand the distribution and use of fertilisers and improved seeds and to increase the effectiveness of extension services. To date, this has resulted in important gains in productivity for important food crops. However, producer prices have not been constant due to problems in marketing and storage, and lack of credit restricts the use of fertilisers and improved seeds.

At the same time, the government pursued adjustment policies focused on liberalisation of prices and markets, removal of subsidies, reduction of tariffs, and current account convertibility. These were buttressed with fiscal discipline and non-expansionary monetary policy. The relatively favourable policy environment created by the economic reform, coupled with macro-economic stability, invigorated the domestic private sector. Complementary reforms were also pursued in the areas of health, education and roads, with the support of international donors. The ADLI strategy was recently reconfirmed by government, following extensive consultations with the public, and is to guide the National Development Program of the five years through 2004/05.

The government is preparing a poverty reduction strategy paper (PRSP), which will focus on developing further specific measures and programmes aimed at improving the

living standards of the poor. Standards are indicated by way of specific poverty reduction targets laid out in the Interim Poverty Reduction Strategy Paper (I-PRSP). Essential to the effort of poverty reduction would be the policies and reforms necessary to safeguard macroeconomic stability and promote growth, basic objectives that also form the core of the National Development Program. In order to ensure broad-based support, the government intends to prepare the PRSP in consultation with local stakeholders, the donor community, and civil society. Considerations relating to the PRSP process are set out in the I-PRSP, which also includes a preliminary matrix of the macroeconomic and structural policies, and targeted poverty reduction programs.

## **2.6 The I-PRSP and transport**

The poverty reduction strategy as formulated in the Interim Poverty Reduction Strategy Programme consists of four building blocks, namely, ADLI, judiciary and civil service reform, decentralisation and empowerment, and capacity building in public and private sectors. At the same time it is realised that to carry out its economic activities and to effectively shoulder its political and social responsibilities, the creation of a healthy, literate and active labour force is critical for the empowerment of society. For this reason, education and health are given top priority in the national strategy to eradicate poverty. The priority given to social development can be gauged by measures undertaken to formulate new policies and increased public budget to the social sectors. After coming to power in 1991, the government, with external assistance, launched sector wide development programmes in education and health.

The RSDP is an integral part of the Interim-PRSP and considered by the government as an important tool for enhancing growth and poverty reduction. Upgrading the road links between the capital and commercial centre, Addis Ababa and areas of agricultural productivity and seaports of neighbouring countries is an overarching objective of RSDP. At the same time RSDP - and its sub-component the Rural Travel and Transport Programme (RTTP) - aim at opening up so far isolated, remote areas and linking them with the existing roads network. This would enhance economic activity, available market information and market access and purchasing power in the isolated villages and regions. It would equally have a positive effect on increasing food security for rural populations. Better road infrastructure will reduce the transport costs and facilitate the flow of grain between surplus areas and food insecure areas. The Interim-PRSP also sets some specific medium-term targets for increasing Ethiopia's road density and for reducing the average time it takes for people to reach an all-weather road. At the same token, the EPRDF's 2<sup>nd</sup> Five Year Development Programme (2001-2005) confirms the importance of the upgrading of transport services and road infrastructure in particular, for socio-economic development and the improvement of standards of living. The development and maintenance of the rural level roads will provide employment opportunities, and a downstream trickle effect on the local economy.

Recognising the dependence on agriculture for the short and medium-term economic development of the country, the RSDP includes the RTTP as an integral sub-

programme. The Village Level Travel and Transport Study sample found that 50% of the population live outside the effective range of the road network. The RTTP aims to increase the road density (mainly low level community roads) and reduce the walking time to a motorable road from the current average of more than 6 hours walk to less than 3 hours at the end of 2007 for the majority of the population, thereby allowing the rural masses of the country to more effectively engage in the national economy. The RTTP is therefore a main focus area of the second phase of the RSDP, for which the Government has requested donor support.

## **2.7 Federalism and decentralisation**

Ethiopia is ruled by the principles of federalism. The establishment of federal states was realised in the first national election through the creation of nine-plus two ethnic or nationality-based regions. In 1992, a proclamation was issued where it is stated that National/Regional Governments shall have legislative, executive and judicial powers in respect to all matters within their geographical areas except in specific matters that remain under the authority of the federal government (TGE, 1992).

Devolution of power to the region is important especially for fiscal decentralisation. Fiscal decentralisation is to improve the allocation and distribution of resources. Under the current administrative structure, a formula is adopted for fiscal transfers from the federal to the state levels, based on the country's priority national development policies. The transfer system takes into account population size and relative levels of development, measured by specific weighted variables such as area, distance, education and access to health facilities.

Throughout the 1990s, the donors have supported the democratisation and decentralisation process. Some donors, especially the bilateral ones, have increased their interventions in area development, community development, and regional planning and development. Better governance through decentralisation has played a significant role in increasing aid flows to the regional governments (UNDP, 2001)

## **2.8 Donor assistance and co-ordination**

During the 1996-99 period, official development assistance (ODA) from bilateral and multilateral sources varied between US\$ 600 million and US\$ 750 million, with the bulk provided as grants (68%-81%). These amounts represented close to 50% of the Federal Government budget. In addition, non-governmental organisations (NGOs) contributed between US\$ 60 million and US\$ 70 million per year during this period.

**Table 2 Summary of ODA by thematic area/sector (US\$ millions), 1996-99**

Sector	1996	1997	1998	1999	Total	Average %
Humanitarian Aid and relief	140	181	152	232	<b>705</b>	<b>25.5</b>
Agriculture, Forestry and Fisheries	132	79	59	69	<b>339</b>	<b>12.3</b>
Economic Management	171	6	70	6	<b>253</b>	<b>9.1</b>
Transport	33	27	66	99	<b>225</b>	<b>8.1</b>
Area Development	39	50	53	48	<b>190</b>	<b>6.9</b>
Education	54	49	58	43	<b>204</b>	<b>7.3</b>
Social Development	36	38	50	62	<b>186</b>	<b>6.7</b>
Health	33	45	54	52	<b>184</b>	<b>6.6</b>
Others	119	130	113	119	<b>481</b>	<b>17.4</b>
<b>Total</b>	<b>757</b>	<b>605</b>	<b>675</b>	<b>730</b>	<b>2,767</b>	<b>100</b>

Source: UNDP Ethiopia, 2001

The biggest players in road transport sector are no doubt World Bank and EU. Anticipated inputs from WB in RSDP I and II (a ten-year period) is approximately USD 750 million, and from the EU approximately USD 600 million<sup>1</sup>.

There are various mechanisms for a dialogue between the donors and between the government and the donors. At the highest level, the Government-donors Co-ordination Follow-up Meetings bring together representatives of Ambassadors, Heads of Missions and Representatives of International Organisations. Ministers, Vice Ministers, and Heads of Government Institutions are invited to the meetings, depending on the subjects discussed. The Development Assistance Group (DAG) is set up to shape consensus among donors and facilitate the building of a common approach with the government. The DAG meets monthly and discusses a broad range of development issues. It consists of heads of donor development agencies, substantive officials dealing handling development co-operation issues, and UN organisations.

Although transport issues will occasionally be discussed at these meetings, most discussions on road development are delegated to a separate discussion forum under the leadership of ERA. Meetings are frequent (quarterly joint-donor meetings) and are attended by all the relevant donors. Within ERA, management has made two staff available to support these meetings (one Ethiopian engineer and one European –EU financed- expert).

## **2.9 Cross-cutting themes**

### ***Gender***

In 1993, the Transitional Government of Ethiopia [TGE] issued a National Policy on Ethiopian Women [NPEW]. This has been reinforced by other subsequent sector

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<sup>1</sup> USD 300 mln each, during 1997-2002 and 2002-2007, i.e. 55% of all EU funds for Infrastructure; food security programs may have some additional rural access infrastructure exposure/component



[education, health, social welfare, population, environment] and regional policies. Interfacing the provisions of conventions and declarations by the UN and other international organisations about women, the Ethiopian constitution of 1995 has entrenched their rights.

To this end, structures have been set up at the national level – Women’s Affairs Office in the office of the Prime Minister, gender focal points at Departmental level in 17 Ministries and Commissions and Women Affairs Bureaux at regional and zonal levels in the whole country. A strategic framework, based on the National Policy and the Beijing Platform for Action in promoting gender issues, has been designed and agreed upon between government, NGOs dealing with women and other similar community based organisations. The focus areas for women organisations are mainstreaming gender in all spheres of the development agenda, carrying out advocacy, capacity building and setting up Women Organisations and Networking.

### ***Environment***

In 1997, an Environmental Policy of Ethiopia (EPE) was prepared by the Environmental Protection Authority (EPA) in collaboration with the Ministry of Economic Development and Co-operation. The overall policy goal is to improve and enhance the health and living standard of all Ethiopians, to promote social and economic development through sound management and use of natural, human-made and cultural resources and the environment as a whole, so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs (EPA, 1997). Also, Ethiopia is signatory to many international conventions which impinge on the environment such as the Kyoto Protocol.

### ***HIV/AIDS***

HIV/AIDS started to spread in Ethiopia in the early 1980s. The first evidence of HIV infection was found in 1984 and the first AIDS case was reported in 1986. HIV prevalence was low in the 1980s but began to increase in the last decade rising from about 3.2% of adult population in 1993 to 10.6% in 2000 representing 2.9 million adults and 150,000 children. About 90% of reported AIDS cases occur to adults between the ages of 20-49.

The Government of Ethiopia, having realised the implication of this state of affairs, has developed a national HIV/AIDS Policy in 1998 to curb the devastating impact of HIV/AIDS on human and social capital development in the country. The focus of this policy is on preventing the spread of the disease, promoting safe sexual practices and providing appropriate care to the affected and their families. Following this policy framework, and in view of the alarming increase in the HIV infection, a five-year strategic plan (2000-2004) focusing on prevention, care and support and covering both the federal and regional levels has been formulated and is being implemented.

The major areas of interest addressed by the National Strategic Framework are:

1. The prevention of the transmission of HIV using effective information, education and communication and networking that would result in social mobilisation and a

- corresponding behavioural change in the population; and through the formulation and development of policy and strategic instruments for evolving an enabling and conducive environment for fighting HIV/AIDS.
2. The development of effective mechanisms for voluntary counselling and testing, blood safety, distribution of condoms, prevention of HIV transmission in hospital and non-hospital settings and fostering multi-sectoral approach to HIV prevention and control.
  3. The alleviation of the personal and social impact of HIV/AIDS by ensuring comprehensive care and support to people living with HIV/AIDS and reduce the social and economic impact of HIV/AIDS on their families.
  4. The promotion of HIV/AIDS operational research and monitoring the trends of the HIV/AIDS epidemic; and
  5. The development of management system to administer the national action plan against HIV/AIDS.

In order to implement the National AIDS policy, the National AIDS Council (NAC) has been established in April 2000. Members of the council are drawn from Government, religious organisations, NGOs the private sector and prominent individuals. The Council has essentially the role of mobilising internal and external resources and co-ordinating the activities of the various partners. The council oversees the implementation of the Federal and Regional plans, examines and approves annual plans and budgets, and monitors plan performance and impact.

## **3 Transport sector and sub-sectors**

### **3.1 Transport Sector Overview**

The flow of goods and persons between the markedly different regions within the large, landlocked country and within the region is a determining factor for Ethiopia's overall development. With about 0.43 km per 1000 people, the Ethiopian road network is among the least developed in the world. Only 20% of Ethiopia's land area is located within a 10 km range of an all-weather road. Not only is the network limited in outreach, but much of it is also in poor condition. This situation results in (i) poor accessibility to markets and social facilities, (ii) a continued reliance on time-consuming human and animal transport thereby reducing the time available for income generation, (iii) limited market integration leading to major price differences between deficit and surplus areas, (iv) high vehicle operation costs and (v) difficult and costly relief operations. Transport demand is diffuse and the rugged terrain in the highlands and the drought conditions in the sparsely populated lowlands make the expansion of the road network expensive.

#### **Road transport**

Despite the extremely limited network road transport represents by far the most important means of motorised transport in Ethiopia. It accounts for over 97 percent of the total domestic passenger and cargo traffic delivered by motorised transport. Yet, it accounts for only about 20 percent of the total travel and transport by all forms of movement, motorised or non-motorised, the non-motorised transport accounting for approximately 80 percent.

The classified road network in Ethiopia consists of 29,571 km of roads. According to the recently introduced Road Functional Classification System these roads are grouped as trunk roads, link roads, main access roads, collector roads and feeder roads. Trunk roads, link roads, main access roads and collector roads constitute the federal road network and are administered by the Ethiopian Roads Authority (ERA) which is a Federal autonomous body. Feeder roads fall under the administration of the various Regional Rural Roads Authorities. In addition, it is estimated that the length of unclassified tracks and trails amounts to a further approximately 15,000 km. The condition of the classified road network in 1999 was recorded as follows: good 25%; fair 32%; and poor 43%. Road density (classified network) amounts to 27 km/1,000 km<sup>2</sup>, which is among the lowest in sub-Saharan Africa (Kenya 111 km/2,000 km<sup>2</sup>, Tanzania 87 km/1000 km<sup>2</sup>). All available information demonstrates that the country's needs to improve the road transport infrastructure are overwhelming.

#### **Rail transport**

Ethiopia's rail transport network is limited to a single-track line providing a direct link between Addis Ababa and the port of Djibouti. The railway faces a number of constraints mainly stemming from the poor condition of the line, inadequacy of the

rolling stock, lack of proper maintenance, poor institutional arrangements and management.

### **Air transport**

Ethiopian Airlines, a government owned corporation, provides domestic and international air services. Although the airline serves some major towns in Ethiopia and operates international flights that include service to more than 40 cities, its domestic role in the supply of transportation is insignificant. The same applies to the limited number of private third level airlines operating in the country.

### **Inland waterways**

Inland water transportation in Ethiopia is insignificant.

## **3.2 Institutional Set-up of the Transport Sector**

### **Ministry of Transport and Communications** (see Annex 1 for MOTC Organigram)

MOTC is responsible for overall transport policy, i.e. mainly transport sub-sector policy coordination; more specifically, its Policy Implementation and Controlling Department assisted by Planning and Research Department, is charged with this task.

MOTC is a 'lean' Ministry with presently 86 staff, and some 15 professional staff (experts and managers) only. The Planning and Research Department is relatively well staffed with 7 professional staff, the other 2 Departments have only 3-4 professional staff each.

Road transport services are still in the process of being fully privatised. There remain four Parastatals (autonomous, self-financing, larger enterprises) for freight/cargo haulage—three dry cargo and one liquid cargo—and two Parastatals for public transport of passengers—one Inter-city bus enterprise and one Municipal (Addis Ababa) bus enterprise.

Other operations have been placed at ministry's arms length, in 'Authorities' overseen by the Ministry:

- ▲ Road Transport Agencies, Ethiopian Roads Authority (ERA) at the federal level, and 9 Regional Rural Roads Authorities (RRA's) at the regional level.
- ▲ Road Transport Authority (RTA) for road transport (services) regulatory functions.
- ▲ Ethiopian-Djibouti Railway Enterprise.

- ▲ ESL (shipping) & MTSE<sup>2</sup> (shipping agent and forwarder of im/export freight)—a Government enterprise, supervised by the Maritime Department of the Ministry.
- ▲ CAA, also still a Government authority to be restructured in the future, whereas Ethiopian Airlines is a self-financing, autonomous entity.
- ▲ Ethiopian Telecommunications Agency is still under the Ministry, whereas there is an autonomous telecom operator.
- ▲ Ethiopian Postal Services.
- ▲ Inland water transport is insignificant (on one river with Sudan only, dealt with by the Region concerned).

The most important, current mechanism of (transport policy) coordination is the Ministry's representation in the Authorities or Enterprises Boards (Vice-Minister, and several MOTC Department Heads in various Boards, e.g. 3-4 members in the Railways/CDE enterprise Board). More pro-active guidance of (some of) these authorities is likely to be needed in the future, and for that reason it would be desirable if the MOTC could rely on professional, integrated transport planning capacity, not necessarily all in-house.

Given the Ministry's policy coordination and policy implementation monitoring functions covering a range of Authorities, each with their own weaknesses, the question arises whether the Ministry will be capable (in the future) to properly handle its mandate and tasks. A significant capacity building effort at MOTC level seems recommendable.

### **Ethiopian Roads Authority (ERA)**

The federal roads agency is Ethiopian Roads Authority (ERA) with a Board chaired by the Minister of Economic Development and Cooperation.<sup>3</sup> The other five board members are the Minister of Works and Urban Development (vice-chairman), the Minister of Transport & Communications, two 'deputies' from the Prime Minister's Office, and ERA's General Manager. The Board is ultimately answerable to the Prime Minister. ERA has approximately 14,000 staff, of which 60% are employed on a permanent basis.

The main functions of ERA are (i) routine and periodic maintenance, and (ii) road safety. ERA is not only charged with the federal roads administration, but also with road sector policy formulation; MOTC is marginalized in this respect, but exerts its directive and supervision policy tasks by its presence in both the ERA Board and the Road Fund Board (Vice-Minister is member of both Boards).

Likewise, other modal authorities have the task of formulating their sub-sector policy. The Authorities are in fact still 'state monopolist' organisations.

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<sup>2</sup> Maritime & Transit Services Enterprise (official monopolist for customs clearance).

<sup>3</sup> The Ministry of Economic Development and Cooperation is the lead agency for country-wide planning

## **Regional Rural Roads Authorities (RRAs)**

The Feeder/Rural roads network falls under 9 Regional Rural Road Authorities, the owners of the higher (collector) and lower (feeder) levels of rural roads. Formerly (until 1995), they were under the Ministry of (Public) Works and Urban Development.

RRA's are responsible for road maintenance (maintenance season stretches from October until June) for which it establishes annual proposals to be funded from the Road Fund, as well as for new projects that are identified together with local communities. RRA's generally lack capacity in terms of qualified manpower and equipment—as long as they are (still) carrying out most of the work under Force Account<sup>4</sup>.

## **Road Transport Authority (RTA)**

RTA's main policy tasks are to formulate the regulatory framework for the road transport sector and then to control the (performance of the) regulations' implementation.

The commercial road fleet is estimated to number between 25-30,000 vehicles<sup>5</sup> about equally divided between freight and passenger carrying motor vehicles. There are now probably more than 100 associations of mostly individual owner/operators (drivers); a minor part of the commercial vehicles are still owned by the autonomous parastatal (former State) enterprises, while there is estimated to be a present over-capacity for freight haulage (after the end of the war), resulting in significantly lower rates than during the war. Of course, there are also considerable seasonal variations in cargo transport demand. Reportedly, there is no interference (of RTA) but a wish to 'let the market do its function'.

The Road Transport Regulatory Study—carried out by Italian consultants (ACTP)—will be shortly completed, and its recommendations are expected to set the agenda for RTA's further development. The question is whether present RTA staff will be qualified and experienced enough to assume recommended (new) functions and tasks. The matter of training and perhaps recruitment of staff with different background/experience (capacity building for new tasks) will no doubt soon become opportune.

Present RTA staff numbers about 410—it operates a well equipped, professional drivers training centre, and it is involved in the production and distribution (to the 9 Regions) of license plates. These commercial (useful, income generating) activities are not

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<sup>4</sup> Oromiya State with 12 zones and about 290 wereda's, for example, is responsible for about 4,000 km of roads handled by 7 branches, but can hardly cope with an annual maintenance load of 2,200-2,600 km (funded by the Road Fund), reportedly mostly due to equipment shortage (RRA Oromiya was allowed to purchase 18 dump trucks with Road Fund money to increase its maintenance performance)

<sup>5</sup> Total motor vehicle fleet in the range of 105-110,000.

necessarily those of a policy and regulatory body and, thus, organisational restructuring would be called for.

RTA at the Federal level is responsible for the licensing of operators wishing to work internationally and/or domestically in more than one Region. Regional government is authorised to license those wishing to operate just within the concerned Region.

Vehicle inspection is carried out visually and annually (at license renewal) only; there is no spot-checking of vehicle condition on the road, other than 'safety checks' by the police (e.g. lights, brakes, window screen wipers). RTA has no equipment for carrying out any instrumental inspections.

The (future) role of RTA in road traffic safety seems to be far from clear. The forthcoming report on the Traffic Safety study (under ERA responsibility) is expected to indicate RTA's role—and representation, e.g. in a National Road Safety Board; according to its General Manager, RTA has not been consulted by the consultants, nor is RTA lately represented in the study's Working committee.

### **Ministry of (Public) Works and Urban Development<sup>6</sup>**

This ministry is responsible for construction policy, e.g. legislation on contract and tender conditions, and urban development policy, e.g. municipal reform and urban management strategy.

It has little direct influence on the transport sector infrastructure and services, except in the areas of (efficiency of) public works contracts management and urban transport and traffic management. The present Regional Rural Roads Authorities used to resort under this Ministry, but were placed at arms length in 1995/96, and are now accountable to the Regional State Council.

The Ministry intends to formulate an urban policy strategy and to bring this to the political forefront. Apart from the capital city, which includes 50 percent of the urban roads, there are 10 main municipalities, and another 290 towns accorded the status of municipality. However, this concerns rather political administration than providing municipal services to their residents. Urban population is estimated to growth at an average, annual rate of 6%. Following a 'proclamation', Municipalities are now empowered to take their own decisions on charges for municipal services and on their internal organisational structure.

Two organisations have been created—Urban Development Support Services (UDSS) at the federal level and National Urban Planning Institute (NUPI)—and are supposed to spearhead near-future initiatives, which may include the consideration of an urban development fund, guidelines, standards and procedures for election of municipal

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<sup>6</sup> In spite of several efforts, it has not been possible to set up a meeting with this Ministry.

councillors, land use/lease and housing policies, etc. Within this context, there may be new opportunities for an integrated approach of Addis Ababa urban transport problems as well.

### **Municipalities**

Within Addis Ababa Municipality, four agencies are dealing with urban transport and traffic: (i) Addis Ababa Road Authority (only 3 years old), (ii) the Urban Development Bureau, (iii) the Transport (and Communications) Bureau and (iv) the Traffic Police.

There are 10 other, larger Municipalities, with currently between 90,000 and 225,000 population, owning municipal roads and drawing from the Road Fund for urban roads maintenance.

### **3.3 Transport (sub-) sector policies**

There is no recent, formal overall (national) transport policy document. The Ministry of Transport sees transport policy coordination as a task to be fulfilled largely by its essential presence in the various Boards of the ‘modal’ transport Authorities or Enterprises. This seems a rather loose way of guiding and checking whereby much is left to trust in the autonomous agencies.

Long-term visions are found in some of the policy documents at the sub-sector level.

#### **Federal roads**

Realising the important role of a reliable and efficient road transport sector for the country's development, from the early 1990s the GOE, in consultation with international donors, began formulation of the Road Sector Development Programme (RSDP), leading to a Donors Conference in January 1996. The RSDP was launched with the support of donors in 1997.

The first phase of the RSDP (RSDP I), was formulated as a five year programme (1997-2002), aiming at (i) reducing transport costs and improving transport efficiency, (ii) providing access to potential rural and other development areas, and (iii) introducing measures to ensure sustainability of the investments in the sector. The second phase of RSDP (RSDP II) incorporates a ‘federal’ roads component and a ‘RTT’ component but lacks any urban roads, traffic management or transport services component.

To achieve RSDP's aims the main *policy, institutional and physical targets* for the years to come are (i) an updated road sector policy, (ii) sustainable revenue for maintenance, (iii) effective control of vehicle loading, (iv) improved road safety, (v) updating of road transport regulations, (vi) restructuring of ERA and other road organisations, (vii) commercialisation of ERA force account operations, (viii)



contracting out of periodic maintenance to the private sector, (ix) development of a domestic construction industry and (x) maintenance and upgrading, rehabilitation and new road construction. The major *physical targets* are (i) increasing road density from 21km/1000 km<sup>2</sup> in 1996 to 27km/ 1000 km<sup>2</sup> in 2002, and (ii) increasing the condition of the network from 18% roads in good condition in 1996 to 60% in 2002.

The strategy for achieving the objectives includes regulatory and administrative reform aimed at efficient mobilisation of available resources in accordance with market principles. In the provision of the infrastructure this is focussed on the transfer of design and construction (and maintenance) activities from government agencies to the private sector under contract by competitive tendering. The provision of transport services has to varying degrees been deregulated to encourage private sector participation, although yet further refinement of the regulations is expected. The principle of road user charges, based on a fuel levy, has been introduced in the form of a Road Fund dedicated to road maintenance and safety. Several studies on policy reform have been carried out or are in progress in order to refine formulation of sector policy, strategy and operating frameworks.

The recent *RSDP mid-term review* (February 2001), conducted by ERA in close collaboration with the contributing donors, recorded a mixed progress vis-à-vis the original plans at the launching of the programme. The areas where substantial progress has been made are the establishment and operation of the Road Fund, the identification of the needs of the private sector and other sectoral problems identification, resources mobilisation the road functional classification and the introduction of a pavement management system.

At the same time there were areas where delays were encountered. These include the formulation of sectoral reforms, the introduction of standard environmental guidelines, reform of ERA and other involved agencies (still in progress), provision of TA for strengthening ERA's capacity, particularly with regard to tendering, administration and monitoring of works contracts. Major problems have been faced with particularly poor designs, which resulted in a much heavier workload (both in terms of quantity and complexity), that ERA had neither expected nor were experienced enough to successfully handle. This has resulted in delayed decision making during implementation of major works contracts, which in turn has led to contractual problems and affected adversely the whole implementation timetable of the infrastructure improvement

The overview since 1996 is therefore one of mixed, but moderate success in laying the basis for the policy and institutional reforms needed for the future implementation and sustainability of the RSDP.

## **Rural Travel and Transport (RTT)**

The ERA has launched the ERTTP—for incorporation in RSDP II—but the actual implementation of this very ambitious programme is beyond ERA's mandate. It needs to be done at the Wereda/Village level with guidance/ supervision provided at the Regional/Zonal level.

In view of the persistent food security problems the Government has adopted a strategy directed towards the alleviation of food insecurity. The strategy includes extensive construction of new rural roads and rehabilitation of existing ones, in order to reduce marketing costs and improve distribution of food—and calls for close coordination with ERTTP.

The envisaged staged implementation of low level rural roads/paths is planned to add more than 37,000 km of new/upgraded local, rural access roads to the network—and to the maintenance load—in the following phases:

- 1) ~ 512 km in 8 pilot Wereda's.
- 2) ~ 2,750 km in 55 additional Wereda's (one in each Zone).
- 3) ~ 35,000 km all over the country (more than 500 Wereda's).

The 1<sup>st</sup> phase will start now with funding from Irish Aid for:

- ▲ Manual preparation.
- ▲ 8 pilot Wereda's plans composed of (i) Wereda Travel & Transport plan results, (ii) priorities identified by the communities, (iii) NGO's proposals, and (iv) Government project proposals.
- ▲ Workshops establishing Regional Program Coordinating Committees and Wereda Development Committees.

Each Wereda Development Committee (WDC) is to get a liaison officer for interacting with Village Development Associations (VDA's)—15 Trainers to be trained for this WDC-liaison.

The RTT strategy implementation must become a process driven by rural communities and local road authorities, guided and supervised by Regional Road Authorities (RRA). A complementary institutional/ organisational structure needs to be built outside the jurisdiction of the sectoral government (RRA and ERA). This complementary structure is not only needed for rural transport/ access but for a range of (sectoral) development interventions (e.g. rural water supply and sanitation, agricultural extension delivery, health centre and educational facilities)—all sectors prominently featured in the forthcoming Poverty Reduction Strategy (Paper).

The four-tiered structure that has been designed comprises:

- 1) A Central Programme Coordinating Board (National ERTTP coordinator is secretary).
- 2) Regional Programme Coordinating Committees (with representation of all sectors—RRA representative acting as secretary).

- 3) Wereda Development Committees (WDC's) with;
- 4) Village Development Associations (VDA's)—in fact the 'end users' responsible for identification/planning, local resource mobilisation, and managing the implementation in their respective village.

The set-up has been well elaborated (on paper). The start of the process (with the 8 pilot Wereda's) calls for a concerted capacity building effort—training plus day-to-day exposure to what are new key requirements on (i) integrated planning, (ii) programming and prioritisation, (iii) project implementation design, (iv) contracting out of projects and concerned contract management, (v) progress monitoring and quality assessment—at the various (committee/association) levels.

An important milestone might be reached by mid 2002—when it will hopefully be possible to record whether/ to what extent the WDC's in the first place have 'claimed ownership' of the process, and to what extent their 'supervisors', the RPCC's and the CPCB have been stimulating factors. A good start will be crucial in order to gain the necessary momentum for a large-scale implementation of the programme scheduled for the period until 2007. It may be too ambitious to expect full implementation (of three stages) by then.

### **Urban transport**

There exist feelings of disappointment in, inter alia, World Bank involvement in the urban transport sub-sector. After some initial study activity, within context of 2nd Addis Ababa Urban Development Project, there has not been any follow-up. This was partly due to a difference in perception of the main issues. Whereas the World Bank emphasised accessibility as the overarching issue, the urban authorities were more concerned with efficiency issues. This points to the need for donors or SSATP to raise awareness on the various aspects of mobility.

It seems that Addis Ababa—the only city with serious *urban* transport problems (extremely high traffic un-safety, little attention for mobility of urban poor, traffic congestion, etc.)—so far has been excluded from the 'Road Sector Development' program, in spite of the responsibility of ERA to ensure the road sector coordination, e.g. in terms of road network continuity/ connectivity/ coherence. A range of radial ERA-owned roads approaches the capital, which therefore urgently needs a ring road (total length about 46 km, projected for two-thirds in the South, with some sections under construction—about 11 km of 33 km to be opened soon).

Moreover, given an indicative total need of about 3,000 km of all weather (paved) roads, whereas there are now only about 400 km of asphalt road length with hardly enough funds to maintain this limited length, there is little doubt that the capital city with its 2.5-3 million population (growing rapidly) is facing serious Urban Mobility problems.

An urban transport strategy is badly missing. A Committee comprising representatives from Addis A Road Authority (only 3 years old), the Urban Development Bureau, the Transport Bureau and the Traffic Police is meeting more or less regularly but discussing hardly more than traffic signing and signalling problems (in response to traffic un-safety).

Urban road design standards (including e.g. proper, safe provisions for pedestrians along and across roads!) are not now established—a concerned study is under way, as well as another study addressing urban road maintenance needs assessment and a pavement maintenance management system.

These—and other requirements—should be put in an integrated urban transport development strategy framework that could benefit much from the lessons advocated in the ‘Cities on the Move’ (World Bank) publication. At the same time, e.g. DfID’s ‘Sustainable livelihoods’ approach should be considered as an effective, practical way of helping to reduce (urban) poverty; this implies the recognition that building social capital—social networks and area-based organizations among the urban poor including many newcomers to the city—should come before building roads.

Addis Ababa Roads Authority deals with (i) urban road maintenance, (ii) road network extension, (iii) traffic lights, and (iv) road ‘furniture’. Encroachment of roadside activities within the ‘right of way’ constitutes a major problem, to be dealt with in the context of (urban) road classification and updating of the Urban Development Bureau’s Masterplan.

Addis Ababa Transport (and Communications) Bureau is responsible for income generating activities such as vehicle licensing (fees) and traffic fines collection (annual income in the order of BIRR 60-70 million, floating to the general Municipal budget), but also for Traffic Management—certainly the most disregarded (policy and implementation) area in urban transport. The Transport Bureau—in fact the whole urban transport sector—lacks professionals. Moreover, there is a great ‘institutional gap’ between various stakeholders (e.g. the Transport Bureau has not been involved in the ERA Transport Safety study) and very little communication between agencies carrying (part) responsibilities. The stage of ‘awareness raising’ has yet to be seriously addressed in this sub-sector.

### **Railways and trade facilitation**

Ethiopia is a landlocked country, dependent on reliable access to regional ports. A new study (the final report is expected in August) has taken into consideration issues related to inter-modal transport as well as to axle load limits and other non-physical barriers and relevant constraints to international road transport. Trade with neighbouring countries is limited but expanding, particularly with Djibouti. On the infrastructure side, several important pre-feasibility and feasibility studies have been conducted identifying bottlenecks to the links with neighbouring countries. Although there have been bilateral

agreements (formal and in principle) with almost all neighbouring countries about the priority sections that require rehabilitation and/or upgrading, there are many regulatory and operational issues that still need to be addressed. The most appropriate way to do this is under the auspices of regional organisations namely IGAD and COMESA of which Ethiopia is a member.

The Djibouti-Dir Dawa-Addis Ababa railway service is operated by the CDE. Restructuring—possibly some concessioning arrangement—of the service is considered for the future, but before that part of the rail infrastructure will be rehabilitated, so that at least the condition of the infrastructure will be supportive to any service improvement option.

A recent (pre-) feasibility study (by Profabril/Portugal, financed by the EU) considered three road alternatives in four different scenarios, notably:

- 1) Assab port closed – no (CDE) rail line improvement.
- 2) Assab port open again – no rail line improvement.
- 3) Assab port closed – with rail line improvement.
- 4) Assab port open again – with rail line improvement.

The assumed base year (2000) ADT was 660 Heavy trucks (loads/ ~ 425 flats & ~ 235 tankers) with a distribution of destinations: 85% Addis Ababa related, 5% Dir Dawa related, 10 % North Ethiopia related. The consultants recommended considering the 1<sup>st</sup> scenario for further elaboration (implementation); meanwhile EU has pledged Euro (or USD?) 35 mln for upgrading Dir Dawa-Djibouti section of CDE railway line, and Euro 2 million for elaborating a concessioning arrangement (the 3<sup>rd</sup> scenario). The present modal share of the CDE in the total Ethiopian im/export flows through Djibouti is reportedly about 10%.

COMESA—or rather IGAD—is active in addressing trade facilitation and the EU is considering supporting a Trade Policy Reform project, through or jointly with COMESA/IGAD (a 1<sup>st</sup> Seminar on Trade Facilitation in the Ethiopia-Djibouti corridor was held with French support, a 2<sup>nd</sup> similar one will be held shortly with assistance from USAID).

The question arises if this ‘international transport corridor’ issue would benefit more when considered in a (more) integrated fashion co-guided by SSATP-expertise.

### **Shipping/Maritime transport**

Ethiopian Shipping Line (ESL) and Maritime & Transit Services Enterprise (MTSE) are (still) the monopolists in the maritime business in Ethiopia. MTSE is the exclusive agent of ESL for all Djibouti port imports (whenever ESL does not directly connect to a port, it can issue ‘waiver certificates’ allowing importers to use other shipping lines; in cases where other lines are used, ESL agents would instruct the foreign shipping line to issue the bill of lading in the name of MTSE in Djibouti).

As a landlocked country, Ethiopia is now pursuing the establishment of ‘dry ports’ or Inland Container Depots (ICD’s)—a concerned study has just been completed. Optimal site selection for ICD’s is closely related with (modal) transport links’ quality (infrastructure), as well as with liberalisation of transport operations or services. More coherent policy formulation in this sub-sector certainly seems to be a requirement.

Reconsideration of the present policy for this sub-sector assistance (see also previous section) is recommended—within a framework of ‘Trade and Transport’ facilitation and assessment of the road-rail competitive situation and future prospects in the Djibouti-Addis Ababa corridor—with COMESA/IGAD involvement/ assistance (see also previous section).

### Aviation

Ethiopian Airways is the main, autonomous operator, while the CAA is still government controlled. This sub-sector has not been reviewed in the present, short mission, but further policy development could certainly gain from the Aviation expertise available at ECA (Regional Cooperation & Integration Division), in Addis Ababa.

## 3.4 The Road Fund

The Road Fund (RF) was introduced as part of RSDP (end 1997) for:

- ▲ Routine plus periodic maintenance.
- ▲ Road safety promotion (3% allocation).

The possibility to go into rehabilitation (back log maintenance) might be considered. Officially, the RF operates since mid ’98, therefore for 3 (fiscal) years now. Table 3 shows the annual budget allocations.

**Table 3 Road Fund allocated budget (Million BIRR)**

<i>Fiscal Year</i>	<b>Federal (ERA)</b>	<b>Regional (RRA)</b>	<b>Municipal</b>	<b>Road safety</b>	<b>TOTAL</b>
97/98	~ 118	30	15		~163
98/99	140	40	20		200
99/00	140	40	20		200
00/01	~170	~ 49	~24	~ 7	250

*Source: Short Notes issued by Office of the Road Fund Administration (July 2000, Addis Ababa)*

The rules of distribution (allocation) among road ‘owners’ are so far:

- ▲ For federal roads (ERA) → 70%.
- ▲ For 9 Regions → 20% (proportional with classified road ‘stock’).
- ▲ For 11 Municipalities → 10% (50% Addis A., 33% 5 larger cities, 17% 5 smaller cities).

In 1997/98, there has been BIRR 158.9 million disbursed, BIRR 118.0 mln for Federal roads, BIRR 28.9 mln for Regional/Rural roads (30 mln was budgeted), and BIRR 12 mln for Municipal roads (15 mln was budgeted). Disbursements and physical outputs in '98/'99 and '99/'00 are shown in Table 4.

**Table 4 Physical (Mtce output) and financial (disbursement) performance**

	'98/ '99 Physical	'98/ '99 Financial	'99/ '00 Physical	'99/ '00 Financial
Federal roads	15,353km	BIRR 98.4 mln	14,097 km	BIRR 167.2 mln
Regional roads	3,105 km	BIRR 8.0 mln	3,650 km	BIRR 49.8 mln
Municipal roads	151 km	BIRR 11.1 mln	199 km	BIRR 30.1 mln

*Source: Short Notes issued by Office of the Road Fund Administration (July 2000, Addis Ababa)*

The initial absorption capacity problems in the Regions and in the 10 smaller Municipalities (not in Addis Ababa) seem to have overcome, due also to funding of road maintenance equipment (for the RRA's).

The RF income sources are:

- ▲ Fuel levy and sales tax (= Govt. contribution), supposed to contribute ~ 90%, now 100%; September 2000 surcharges range between 0.1747 (H.F.O) and 0.4756 (M.G.R) Birr/Litre (depending on product type).
- ▲ Overweight fines (not yet applied—waiting for Vehicle Weight Study recommendations, under ERA).
- ▲ Vehicle license fees (not yet applied--waiting for Transport Regulation Study recommendations, under RTA/MOTC).

The RF Board members number 16, i.e.11 from public sector (4 ministries, 5 regions, 1 municipality, plus GM of ERA), 4 from the private sector (3 truck and 1 bus operators association), plus the RF manager as Secretary. They meet quarterly.

What the RF management misses most, is a *common SSA countries Platform for discussing Road Fund issues, developments, bottlenecks*, etc. Secondly, there is a belief that—in view of other than federal road network or rural access road problems—a *National SSATP, i.e. transport sector-wide coordinator* would fit better these days; the combined meeting of both Road Fund and ERA Boards might be the best forum for discussing the selection of that National SSATP coordinator.

The greatest concern of the private trucking sector, represented in the Fund Board is currently the forthcoming overloading regulations (enforcement). The old 2-axle trucks, the majority of the fleet, commonly carry quite some extra 'dead weight' in the form of strengthened springs, etc. and barrels with extra fuel (fuel stations are scarce along the road network), adding to overloading tendencies that are common practice anyway because of the fierce competition. RFO might consider advising a minimum rate to protect the sector—when it starts enforcing strict axle load limits. In addition, the private sector is in favour of a more prominent representation on the Board (maybe on a

equal footing with the public sector), in line with the policies of privatisation and deregulation.

***Road infrastructure improvement (RSDP I) achievements***

ERA, the Federal Roads Agency, is responsible for coordination within the road (sub-) sector, implying the responsibility for road network continuity/ coherence/ connectivity. Two recent reports—RSDP I Mid-term review and RSDP II Draft—provide a complete review on past and envisaged road sector development programming.

Tables 5 and 6 hereafter present the Classified Road Network 1996 and the results of a 1995 Road inventory (sample).

**Table 5 Road classification 1996 (km)**

Road class	Asphalt Concrete	Asphalt Surface Dressing	Gravel	TOTAL
Trunk	558	2,920	4,702	8,180
Link		178	7,411	7,589
Regional			8,043	8,043
<b>TOTAL</b>	<b>558</b>	<b>3,098</b>	<b>20,156</b>	<b>23,812</b>

Source: Ethiopia Transport Sector Memorandum (Technical papers) 1996

**Table 6 Road condition August 1995**

Condition	Paved (km) – (3656 km)	Gravel (km)-(Trunk+?)	TOTAL (km)
Good	837	1,099	1,936
Fair	746	1,897	2,643
Poor	1,993	3,049	5,042
<b>TOTAL</b>	<b>3,576</b>	<b>6,045</b>	<b>9,621</b>

Source: Ethiopia Transport Sector Memorandum (Technical papers) 1996

During the first phase of the RSDP the target of *the trunk roads* program has been to rehabilitate and upgrade most of the paved and unpaved trunk roads in the country. During this period, 4926 km of trunk roads has been planned for rehabilitation and upgrading of which 2736 km rehabilitation and 2190 km upgrading projects. By the end of RSDP I, June 2002, the physical accomplishment is expected to reach 63% and 43% for rehabilitation and upgrading of trunk roads respectively

During RSDP I *gravel link roads* requiring upgrading as a result of increased traffic and composition were included for implementation. The total length of link roads planned to be upgraded under the program has been 1257 out of which 784 km were expected to be completed under RSDP I. The major failure of RSDP I is under this category as the civil works of all projects have not been started. The disbursement rate at the end of RSDP I will be 3%.



About 1179 km of link roads are proposed for *construction* under RSDP I. The disbursement rate is about 37% and the physical accomplishment rate is about 50%. At the end of RSDP I, the accomplishment rate is expected to reach 72%.

RSDP I has also given great emphasis to rural development in general and the regional roads in particular so that development activities take place in the isolated parts of the country, and more generally to encourage a broad based rural development. Under RSDP I a total of about 5399 km of *rural roads* was planned for construction by all Regions, but by June 2000 the total constructed roads length was already 5437 km.

Efforts of RSDP I in improving the *condition* of the road network significantly have not been fully realized.

In all regional roads records of road conditions are either unreliable or non-existent; but it is estimated that only about 25% of the regional roads are presently in good condition though the length of the regional roads is increased by more than 5400 km of recently built new roads.

The recent maintenance efforts and the few completed sections of main road projects improved the condition of the federal network slightly, increasing the proportion of good road from 14% in 1995 to 25% in 1999.

Considering the poor conditions of the road before the commencement of RSDP (only 18% of the roads were in good condition) the target, which is to bring 60% of the road network in good condition in 2002, is unlikely to be achieved. Achievements until 1999—compared with the situation in 1995—are presented in Table 7

**Table 7 Condition of classified road network (In Percentage)**

Class of Road	1995			1999			%
	Good	Fair	Poor	Good	Fair	Poor	Change
Federal Roads	14	36	50	<b>25</b>	38	37	78
Regional Roads	25	15	60	25	25	55	0
Total	18	29	53	25	32	43	39

The consequence is that VOC on most of the network remain still high, and access (food relief operations) often difficult and costly.

An assessment of traffic along main roads has revealed a rapid increase in volumes; although it is too early to assess the effects along partially rehabilitated roads. Traffic growth along the roads has increased well above forecast levels, with growth rates as high as 20 % per annum, even though improvement works have started on only few roads of the Program roads.

### 3.5 Cross-cutting issues

Sections 2.4 – 2.6 dealt already with the poverty situation in the country, whereas Gender, Environment and HIV/Aids were addressed in general terms in section 2.9. The issue of capacity shortages came to the forefront in chapter 3, and is highlighted to some extent hereafter focusing on ERA

#### **Institutional capacity and training**

ERA employs some 16,000 persons (8,750 permanent staff, 5,500 contract staff and 1,750 seasonal staff). The professional staff counts ~ 400 *experts* and *managers*.

Training for professional staff includes:

- ▲ Post graduate courses (abroad): 2-4 staff per year.
- ▲ Short term courses, 2 weeks – 6 months (abroad): ~ 15 staff per year.
- ▲ Local training (e.g. at Ethiopian Management Institute): ~100 staff per year ('general' management course).

Furthermore there are TA projects—foreign experts on long or short-term project/program missions—with a designated 'transfer of knowledge and skills' task. Not all TA's live up to their 'training output' expectations.

ERA's Human Resources Department prepares an annual training 'master' plan; 'career' planning does not yet exist.

Recruitment relies mostly on intake of young graduates who have to proof themselves in first three years before being considered for professional training (abroad).

The general policy is to build capacity using donor's grant money. Ethiopia does not want to spend credit money on capacity building, but must give in—now and then—to financier's conditions (e.g. WB).

Assistance for designing an overall capacity building 'master plan' for the sector could be a useful SSATP task. Another urgent need concerns a 'development plan' for the local construction industry; there is current NDF technical assistance for private sector training and for contract management within the RSDP framework, but a 'vision' on process design of the transition from Force Account to private contractors operations is badly missed.

Capacity building is generally seen as a bottleneck for transport sector donor funding absorption. Although there is a range of TA's, what seems to be missing is an overall (strategic) capacity building framework incorporating not only TA's, but addressing the full range of capacity building interventions.

Such capacity building framework/strategy design exercise (SSATP-led?) must incorporate stakeholders such as Human Resource Development Departments (from ERA and others) as well as bodies such as a 'Privatisation Agency/Board'.

## **Gender issues**

The Village Level Travel and Transport Study identified the disproportionately heavy burden of the rural transport that is imposed on women (head-loading, back-loading) mainly associated with domestic chores and subsistence activities. This information has been considered in the formulation of the RTTP, recognising that provision of roads alone will not reduce the rural domestic travel and transport needs (of mainly women) and that complementary activities are required in other sectors (woodlots, potable water, market facilities).

At institutional level, Road Authorities are still male dominated, technologically oriented, and bureaucratically organised. Hardly a responsive environment to address gender issues.

## **Environment**

The regulations of the Ethiopian Environmental Protection Authority require a graduated assessment of all proposed interventions in the road sector. Sector donors have similar requirements. Specific environmental management guidelines for road sector projects are at an advanced stage of preparation.

An Environmental Management Branch within ERA co-ordinates the Environmental Assessments, required for the preparation of road investments. However, the unit is understaffed and all work is contracted out.

## **Road Safety**

A sectoral road safety study under ERA responsibility (with Working Committee comprising major stakeholders, but apparently not all) is nearing completion<sup>7</sup>. In the draft final report the study has recommended a cross-sectoral action plan incorporating a National Road Safety Council, co-ordinating interventions in the fields of accident data collection, highway engineering, vehicle road worthiness, driver licensing, traffic regulation enforcement, emergency services, education, damage/injury compensation insurance and public awareness.

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<sup>7</sup> Executed by TRL/Silcock and financed by the EC

## **HIV/Aids**

ERA operates throughout the country via its 10 Districts, 56 Sections, 20 Own-force projects and 2 Training Centres. The organisation has over 13,000 employees of which about 1,000 are at the head office in Addis. No statistics are separately available on infection or morbidity rates for HIV/AIDS, in the road/transport sector in Ethiopia. Nevertheless, experience from other countries indicates that, the Ethiopian road/transport sector is presumably a substantial contributor to the spreading of the epidemic to different parts of the country. On this basis, therefore, ERA has recently established task forces at Head Office, district and projects level to combat the spread of HIV and thus contributes to the national effort towards halting the propagation of the epidemic. Public awareness campaign's are being undertaken by NGOs with the task force playing co-ordinating and facilitating roles. The fight against the epidemic includes not only ERA workers but also employees of international contractors currently undertaking road rehabilitation/upgrading works financed by different multi- and bilateral donors. To this end, awareness campaigns for both contractors' staff and local population have been included in major works contracts.

## **4 SSATP and its future role in Ethiopia**

### **4.1 The SSATP image in Ethiopia**

SSATP as such is less well known than RMI and RTTP. Both the Road Maintenance Initiative—as it was called when it exerted its major impact by triggering both the Road Fund and the RSDP approach—and the Rural Travel and Transport Programme that has greatly inspired the ERTTP currently entering its field-testing (pilot) phase, are recognised as important stimuli for road transport sector (policy) development in Ethiopia.

World Bank involvement is gratefully acknowledged, but other donors, in particular the EC, have been actively involved since the formulation phase of the RSDP, and in close contact with the main implementing agency (ERA). The RSDP mid-term review gave the required confidence that the RSDP strategy is appropriate and contributing to meeting the country's economic development objectives, as well as poverty alleviation and food security requirements.

### **4.2 Recommended future focus of SSATP**

The (sub-) sector studies of the first phase of the RSDP have to be endorsed by the GOE for timely implementation. This will require some financial assistance, to be provided by the main RSDP donors. However, in order to continue the support to major road investments under the second phase of the RSDP, the policy reforms should be complemented by a variety of capacity building activities, so as to ensure sustainability of the sector. According to practically all Ethiopian stakeholders consulted, capacity building is the biggest problem facing the transport sector at large.

The remedial measures include:

- ▲ on studies: sufficient and realistic performance period, budget and manpower requirements, clear and precise TOR, and close monitoring of the study process;
- ▲ on the design of the works: more rigorous review of existing design studies and possible modification on the basis of recommendations issued in a feasibility analysis;
- ▲ on the tender dossiers: simplification of the tender requirements and preparation of standard specifications for the works;
- ▲ on the works supervision: provision of sufficient manpower and budget for the supervision services and delegation of more powers to the supervising teams;
- ▲ on the works contracts administration: the appreciation of the need to work in partnership with all involved parties, including the contractors, in sorting out problems that may be encountered during the performance period.

When compared to other priority sectors - and analysing donor commitments for the next few years - the EC considers that its support will have the highest added value - in terms of contributing to the implementation of a future PRSP - when a substantial share of the 9<sup>th</sup> programmable (EDF) resources will be allocated for support to the transport sector.

ERA's General Manager noted as the currently most pressing issue the transition process from a Force Account-dominated situation to a fully privatised road/ infrastructure construction industry of, first, small-scale contractors (including labour-based ones) and, later, larger contracting companies. The starting position concerns (4) parastatal construction companies and the ERA-units, organised in some 8 districts—with an apparent reluctance to get privatisation really going.

Whereas privatisation of the trucking industry has been largely achieved—with, some say, still occasional discrimination in favour of the public sector operators for 'government' contracts—the question is why something similar cannot be done in the construction industry. The government seems to have chosen for a 'corporatisation' process, but without a clear transition schedule. The most frequently quoted bottleneck is the lack of capital and limited access to bank credits or bank guarantees. In addition, contractors have little experience with labour-based technologies and are suffering from an 'image problem', undermining the trust needed to initiate and carry through a credible transition.

SSATP-assistance in this area would certainly be welcome—"African countries need the reference from other SSA countries to turn around key players in change processes"—and SSATP could provide the required regional forum. In particular, the creation of an African wide platform to discuss issues related to the use and management of Road Funds was suggested as an important contribution by SSATP.

Apart from this "Decentralisation-cum-privatisation *process design*" (incl. e.g. transition process design from Force Account operations to fully private sector contractors operations managed by the road agencies), the most urgent needs are believed to be:

- ▲ Design of an *overall* capacity building strategy for the transport sector.
- ▲ Addressing the urban (Addis Ababa) transport/mobility problems, preferably integrated within RSDP II.

## ANNEX 1 LIST OF PERSONS MET

Mr. Zaid Wolde Gebriel	Director Planning & Programming Division ERA and RMI National Coordinator
Mr. Mulugeta Demissie	ERTTP Manager Planning & Programming Division ERA and RTTP National Coordinator
Mr. Bekele Negussie	Head Planning & Programming Management Branch ERA
Mr. Peter Drummond	RSDP Adviser to General Manager ERA (EU funded)
Mr. Fekadu Haile	Senior Adviser, ERA
Mr. Brian S. Barr	Rural Roads Coordinator ERA/ERTTP (EU funded)
Mr. Negede Lewi	Road Transport Sector Specialist, World Bank Resident Office
Mr. Zemedkun Girma	General Manager, Office of the Road Fund Administration and Secretary plus Member of Road Fund Board
Mr. Thomas F. Sorensen	Technical Attaché (transport sector), Delegation of the EC to Ethiopia
Mr. Kurt Cornelis	Economic Adviser, Delegation of the EC to Ethiopia
Mr. Tesfamichael Nahusenay	General Manager ERA
Mr. Alemu Kebede	Division Manager, Human Resource Division, ERA
Mr. M. Diouf	Head Regional Cooperation and Integration Division, UNECA
Mr. M. Hachim Koumaré	Senior Economic Affairs Officer (Transport) RCID, UNECA
Mr. Ismael Ibrahim	General Manager Addis Ababa Roads Authority
Mr. Abate Berehane	Head Planning and Research Department, Ministry of Transport and Communications
Mr. Haile M. Kassahun	General Manager, Roads Transport Authority
Mr. Nick Taylor	Department for International Development UK, Ethiopia
Mr. Gladson Kayira	Senior Field Economist, UNDP
Mr. .. Hailelu ..	Member, Road Fund Board, representing dry cargo truckers association
Mr. Umar Hassan	General Manager, Oromia Rural Roads Authority
Mr. .. Tenesgem ..	General Manager, Transport & Communications Bureau of Addis Ababa
Mr. Ismael Abraham	General Manager, Addis Ababa Roads Authority

**Annex 5**  
**Country Report Ghana**



**Sub-Saharan Africa Transport Policy (SSATP)  
Review and Future Strategy**

**Draft Country Report Ghana**

**July 2001**

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# EXECUTIVE SUMMARY

## Ghana Summary

- ▲ Until recently Ghana's transport sector organisation was well structured with both infrastructure and transport in one Ministry of Roads and Transport. Unfortunately, roads and transport separated at the formation of the new government.
- ▲ At present, the transport sector co-ordination is not institutionalised. This is unfortunate as in the new Road Sector Development Plan attempts are made to head for an integrated transport approach, through the initiative for studies on "National Transport Policy", "Mode Integration" and "Urban Transport". This might be an opportunity for SSATP to co-operate with the Ministries of Roads and Highways and the Ministry of Transport to elaborate the concept of Integrated Transport Policy Development.
- ▲ In the roads sector, Donor Co-ordination is traditionally well developed. The Co-ordination Unit in the (now) Ministry of Roads and Highways could stand as a model for the envisaged SSATP National Co-ordinator Platform.
- ▲ Although all components are one way or the other relevant, and Ghana is dedicated member of RMI, RTTP and UM, SSATP as umbrella organisation is virtually unknown.
- ▲ The Ministry of Roads and Highways (but not the Ghana Highway Authority!?) is an active participant in RMI. All four building blocks are implemented to a considerable extent. Ghana is one of the few countries where the allocation of the Road Fund over trunk, regional and feeder roads is not arbitrary but (in relative sense) based on needs.
- ▲ RTTP is since two years represented by the Department of Feeder Roads, at an appropriate institutional level.
- ▲ Urban Mobility recently (April 2000) hosted the 21 Steering Committee
- ▲ There is scope for active involvement of both RR and T&T in the development Burkina Faso Corridor, including railway restructuring and trade facilitation (The Ghana Gateway Concept).
- ▲ The integrated approach, contemplated by SSATP is embraced by the Ghana transport authorities and the idea of a SSATP platform, co-ordination unit supported.

## **I. LIST OF ANNEXES**

- ANNEX 1 Organizational structures GHA, DFR, DUR and MRT
- ANNEX 2 Country programme progress report RMI (presented in Saly, Senegal 16-22 May 2001)
- ANNEX 3 Country programme progress report RTTP (presented in Saly, Senegal 16-22 May 2001)
- ANNEX 4 List of persons met

## II. ABBREVIATIONS AND ACRONYMS

**ADT** Average Daily Traffic  
**AFD** Agence Francaise de Développement  
**AfDB** African Development Bank  
**AMISU** Accounting and Management Information Systems Unit  
**BADEA** Arab Bank for Economic Development in Africa  
**BMS** Bridge Management System  
**BOT** Build, Operate and Transfer  
**BRRI** Building and Road Research Institute  
**CEPS** Customs and Excise Preventive Service  
**CF** Consolidated Fund  
**CPC** Construction Project Consultants  
**CS** Condition Score  
**DA** District Assembly  
**Danida** Danish International Development Assistance  
**DCU** Donor Co-ordination Unit  
**DFID** Department for International Development  
**DFR** Department of Feeder Roads  
**DUR** Department of Urban Roads  
**DVLA** Driver and Vehicle Licensing Authority  
**EA** Executing Agency  
**EC** European Commission  
**EIA** Environmental Impact Assessment  
**EPA** Environmental Protection Agency  
**ERP** Economic Recovery Programme  
**EU** European Union  
**FTA** Foreign Technical Assistance  
**GAC** Ghana Association of Consultants  
**GDP** Gross Domestic Product  
**GHA** Ghana Highway Authority  
**GIS** Geographical Information System  
**GoG** Government of Ghana  
**GRF** Ghana Road Fund  
**GTZ** Gesellschaft für Technische Zusammenarbeit  
**HDM** Highway Development and Maintenance Model  
**HQ** Headquarters  
**HRD** Human Resources Development  
**HSIP** Highway Sector Investment Programme  
**IDA** International Development Association  
**IRI** International Roughness Index  
**JICA** Japan International Co-operation Agency  
**JBIC** Japan bank for International Co-operation  
**KfW** Kreditanstalt für Wiederaufbau  
**LPC** Local Private Contractor  
**MDA** Ministries, Department, Agencies

**MIS** Management Information System  
**MLGRD** Ministry of Local Government and Rural Development  
**MMA** Metropolitan Municipal Assemblies  
**MMDA** Metropolitan Municipal District Assemblies  
**MMDU** Metropolitan Municipal District Unit  
**MMS** Maintenance Management System  
**MoF** Ministry of Finance  
**MOT** Maintain, Operate and Transfer  
**MPBS** Maintenance Performance Budgeting System  
**MRH** Ministry of Roads and Highways  
**MRT** Ministry of Roads and Transport  
**MRU** Municipality Road Unit  
**MTPU** Mechanical Training and Production Unit  
**NDPC** National Development and Planning Commission  
**NEAP** National Environmental Action Plan  
**NEI** Netherlands Economic Institute  
**NFRRMP** National Feeder Road Rehabilitation and Maintenance Project  
**NMT** Non-Motorised Transport  
**NRCD** National Redemption Council Decree  
**NRSC** National Road safety Committee  
**OHCS** Office of Head of the Civil Service  
**OPEC** Organisation for Petrol Exporting Countries  
**PLF96** Policy Letter February 1996  
**PMMP** Pavement Maintenance Management Programme  
**PMS** Pavement Management System  
**PMU** Project Management Unit  
**PNDC** Provisional National Defence Council  
**RMI** Road Maintenance Initiative  
**ROSSIP** Road Sub-sector Investment Programme  
**ESDP** Road Sector Development Programme  
**RSEP** Road Sub-sector Expenditure Programme  
**RSIP** Road Sub-sector Investment Programme  
**RSP** Road Sector Program  
**RTPU** Road Training and Production Unit  
**SAPS** Special Assistance for Project Sustainability  
**SAR** Staff Appraisal Report  
**SMC** Single Man Contractor  
**SWOT** Strengths, Weaknesses, Opportunities and Threats  
**TNA** Training Needs Assessment  
**ToR** Terms of Reference  
**TRIP** Transport Infrastructure Programme  
**TSPS** Transport Sector Programme Support  
**UTP** Urban Transport Project  
**VELD** Vehicle Examination and Licensing Department  
**VOC** Vehicle Operating Cost  
**VOT** Value of Time

### III. NATIONAL MAP





# 1 Introduction

This report gives account of a country visit to Ghana, within the framework of the Review of the SSATP programme, in the week 10 – 16 June, 2001.

The objective of the Mission:

- ▲ To give a brief description of the Ghana Transport Sector (recent past, present situation and prospects).
- ▲ The performance, exposure, and potential of the SSATP programme.

The Mission (Hans Vogelaar and Roland Rodts of the NEI Review Team) is grateful for the co-operation with officials throughout the transport sector, co-ordinated by the Chief Director of the Ministry of Roads and Highways<sup>1</sup>, Mr Joe Lamptey.

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<sup>1</sup> In this report sometimes references made to MRT, the Ministry of Roads and Transports, the name of the ministry prior to elections. Now this ministry is split up into separate industries.

## **2. Country background**

### **2.1 General**

With a total area of 238,533 square kilometres, Ghana is about the size of Great Britain. The population is presently estimated at 19 million and growing at an annual rate of 2.5 percent. The country is well endowed with a broad range of natural resources such as arable land, forests and sizeable deposits of gold, diamonds, bauxite and manganese, as well as considerable capacity of hydroelectric power. The economy has traditionally depended to a high degree on primary (agricultural as well as mineral) production and exports. Exports of gold, cocoa and timber still account for the bulk of the total merchandise exports. The agricultural sector remains the dominant sector employing some two thirds of the labor force and accounting for nearly half of total GDP. Agricultural production which is primarily small-scale, is concentrated in cocoa and staple food crops. Ghana is currently ranked as the world's second largest producer and exporter of cocoa. Services comprise the second largest sector in the economy, accounting for an increasing share in GDP.

### **2.2 Political development**

Ghana was the first colony in Africa to gain independence in 1957. For 35 years, it was ruled by a succession of civilian and military regimes. In 1992, a decisive step was taken in the return to democratic rule with the adoption of a democratic constitution and the holding of multi-party elections. In 1996 and 2000, Ghana enjoyed smooth elections, conducted with full participation of all political parties. Local assemblies were elected in all 110 Districts and are assuming increasing responsibility for service delivery. Community elections were conducted successfully in June 1998 through non-partisan means, thus bringing representation down to the village-level and Sub-District level.

### **2.3 Economic background and context**

Ghana's economy grew in the initial years after independence but declined from the mid-1960s into the early 1980s owing to weak producer incentives, poor economic management and declining external aid levels. The policy environment was one of large budget deficits, pervasive controls and a pricing framework that together with an overvalued exchange rate discouraged private sector savings and investment. In 1983, the Government launched an aggressive program of stabilisation and economic liberalisation. In the decade that followed, economic growth averaged 5 percent with services being the fastest growing sector. Agricultural growth over this decade was 2.3 percent overall. The recovery was supported by substantial aid from IMF, World Bank and other donors. Adjustment measures were implemented with varying degrees of intensity and success. Good progress was made in exchange rate, pricing and trade

policy reform but a substantial agenda remained to be undertaken in public sector management and civil service reform, public enterprise divestiture and in creating an enabling environment for private sector development.

Following a relatively uneventful ten year period of continuity in the political and economic leadership, a weakening fiscal discipline - in the wake of the 1992 elections - resulted in a resurgence in inflation and new concerns arose about the sustainability of adjustment. An Economic Recovery Programme (ERP) was adopted to put the adjustment programme back on track. In 1993-94, the government implemented policies with the object of regaining control over the budget deficit but had only limited success. Instead of taking structural measures that would address the weaknesses in the public sector, the government used large receipts from the divestiture of state enterprises to finance fiscal deficits. Similar events in 1996 and 1997 highlighted the difficulties that Ghana confronted in carrying out economic adjustment and structural reforms in a democratic environment. While further progress was made in restoring macro-economic stability, the economy slipped into another recession in the course of 1999. A decline in the terms of trade and a shortfall in external assistance led to massive inflation (up to 40 percent), a substantial run down in international reserves and a nominal depreciation of the national currency with about 125 percent. The crisis spelled into 2000, when real GDP growth fell to 1%. Per capita GNP is currently in the order of US\$ 400.

On the basis of a newly agreed programme agreed with the IMF, the economy is forecast to begin to pick up again in 2001, though the recovery will be constrained by the government's tighter fiscal stance. Growth is forecast at 3.5 percent in 2001 and 5.5 percent in 2002. In its 2001 budget, the government of Ghana has stated its intention to seek relief under the HIPC initiative. Discussions are ongoing on a 2001 programme that could be supported under the current three-year PRGF arrangement. A preliminary HIPC document will be presented in summer 2001 for which Ghana is likely to seek traditional debt relief from the Paris Club.

At the heart of the current economic reform programme is the Public Sector Management Reform Programme which aims to restructure central government in line with the decentralization policy of the GoG. The programme addresses three main areas, including (i) reform of about 150 Subvented Agencies (SAs), closing down those without a clear mandate, and restructuring those with a viable mandate; (ii) adjustment of central government structures and organizations and; (iii) improvement of systems and processes including a human resource management system, a performance management system, an incentive system, and a management information system with involvement of the private sector input and applying private sector standards on government operations.

## 2.4 Poverty trends and policies

The overall trend in poverty during the 1990s has been broadly favorable in Ghana. Taking the upper poverty line, the percentage of the Ghanaian population defined as poor has fallen from about 51 per cent in 1991-92 to about 43 per cent in 1998-99. The decline, however, was not evenly distributed geographically, the poverty reductions being concentrated in Accra and the Rural Forest localities. In both periods, poverty was substantially higher in rural areas than in urban areas. Within both urban and rural areas, poverty was disproportionately concentrated in the savanna area which benefited very little from the overall poverty reduction.

The 1998 United Nation's Human Development Index -- which measures life expectancy, adult literacy, and per capita income -- ranks Ghana 133th out of 174 countries. In a country of 19 million people, adult literacy rates are 76 percent for men and 54 percent for women. The combined first/second and third level school enrolment ratio stands at 49% for boys and 38 percent for girls. Ghana's development is constrained by rapid population growth, inadequate health care, low educational status of its citizens, and institutions which are struggling to be effective in a swiftly changing society. Major health problems include poor nutrition, malaria, infectious diseases and water-borne diseases. Among children under three, 26 percent are stunted. The current average life expectancy is 60 years.

Ghana compares relatively favorably with many SSA countries in terms of most of the indicators mentioned but the comparison is less favorable with respect to low income countries such as China and India which have comparable per capita income levels but f.i. better fertility and school enrollment rates.

## 2.5 Strategic Policy Framework

The overriding aim of Ghana's economic development programme are spelled out in the strategic policy framework paper Ghana - Vision 2020. The long-term vision for Ghana is that by the year 2020, Ghana will have achieved a balanced economy and a middle-income country status and standard of living. This would be realized by *“creating an open and liberal market economy founded on competition, initiative and creativity, that employs science and technology in deriving maximum productivity from the use of all our human and natural resources and in optimizing the rate of economic and social development, with due regard to the protection of the environment and to equity in the distribution of the benefits of development”*.

The emergence of a national consensus around long and medium term development goals has been an important foundation for Ghana's maturing democracy. The present planning system adopts the consultative process involving all stakeholders, in the determination of national goals and policies, preparation of plans and programmes, identification of national priorities, setting targets and review of performance.

Building on this process, Government currently embarks on the preparation of a second policy framework and medium term plan for the period 2001-2005 (Vision 2020: Second Step).

This approach to partnership made Ghana a natural candidate to be a leading pilot for the Comprehensive Development Framework. A draft CDF was presented to the 10<sup>th</sup> CG meeting for Ghana which was held for the first time in Accra in November 1999. The document focused on the economic situation and development strategy woven around the theme: “Reducing Poverty through Improved Agriculture” and was complemented by fourteen sector issues papers which were prepared in collaboration with all development partners. The overall objective of the sectoral analysis was to increase the efficiency of the allocation of local and external resources and enhance their impact on poverty reduction. Under the UN umbrella, a Common Country Assessment of the human development situation in Ghana was prepared as a complement to the CDF, again with the participation from a broad cross-section of development partners, under the leadership of the Government.

Based on CDF principles, an I-PRSP was prepared in the course of 2000 which integrated poverty reducing policies into a coherent macroeconomic framework. The paper was prepared under the guidance of the Inter-Ministerial Committee on Poverty Reduction (IMCPR), the highest policy making organ on all issues relating to poverty reduction. The IMCPR comprises all Ministers responsible for the social sector (including Health, Education, Employment and Social Welfare, Local Government and Rural Development, Agriculture and Infrastructure.

## **2.6 The I-PRSP and transport**

The poverty reduction agenda, as reflected in the I-PRSP, has seven main elements: (i) improvement of access to basic education, health and water; (ii) accelerated agricultural growth and development; (iii) restructuring of the cocoa sector; (iv) improvement of infrastructure linkages; (v) strengthening of environmental policies; (vi) creating an enabling environment for private sector growth and; (vii) intensifying the Government’s governance, financial management and anti-corruption programmes.

In implementing the agenda, care is taken to protect those expenditures that are of key interest to the poor. Allocations to the Social Services are projected to increase from 17.4 per cent in 1999 to 22.5 per cent of total expenditures in 2002. Within the poverty strategy, the social sector is defined to include basic education, primary health care, rural water, rural housing, feeder roads, rural electrification, poverty focused agriculture, social welfare and population management.

The reduction of the isolation of poor communities through strengthening economic infrastructure such as roads and communications networks, is an important element of the Government’s poverty reduction strategy. The roads and transport sector is recognised to face several challenges and problems, which militate against the

realization of the country's poverty reduction objectives such as: (i) clearing maintenance backlog in the road network and improving capacity to sustain maintenance; (ii) motivating engineers especially, the young ones to remain with the responsible governmental agencies; (iii) securing donor assistance to develop some sub standard roads;(iv) improving lake transport infrastructure and ferries to ensure all year round operations and safety; and (iv) encouraging private participation in rail transport through concessioning.

The Ministry of Transport and Communications has formulated a number of strategies to address the challenges and problems which cut across all the sub-sectors. Additionally, programmes with funding requirements have been prepared to translate these strategies into action. While the government managed to secure funding for some of the projects, a number of critical ones remain without funding. They include trunk roads, feeder roads and urban roads some of which need to be rehabilitated, reconstructed and regravelled. Government intends to clear the road maintenance backlog, through routine maintenance of about 25,000 of the maintainable network, periodic maintenance and rehabilitation will restore around 15,000 km of roads currently in fair/poor condition over the period 2000 – 2002. Reconstruction of around 900 km of damaged sections of the road network will also be undertaken. The road condition mix is expected to stabilise at 70 per cent good; 20 per cent fair and not more than 10 per cent poor by the year 2005. Actions toward these targets will begin in the programme for the period 2000 – 2002, and will be funded by Government of Ghana through the Consolidated Fund, the Road Fund and assistance from our development partners.

## **2.7 Governance and decentralisation**

As of 1992, a rich economic and political debate informs and influences government policies. Independent economic institutes, such as the Centre for Policy Analysis, the Institute of Economic Affairs, and the Institute of Statistical, Social, and Economic Research provide analysis of economic trends and policies. Consultation with stakeholders is the norm in many areas of policymaking. Transparency and accountability are increasing, and institutions such as the Commission on Human Rights and Administrative Justice and the Serious Fraud Office help ensure that the rule of law is respected. Although critics find much to fault in the government's efforts to involve civil society in decision-making, the government has taken some steps in the right direction, and there seems to be genuine support within civil society for the basic tenets of the participatory approach.

Currently, the legal backing and features for decentralization are derived from the constitution of Ghana and the Local Government Act (Act 462 of 1993). Other legislative provisions that facilitate the implementation of the decentralisation policy include: the Civil Service Law, 1993 (PNDC Law 327) and the National Development Planning System Law (ACT 480 of 1994). The structures for political decentralisation comprise the District Assemblies; Urban/Zonal and Town/Area Councils and Unit

Committees. At the regional level, there are Regional Coordinating Councils, which coordinate the District Assemblies in their respective regions. *Administrative and fiscal decentralisation takes place* by restructuring the ministerial institutions, transferring defined functions and their related powers and resources to the local governments, and ensuring an effective and meaningful integration of sectoral programmes, resources, and assets into the District Assembly System, so as to promote co-ordinated developments and efficient resource utilisation.

## **2.8 Donor assistance and co-ordination**

Assistance to Ghana, in the form of grants and concessional loans from over 20 multilateral and bilateral donors, totals approximately \$700 million a year. Among the bilaterals, key donors include Canada, Denmark, France, Germany, Japan, the Netherlands, UK and USA. Multilateral donors include the IDA, the African Development Bank, EU and the UN agencies. Donor assistance focuses on structural adjustment, economic growth and poverty alleviation.

Donor coordination efforts are extensive. At the overall level, co-ordination takes place within the framework of the Consultative Group meetings arranged by the World Bank and the Special Programme for Africa (SPA). In Ghana, co-ordination takes place both formally and informally. Following the 1997 Consultative Group meeting, the GoG set up a Mini-CG which meets quarterly under the co-chairmanship of the Minister of Finance and the World Bank. Regular donor group meetings are also held which are basically designed to exchange information. As more donors are moving towards broader sectoral assistance, and in this connection to provision of budgetary support, these meetings gradually changed in character and also became fora for debating policies and strategies. The co-ordination process generally takes place under the leadership of the relevant ministry and is most advanced in the health, drinking water, sanitation, education and, to a lesser extent, in the transport sector on the basis of comprehensive medium-term sector development plans and programmes.

## **2.9 Cross-cutting themes**

### **Women in development**

Ghana has signed the convention of forbidding all forms of discrimination against women and has embraced the convention in its constitution. Ghana shows great commitment in following-up the recommendations of the Beijing Conference in 1995. A consultancy and coordinating body, the National Council on Women and Development was established under the President's office to ensure the discharge of positive treatment in a number of areas. The basic goal is to increase the proportion of women in all decision-making bodies to 40 percent and encourage more women to complete their education. Despite all efforts inequality in the status of men women persists. Only one third of students finishing school are women and the number of mothers who die giving birth is estimated at between five and ten per 1,000 live-births.

**Environment**

The environmental policy of the GoG seeks to maintain ecosystems which are essential for the biosphere and ensure sound management of natural resources and the environment. To achieve policy objectives, the GoG has put in place the necessary legal and administrative framework, which includes: (i) the preparation of a National Environmental Action Plan in 1988; (ii) the establishment of the Environmental Protection Agency which ensures implementation of environmental policies and; (iii) passing of the Environmental Protection Act of 1999 under which environmental impact assessment is mandatory for infrastructure projects. The main part of this action plan is being implemented through a multi-donor project, the Ghana Environmental Resources Management Project (GERMP). Also, Ghana is signatory to many international conventions which impinge on the environment such as Kyoto Protocol.



## 3 Transport sector

### 3.1 Transport sector overview

#### *Road Infrastructure Agencies*

##### **Ghana Highway Authority**

GHA is responsible for some 13,300 kilometre of trunk roads. It employs some 3,500 personnel. Number of staff has come down significantly and plans are in place to further reduce the staff.

##### **Department of Feeder Roads**

DFR is responsible for a network of some 23,600 kilometre of feeder roads. It employs a staff of approximately 660, divided over the head office in Accra, ten regional offices and ten road district area offices. The (gradual) implementation of the decentralisation process has its impact on the structure of DFR as the emphasis is shifting to the regional and district area offices.

##### **Department of Urban Roads**

DUR was established to take over responsibility for roads in Accra, Kumasi, Sekondi/Takoradi, Tema, Tamale and the Ga district. DUR manages 3,000 kilometre of urban roads and employs 460 personnel, working at head office in Accra and in the Metropolitan Municipality District Units (MMDUs). DUR is in the middle of a decentralisation process in which tasks are shifted from the head office to the MMDUs.

##### **Ghana Road Fund**

The Ghana Road Fund (GRF) was established in 1985 with the aim to secure road maintenance funding through fuel levies, tolls and vehicle inspection fees. After problematic performance GRF was restructured in 1997 with emphasis on developing a legal framework and establishing a GRF Board and a secretariat to manage the GRF according to sound commercial principles.

#### *Transport Agencies*

##### **Road Transport Services and Safety Agencies**

- ▲ State Transport Company Ltd., (STC), provides inter-regional and international services.
- ▲ OSA Transport Ltd., provides both urban and urban-rural transport services.
- ▲ City Express Bus Services (CEBSL) provides primarily urban-rural services.
- ▲ The Driver and Vehicle Licensing Authority (DVLA), responsible for vehicle road worthiness and licensing of drivers.
- ▲ The National Road Safety Commission (NRSC), a subvented organisation, administers and co-ordinates activities for safety.
- ▲ The Government Technical Training Centre (GTTC) for capacity building in the roads transport industry.

##### **Maritime and Lake Transport Agencies**

- ▲ The Shipping and Navigation Division (SND), performs regulatory functions for the maritime industry.

- ▲ The Ghana ports and Harbour Authority (GPHA), operating two deep-sea ports at Tema and Tokoradi.
- ▲ The Volta Lake Transport Company (VLTC).
- ▲ The State Shipping Company Black Star Line.
- ▲ The Ghana Shippers Council (GSC), providing cargo information and services.
- ▲ The Regional Maritime Academy (RMA), training seafarers.
- ▲ The PSC Tema Shipyard and Drydock Company Ltd.

#### **Aviation Transport Agencies**

- ▲ The Ghana Civil Aviation Authority (GCAA), responsible for development, maintenance and operation of airports and control of air space.
- ▲ Ghana Airways (GH), the national carrier.
- ▲ Domestic Airlines Participation.

#### **Rail Transport Agency**

- ▲ The Ghana Railways Corporation (GRC), servicing the rail transport sub-sector.

### **3.2 Institutional setting**

During the past decade, the organisational structure of the transport sector was changed a few times till it seemed that the most appropriate configuration was found in the creation of the Ministry of Roads and Transport, hosting all transport subsectors as listed above under one roof. MRT's organisation is depicted in Appendix B. Indeed, this structure is widely considered as the preferred one to achieve overall, integrated transport policy and planning:

- ▲ In terms of modes of transport: encompassing roads, railways, water and air transport, with increasing emphasis on inter-modal transport.
- ▲ Dealing with infrastructure, traffic and transportation, as well as transport related services.
- ▲ Both freight and passenger transport.
- ▲ International, national regional and local transport, duly addressing the Gateway concept.
- ▲ Linkages between other economic sectors and transportation.
- ▲ Transport (infrastructure) and macro-economic development, featuring a realistic interpretation of Vision 2020 requirements.
- ▲ Regional development and transportation, addressing conditions of rural equity and poverty alleviation.

Integrated transport policies should also address issues of increasing relevance such as:

- ▲ Traffic congestion in urban areas.
- ▲ Modal shift from private to public transport.
- ▲ Inter-modal freight transport.
- ▲ Ghana's gateway function.

However, with the new Government, early 2001, the structure changed again in the separation of roads and transport into two ministries: Ministry of Roads and Highways (MRH) and Ministry of Transport and Communications (MTC). This separation, for

merely political reasons, is considered unfortunate as it is a step back from the preferred institutional setting as far as transport policy and planning is concerned. Responsibilities are not clear yet, but it is expected that MTC will be charged with planning and co-ordination of the sector. Whether that also includes roads infrastructure is doubtful – the “small” Transport steering the “big” Roads sub-sector is unlikely. For the time being the co-ordination is not being institutionalised and takes place in an ad-hoc way, through bilaterals, committees and workshops.

The separation is square to the tendency in Ghana to aim at a comprehensive approach of transport sector policy and planning. Recent initiatives have been undertaken in the Road Sector Development Plan (RSDP) to conduct studies on “National Transport Policy” and “Mode Integration”. It is unclear, however, where to position these studies and how to implement their results.

## 4 Roads sub-sector: Ministry of Roads and Highways

### 4.1 Road sub-sector policy

#### **Role of road sub-sector in Vision 2020**

The long-term vision of Ghana is to become a middle-income country by 2020. This aim is described in Vision 2020, prepared by the National Development Planning Commission in 1995, as explained in Chapter 2 of this report.

Vision 2020 underlines the importance of the road sub-sector for economic development of Ghana. In the section on roads the overall objectives are described in the following way:

‘The MRT’s long-term objective is to develop a co-ordinated network of roads that serves as the arteries and veins of the economy of Ghana. Trunk roads will be clearly defined as national, primary and regional roads linking the national capital, regional capitals, district capitals, major cities in neighbouring countries and major production centres to each other. Feeder roads will provide access to small towns, villages and production centres (especially agricultural centres). Urban roads (described as special facilities, major arterials, minor arterials, collectors and local streets) will be developed and maintained to move people and goods in cities economically, efficiently and safely. While the Ministry plans to fully develop the network in the long term, the principal objective in the immediate future (1997-2000) is to clear the backlog of maintenance work on the road network of over 39,000 km and put the management and financing of the road maintenance on a sustainable long-term basis.’

#### **Policy letter 1996**

In February 1996 GoG issued a Policy Letter to the World Bank which included the various measures that it would pursue to support implementation of its road sub-sector strategy during the five-year period 1996-2000.

The principal immediate aim is *to clear the backlog of road maintenance on a sustainable long-term basis*. To this end the following objectives were set:

- ▲ Strengthening the organisational structure and institutional capacity of the various road agencies.
- ▲ Clearing the backlog of rehabilitation and periodic maintenance work.
- ▲ Basing road sector investment decisions on sound economic principles, and giving highest priority to routine and periodic maintenance.
- ▲ Improving cost recovery to ensure that maintenance can be funded on a sustainable basis.
- ▲ Promoting greater private sector involvement in both execution of works and financing of transport infrastructure.
- ▲ Reducing dependence on foreign technical assistance and increasing training and performance of local staff.
- ▲ Improving capacity to evaluate the environmental impact on road schemes and design mitigation measures.
- ▲ Re-gaining sector-wide discipline in expenditure management and control.
- ▲ Streamlining transport regulations, enforcing of axle-weight regulations,

enhancing road safety, and improving traffic management.

- ▲ Giving priority to development of non-motorised transport and improving facilities for their use.
- ▲ Strengthening donor co-ordination, simplifying and improving procurement and reporting procedures for donor supported and GoG programmes.

The Policy Letter formed the basis for the credit agreement that was signed in June 1996 between the GoG and the World Bank. The Bank's Highway Sector Investment programme (HSIP), together with pledges from other donors, would help support implementation of the 1996-2000 GoG's Road Sector Expenditure Programme (RSEP). The unique character of the programme is emphasised in the Bank's Staff Appraisal Report (SAR) of the HSIP:

- ▲ The programme covers the entire sector including maintenance as well as the more conventional capital investment, policy reform and institutional issues.
- ▲ The programme has been jointly prepared by local stakeholders (GoG and private and public sector road users) and donors active in the sector, with the former taking the lead.
- ▲ All donors active in the sector support the programme.
- ▲ The programme makes optimum use of scarce local resources.
- ▲ The programme promotes standardised implementation procedures.

The HSIP SAR states that efficient cost-effective road transport is fundamental to achieving the objective of reducing poverty through increased growth, largely in the agricultural sector. The programme will support this by:

- ▲ Reducing vehicle operating costs through maintenance, rehabilitation and construction of roads.
- ▲ Ensuring that improvements are sustained by developing and implementing cost recovery policies, building and utilising indigenous capacity in the public and private sectors and improving financial management and control.

The HSIP/RSEP was evaluated on behalf of the joint donors in the "Joint Evaluation of the Road Sub-Sector Programme 1996 – 2000"<sup>2</sup>. The overall conclusion was that the joint approach was successful and should be pursued further. The lessons learned from the evaluation were carried on to the new

#### **Policy Letter to the World Bank of March 2001.**

Transport policy at large shall be rooted in the overall aim of the GoG's medium term economic development programme which is the reduction of poverty. Specific objectives include:

- ▲ Employing measures to manage debt.
- ▲ Reduction in the incidence of poverty in both rural and urban areas.
- ▲ Strengthened capabilities of the poor and vulnerable to earn income.
- ▲ Reduce gender, geographical and socio-economic disparities.

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<sup>2</sup> Netherlands Economic Institute *Ghana, Joint Evaluation of the Road Sub-Sector Programme 1996–2000* Danida, November 2000

- ▲ A healthier, better educated and more productive population.
- ▲ Strengthening the private sector; and
- ▲ Providing access to long term capital for small to medium scale enterprises.

### **Objectives for the road sub-sector**

*Principal objective:* to continue to focus on improving the network condition mix to 70% good, 20% fair and not more than 10% poor by 2005 and manage the road network on a sustainable basis.

#### *Specific objectives*

- ▲ Develop in-country capacity for government institutions and the private sector to co-ordinate and manage the road network efficiently.
- ▲ Ensure sustainable funding for the road sector programme.
- ▲ Base road sub-sector investment decisions on sound economic and environmental principles that are sustainable.
- ▲ Enhance the operational efficiency of the road network to promote economic growth and the delivery of social services.
- ▲ Reduce gender, regional and socio-economic disparities in access to transport to help achieve poverty reduction, national integration, unity and stability.
- ▲ Integrate the road network with other modes of transport, which aims at an efficient transport system.
- ▲ Develop a comprehensive road safety programme to reduce road transport fatalities.
- ▲ Mitigate the negative environmental and social impact of road related activities.

The objectives for road sub-sector policies are duly reflected in the new Road Sector Development Programme (RDSP), to be released summer 2001. The programme will include the following components:

- ▲ routine and periodic maintenance;
- ▲ major rehabilitation and construction;
- ▲ traffic management and safety;
- ▲ institutional strengthening.

Moreover, the RDSP anticipates on Integrated Transport Policy and Planning through the initiative of studies to be carried out in the field of:

- ▲ National Transport Policy.
- ▲ Mode Integration.
- ▲ Urban Transport.

## **4.2 Donor co-ordination**

The role of the World Bank in the road sub-sector has been and still is considerable. Most importantly was its leading role in designing RSEP together with other donors, stakeholders and GoG. The key objectives of the RSEP are fully in line with GoG's objectives of emphasis on maintenance and rehabilitation, cost recovery, capacity building and improving management and control. In its own contribution the World

Bank has in particular centred on maintenance works, FTA and training. In its interventions the World Bank has more or less covered the whole spectrum including road safety, environmental and Non-Motorised Transport (NMT) aspects.

In terms of commitment to the road sub-sector, Japan is the second largest donor. Its aid is divided over grants to support feeder roads (and bridges on them) and concessional loans through its agency JBIC for the rehabilitation of trunk roads in so-called 'Golden Triangles'. FTA (including JBIC's technical co-operation) is centred on planning, management and contract management in GHA, thereby strengthening institutions and stimulating expenditure management. Not much attention has been paid to other sub-objectives.

Germany has centred its interventions on the rehabilitation of trunk roads. In the context of trunk road rehabilitation attention is given to road safety aspects while also the needs of NMT are addressed. The assistance to institutional strengthening and training has been limited to the Maintenance Department of GHA. In general terms, gender and environmental issues and social impacts are considered to be important, but because the German programme in Ghana concentrates on rehabilitation of existing trunk roads these aspects are not given much attention.

The interventions of the EU have concentrated on the ecologically sensitive south-west region of Ghana, covering rehabilitation and maintenance of both trunk and feeder roads. EU assistance further covered institutional support and capacity building (e.g. financing of Donor Co-ordinator), technical support and environmental considerations. Attention for other sub-objectives has been low.

The French contribution to the road sector during the evaluation period consisted in first instance of loan guarantees to two large projects in Accra. Recently it was decided to give loans for the rehabilitation of stretches of urban roads, road improvements in secondary towns and a feasibility study for the construction of 20 bridges in the northern regions. In all, the French interventions are rather isolated projects. The United Kingdom, through its agency DFID, concentrates all efforts on rural roads in the Northern region and on bridges and feeder roads in selected rural areas in Western and Central Regions. The rural road project incorporates environmental aspects as well as strengthening of the planning tools of DFR.

Denmark, through Danida, supports the road sub-sector within the framework of the RSIP. It supplied parallel financing to NFRMP and now supports the Transport Sector Programme Support (TSPS) which is carried out through MRT (GHA, DFR) and concerns trunk road rehabilitation and feeder road maintenance and rehabilitation. Danida further gives FTA in the fields of environment and safety aspects, as well as in the facilitation of the decentralisation process.

The Netherlands does not have a specific road sector programme, but mixed credit facilities have been given for the rehabilitation of several sections of a trunk road. This

funding was explicitly justified by its potential for poverty alleviation. In the evaluation period several other donors have made smaller contributions to the development of the road sub-sector. This concerns the OPEC (contribution to NFRRMP, completed in 1999), the Spanish government (rehabilitation of bridges for In the past, donor support was not well co-ordinated and this led to the situation that the GoG's institutional resources were strained by a multiplicity of priorities, strategies, terms, conditions and reporting requirements of donors. RSEP is a first collaborative undertaking by the GoG, representatives of user groups, Parliamentary sub-Committee for Infrastructure and donors active in the road sector. Unlike previous road sector projects, RSEP covers the total road sector with a commitment to co-ordinate and unify the activities of all donors. Interviews with the main donors it was confirmed that the RSEP is indeed the framework for all donor activities.

Whether this assessment fully holds for interventions in the road sector is not completely evident, but it can be noted that the World Bank is pioneering with the concept of Comprehensive Development Framework (CDF) in Ghana. The CDF is based on the idea that (i) support to a sector needs to be based on a long term general vision prepared by the recipient country; and (ii) it makes sense for donors to come together to finance projects and programmes in support of such a vision. In line with this initiative MRT, together with the Donor Co-ordinator, prepared an issue paper comprising not only this long-term vision, but also the identification of key challenges and problems and a proposal for funding the road sub-sector programme for 2000-2002. The paper mentions that donors are still interested in specific projects and are not fully supporting the sector programme.

Before RSEP donor co-ordination was organised only an ad hoc basis. In 1997 a Roads Programme and Donor Co-ordination Unit (DCU) was set up in MRT, funded by the EU and staffed by an expatriate, a local expert and secretarial support. The DCU co-ordinates donor interventions by linking up the donors with the ministry and the three road agencies, by putting together proposals from the agencies, and by compiling information for the projection of resource needs and expenditure programmes for the road sub-sector. The DCU also provides support in the preparation of new projects. The DCU organises monthly and quarterly donor meetings and annual donor conferences.

### **4.3 SSATP**

The concept of SSATP as the “mother” of transport policy facilitation is virtually unknown in the roads sub-sector. Most officials refer to the components RMI and RTTP. Some think that SSATP is another, parallel activity. Ownership of components is not always clear:

- ▲ RMI has been adopted by the Roads and Highways Department of MRT.
- ▲ Ghana Highway Authority (GHA) has little involvement with RMI.
- ▲ Department of Feeder Roads (DFR) is clearly the champion of RTTP.



- ▲ Department of Urban Roads (DUR) is keen to participate in UM, but Transport had already taken the initiative there.

Ghana has embraced and the principles of RMI in that all building blocks have been implemented in one way or the other. Ghana was member of RMI from the early days and still active in the component. Its present position has been led down in the contribution to the last Country Co-ordinators meeting (Senegal, May 2001), see appendix C.

Recently, the RMI Component has been reviewed in the “Pilot Survey of Country Stakeholders of the RMI Vision, Strategy and Indicators of Progress In Implementation and Impact”, Draft Report, April 2001. Ghana was one of the Pilot Countries. Some observations with respect to issues raised:

*Overview of Country Stakeholders Perception of the RMI Vision for Sustainable Management and Financing of Roads*

- ▲ All stakeholders expressed their support for the RMI philosophy of a commercial approach as the most effective and efficient means of attaining sustainable management and financing of roads and therefore, embraced the RMI vision.
- ▲ There was agreement that Ghana made appreciable progress in implementing reforms enshrined in the four building blocks:
  - establishment of legal and institutional framework (RFB, GHA, DFR, DUR)
  - Involvement of private sector in decisions making as provided for in RFB act
  - contracting out to the private sector of the maintenance works
  - streamlined planning, programming & budgeting and approval process in place
  - notable improvement of road condition achieved in the recent past
- ▲ Stakeholders agreed on the need to consolidate ownership and deepen the reforms.

*Possible barriers, constraints and concerns hampering the reforms*

- ▲ Stakeholders agreed that the most critical concern was the inadequacy of funding catering for only 60% of needs.
- ▲ Limitations in the revenue base of the Fund.
- ▲ Public awareness.
- ▲ Further streamlining of the flow of funds.
- ▲ Limited and inadequate human resources of agencies and contractors.
- ▲ Lack of an effective network for exchange of information.
- ▲ Deepening of ownership, “africanisation” of the RMI Philosophy.

*Possible need for changes in RMI approach, focus and resources*

- ▲ Need for intensive and extensive advocacy and publicity of the fundamentals and benefits of reforms to a wide range of stakeholders.
- ▲ Assistance needed to develop training and capacity building programmes and manuals.
- ▲ Attention to networking and co-operation among member states implementing reforms, learning from each other and avoid pitfalls, meetings to that end.

*Indicators to monitor progress of reforms and physical impact*

- ▲ Widely appreciated indicators should be simple and include.
- ▲ Reduction travel time, vehicle operating cost.
- ▲ Reduction in road maintenance cost.
- ▲ Growth and quality of the network.
- ▲ Index of responsiveness to local economic and social development aspirations.

It is noted that –apparently- MRT has assumed more or less exclusive ownership of RMI. GHA (see next chapter) appeared to be virtually ignorant of the RMI concept and products. GHA was not interviewed either.

## 5 Ghana Highway Authority (GHA)

### 5.1 Mission and objectives

#### **Mission**

In the Strategic Plan 1995-2000 the Mission of GHA is formulated as “to provide a safe and reliable trunk road network at optimal cost, taking advantage of modern technology in road-building and new income-generating methods to facilitate socio-economic development in the country, in accordance with its enabling decree”. The mission statement remained unchanged during the review period.

#### **Objectives (wider, specific)**

The principal objective of GHA, as stated in the Strategic Plan 1995-2000 is “to clear the large backlog of maintenance work on the trunk road network and to execute road maintenance on a sustainable long-term basis”.

To this end GHA adopted the following specific objectives:

- ▲ To improve the trunk road condition mix from 40 % good, 27 % fair and 33 % poor in December 1994, to 71 % good, 20 % fair and not more than 9% poor by December 2000.
- ▲ To maintain high quality design, construction and maintenance of roads and bridges, in harmony with the environment through the use of modern technology and intensified quality control.
- ▲ To help develop the local road construction industry to enable it to cope with the programmed work-load throughout the strategy period, through training local contractors in technical skills, quality control and contract administration.
- ▲ To adequately train and develop its manpower by training managerial and operational staff in various skills.
- ▲ To improve the welfare of its workforce by instituting a health and safety scheme, under which staff will be medically examined periodically; and instituting a performance appraisal system to enable management to reward exceptional performance.
- ▲ To create a good image among its key stakeholders (road-users, the government and the public at large) through the creation of better understanding of its operations, problems and constraints.
- ▲ Strengthening the organisational structure and institutional capacity.

### 5.2 Organisational Structure

The Ghana Highway Authority was originally established in 1974 as the organisation responsible for the development and administration of the entire national road network. Since the Ghana Highway Authority Act of December 1997, its role is limited to ‘the administration, control, development and maintenance of *trunk roads and related facilities*’, subject to the policies of MRH.

The independent Board of Directors of GHA, as announced in the Policy Letter of 1996, was inaugurated in September 1999 and consists of ten members, including representatives of four ministries (MRT, Finance, Environment and Interior), private enterprises, transport operators and road users. Despite the change in task and new Board, GHA's organisation has remained virtually unchanged since 1974. The only change has been the establishment of an Environmental Unit under the Planning Division in 1996 (following an agreement with the World Bank), which was subsequently upgraded to a Division with inclusion of the new Safety Unit in 1999.

The structure and staffing of the top management of GHA (Directorate) has remained unchanged since 1996. The Directorate consists of the Chief Executive and three Deputy Chief Executives. Management is essentially co-ordinated through collective and individual meetings of the Directorate.

Already before the creation of MRT in 1997, there was a policy to privatise the various activities of GHA. This not only necessitated the agency restructuring (i.e. downsizing), but even more importantly, changing from an implementation bias to a supervision and planning bias. In this respect a merging of the planning of maintenance works and of development works into one unit was foreseen, but this has not yet materialised.

### **5.3 Capacity building**

#### **Institutional capacity**

A reduction in total staff indeed took place, from 4,085 in January 1996 to 3,589 in December 1999. However, the target for 2000 is even lower (3,134) and more importantly, presently there is a surplus of junior/unskilled staff and a shortfall of professional staff. A recent review of the staff make-up also shows a high proportion (68%) of older employees (above 45 years), which is mainly the remainder of the force account staff.

The downsizing of junior/unskilled staff has been going on since the mid-1980s. A further downsizing was initiated in the beginning of 1990s, with financing from the Government Retrenchment Programme. The first two groups received a retrenchment payment under this programme in 1994 and 1995 (together almost 700 employees). The further implementation of the programme was halted when the GoG stopped allocating funds to it. In 1999 the new Board of Directors prepared a proposal to implement the next phases in 1999-2002, comprising nearly 900 employees.

Recruitment of more staff in the professional job categories did materialise only to a limited extent because the general government policy does not allow the employment of additional staff. In fact, government permission has been given only for replacement of staff retiring or quitting.

## **Training**

One of the specific objectives of GHA is 'to adequately prepare and develop the manpower by training managerial and operational staff in various skills' This is further specified in the Corporate Training Programme and a special Training and Development Division has been established. Four groups of training are distinguished, i.e. management, professional and specialised training; local professional training; overseas training; and domestic contractor training. GHA's Training and Development Division annually prepares a concise overview of the training carried out. Although comparison of planning and achievements appears difficult, the overviews suggest that the actual training fall short of planning. It can also be concluded that during the evaluation period donor funded training dominated, more specifically World Bank financed training.

## **5.4 Environment and safety**

### **Environment**

The GoG set out a strategy in 1996 towards integrating environmental considerations in the road and bridge construction and maintenance activities. It included the careful monitoring of design and implementation of projects with considerable environmental impact; the preparation of guidelines; and training of all concerned staff. Responsibility for implementation of national environmental policy lies with the Environmental Protection Agency (EPA) which, inter alia ensures that Environmental Impact Assessments (EIAs) are carried out properly. Road construction projects need a full EIA, but it is unclear whether this also holds for maintenance, rehabilitation and reconstruction of existing roads.

In 1996 an Environmental Unit (EnvU) was set up in GHA with financial support from the World Bank. A local, World Bank financed consultant presently heads this unit; a newly attracted staff member will shortly replace him. Two of the three other positions of the unit are still vacant, because current government policy does not allow the recruitment of new staff. The EnvU has no recurrent budget and its operational costs are presently being covered by the World Bank loan. The EnvU drafted environmental guidelines and submitted them to the EPA in 1997, but until now approval has not been received. DFR and DUR do not have an environmental unit and their environmental management capacities are negligible. DFR has subcontracted this task to the (understaffed) EnvU of GHA. Two donors, Danida and DFID, are presently giving FTA in the field of environment for GHA and DFR.

It is concluded that the awareness of the environmental impacts of road construction in the ministry and road agencies has increased, and the EnvU has supervised EIAs in donor funded projects and has prepared some EIAs for government financed projects. However, partly due to external factors the institutional capacity is still limited, the guidelines have not yet been approved and the capacity building and training activities so far have been dependent on donor financing.

Recently, proposals have been made for the implementation of an “Environmental & Resettlement/Compensation Framework” in a study for GHA (Andoh, November 2000).

### **Safety**

Road safety is a serious problem in Ghana and it was recognised by GoG in 1996 as an issue that requires a firmer institutional, legislative and financial basis. The function, composition and legislative basis of the National Road Safety Committee (NRSC) was to be reviewed and strengthened and financing was proposed from the Road Fund. In order to provide the legal basis, the former National Road Safety Commission was transformed into a committee with the approval of the NRSC Act in 1999. With this Act the NRSC was made responsible for co-ordinating road safety activities like data collection, education, action programmes, etc, and it received a small budget from the Road Fund. Until now, however, NRSC does not yet have a board, or a long-term action plan.

With respect to other institutional arrangements concerning road safety the picture is not much different. GHA established a Road Safety Unit in 1999 with the aim of improving the safety on trunk roads by physical design measures and enforcement of regulations. The unit is presently understaffed because government policy does not allow the recruitment of new staff. It does not yet have its own budget, but some safety expenditures are included in the budget of the Maintenance Department. The Road Safety Unit submitted an action programme for the year 2000 involving almost entirely the purchasing of road safety devices. Only a small amount is proposed for the review of road design standards, road safety auditing and ‘black spot’ studies. The anticipated road safety unit in DFR has not yet been set up. In DUR an engineer was appointed to staff the Road Safety Unit in early 2000.

Other institutions involved in road safety comprise data collection and research by the Building and Road Research Institute, which suffers from lack of funding and inadequate data input (latest data available refer to 1993-1994), and the Driver and Vehicle Licensing Authority (DVLA). DVLA only carries out part of the compulsory bi-annual examinations, but neither effectively nor satisfactorily.

Donor involvement during the evaluation period comprised inclusion of funding for consultancy work under RSEP (although the recruitment started only recently, four years later than anticipated), a feasibility study in 1998 funded by Danida and a subsequent long-term FTA project, which started in September 1999 with a one-year identification phase. In March 2000 a plan for the FTA was submitted and this is presently being discussed.

It is concluded that, although the awareness of the problem of road safety has increased, the actions by GoG in this field have been largely ineffective and do not show a high sense of urgency. Partly due to external factors the planned strengthening and improving the institutional set-up (NRSC, agencies) has progressed slowly. The Danida study proposed a more comprehensive approach and perhaps the foreseen long-term assistance can help to turn the course of events.

## **5.5 SSATP**

As indicated in the previous chapter, MRT, now MRH, at the level of the planning department, assumed ownership of RMI. GHA stated that they are interested to participate in the considerations on RMI but are not involved. The “full truth” is not known to the Review Team, but it seems that co-ordination could certainly be improved. Anyhow, GHA should of course take part in the discussions on RMI.

## **6 Department of Feeder Roads (DFR)**

### **6.1 Mission and objectives**

The mission statement of the Department of Feeder Roads, as formulated in the 1995-2000 Strategic Plan is as follows: to improve and maintain the entire National Feeder Road Network to higher levels of accessibility at optimum cost through planning, development, rehabilitation and maintenance; to open up and link areas of agriculture potential to stimulate production, enhance the movement of goods and people and support other small economic activities and reduce transport/vehicle operating cost.

Ghana-Vision 2020, the First Medium-Term Development Plan (1997-2000), Programme of Action (NDPC, June 1998) further elaborates on issues and constraints, programme objectives and activities pertaining to the situation around 1996 in the feeder roads sub-sector:

Issues and constraints

- ▲ Poor feeder road network resulting in poor accessibility.
- ▲ Poor transportation network and services.
- ▲ Long waiting and travel times and physical damage to commodities in transit.
- ▲ Shortage of investment capital.
- ▲ Insufficient manpower.
- ▲ Weak administrative and accounting systems and reporting.
- ▲ Inadequate database for effective planning.
- ▲ Inadequate private consulting and contracting capability.

Programme objectives

The key objective is to clear the backlog of rehabilitation on a sustainable basis, with little emphasis on new development. The specific objectives are:

- ▲ Improving and maintaining the entire national feeder road network on a sustainable basis and aiming at higher levels of accessibility at optimum cost through planning, development, rehabilitation and maintenance.
- ▲ Improving the institutional capacity of DFR to sustain the feeder road programme over time.
- ▲ Providing improved feeder road access at reduced transport cost for goods and people.
- ▲ Promoting greater private sector involvement in the execution of road works.
- ▲ Using sound economic principles and decision criteria for investment in rehabilitation/reconstruction activities.

### **6.2 Institutional structure**

The Department of Feeder Roads (DFR) was set up under a government instrument in July 1981 to carry sole responsibility for the planning, development and maintenance of



the feeder road network in Ghana. Prior to the establishment of the DFR, the responsibility for managing feeder roads had shifted from one agency to another: Public Works Department, Department of Social Welfare, Department of Rural Development, Ghana Highway Authority and Cocoa Marketing Board.

DFR is a Civil Service Organisation and is one of the agencies under the Ministry of Roads and Transport (MRH).

The role of the DFR is embodied in the legislation formulating the MRT and its authority flows from this. DFR is, therefore, subject to central governmental budgetary policies and procedures, personnel procedures (appointments, promotions, pay, etc.), procurement and central government financial, managerial and economic policies.

The DFR is organised at both head office and regional levels. The present organisation structure consists of a central headquarters in Accra and regional offices in the regional capitals. In the head office, the department is headed by the Director, supported by Deputy's for the department's three main tasks: Road Maintenance, Road Development and Planning.

It is not the headquarter's function to undertake road works in a direct sense but rather to ensure that work is carried out according to standards, priorities and programmes formulated by Headquarters and subsequently executed at the regional level. The Regional Office administration is headed by the Regional Engineer and assisted by engineering and administrative staff in the ten regional offices and 32 district offices.

## **6.3 Capacity building**

### **Institutional capacity**

While the downsizing has been realised to a larger extent at DFR (from 1,500 in the early 90s to around 660 at present) DFR's staff composition also shows a high age profile and understaffing of engineers, in particular at the regional level. The objective of the DFR Strategic Plan 1995-2000 to put emphasis on recruitment of the engineering and other professional staff has not been achieved, also in this case because the general government policy does not allow recruitment of additional staff. Moreover, a strong need has been signalled for expansion of the executive management with two senior professionals.

### **Training**

Training objectives of DFR are formulated in the document Training Policy, Objectives and Strategy (1995) as: to provide the resources necessary to enable staff at all levels to acquire the skills, knowledge and attitudes to perform their work effectively and to develop their potential to meet future promotion opportunities. Although the broader and more specific objectives are well understood, very little of the regular budget is made available for training. The vast majority comes through donor-funded projects and programmes. The most important of these was NFRRMP, which provided for

training of DFR and local contractors at GHA's central training centre. Training for labour intensive contractors is organised at DFR's Koforidua Training School. USAID funded overseas training for DFR staff, while Danida financed comprehensive on-the-job training of DFR staff.

## **6.4 Decentralisation**

The decentralisation policy of GoG in particular affects DFR and DUR. Decentralisation has its roots in the 'Local Government Law', or Law 207, of 1988. The primary strategy as laid down in Law 207, is to devolve the central government's administrative and political authority to local levels, with the District Assembly (DA) being the centre of administrative and political authority. Among the principal functions of the 110 district administrations is supervision of government departments as DFR and DUR and initiation of programmes for the development of basic infrastructure, municipal works and services. Full decentralisation of DFR operations would entail the execution of feeder road maintenance in each of the districts, organised by Works Departments of the DAs.

Assisting DFR in decentralisation was one of the objectives of the NFRRMP (1992-1998). However, the Completion Report on NFRRMP concludes that the decentralisation support component was only marginally successful. The Road Sub-sector Investment Programme (RSIP) of MRT states that decentralisation is ongoing where 'responsibilities for maintenance are gradually being handed over to local authorities. MRT prefers a systematic stepwise approach that ensures sustainability'. In 1996-97 DFR engaged into a pilot project for decentralisation in six selected DAs in the Eastern Region. The maintenance activities of the DAs should be expanded to include contract preparation and supervision. Following the pilot project, DFR decentralised to 10 districts. Technician engineers and foremen have been attached to each of the DAs. Further, DFR has partially decentralised to 12 other districts by posting foremen to them. It appears that the integration of transferred staff into the DA system has not been smooth and DAs are not providing the necessary logistics support to the transferred staff.

## **6.5 SSATP**

Since two years, DFR is actively involved in RTTP. Recently they become full member. A "Brief Description of Objective and Activities of Ghana's Rural Transport Programme in the Last Two (2) years" has been attached as appendix D.

Next to organising (regional) workshops, it anticipated to contribute to:

- ▲ Drafting and reviewing the Rural Transport Strategy.
- ▲ Providing inputs to the "National Transport Policy".

## **7 Department of Urban Roads (DUR)**

### **7.1 Mission and objectives**

#### **Mission**

The DUR will assist in building capacity in the Department of Urban Roads (DUR) was established in 1989 as an implementing agency within the Ministry of Roads and Highways (MRH). DUR has the responsibility for the entire network within five cities (Accra, Kumasi, Secondi-Takoradi, Tema and Tamale) and the urban areas of the Greater Accra District. Prior to the establishment of DUR, the responsibility for the planning, development, maintenance and administration of all roads and related infrastructure in the five above-mentioned cities were with respectively the Public Works Department, the then City Council (now Municipal/Metropolitan Assemblies) and later with Ghana Highway Authority

The role of the DUR is embodied in the legislation formulating the MRT and it's authority flows from this. DUR is therefore subject to central governmental budgetary policies and procedures, personnel procedures (appointments, promotions, pay etc.) procurement and central government financial, managerial and economic policies. It obtains its resources from parent MRT and is governed by its procedures e.g. tendering.

In the current situation DUR operates through headquarter in Accra and five Road Units (RUs), working closely together with the road units of the Metropolitan Municipal District Assemblies (MMDAs).

In accordance with the decentralisation policy DUR activities are transferred to the MMDAs. In 1990, the Accra Metropolitan Roads Unit assumed responsibility for maintenance of Accra's roads, following strengthening of the unit. The pilot was followed by the shift of responsibilities in the other cities. In the long run headquarters of DUR will decrease in size focusing on planning, co-ordination and monitoring activities only, placing the responsibility for the majority of the activities with the MMDAs. Currently, efforts are made to build up capacity at the MMDAs in order to facilitate this process.

Due to continuing public service reforms through NIRP, PUFMARP and CSPIP, widespread changes in governance are taking place over time. On the one hand, this provides greater pressures and objectives on the DUR whilst, as a central government organ, not allowing it sufficient flexibility in operation to achieve these objectives. Constraints on recruitment and in budgeting and expenditure management are particularly important.

The DUR is also in the midst of changing its role as its direct role in planning and implementing the urban road network is increasingly decentralised to Metropolitan and Municipal Authorities. The Act of 1989 formulated the DUR, but was followed by the Act of 1992, which introduced Metropolitan and Municipal Assembly roles in urban

roads. However, there is a lack of clarity in this development, as the decentralised authorities currently tend to spend their resources on other services, such as sanitation. Therefore there is a suspicion within DUR that decentralisation will bring about a different balance of expenditure to the detriment of the urban road network. In future, DUR may develop more towards a department within MRT dealing with the formulation of policy in urban transport and facilitating action and research and development in urban roads.

MMDAs for the planning, development, maintenance and administration of urban roads and to develop, monitor and evaluate quality management systems for efficient, safe and affordable mobility for goods and people.

### **Key result areas**

To achieve the above, the following key result areas have been identified (see 1999 Annual Report DUR):

- ▲ Overall Urban Road Systems, planning, development and maintenance.
- ▲ Strengthening of the District Road Units.
- ▲ Traffic Planning and Management.
- ▲ Provision of Engineering support for Roads Safety Planning.
- ▲ Negotiating with Donor Agencies for funding of capital projects.
- ▲ Institution of public accountability and efficient use of public funds in the management of urban roads.
- ▲ Staff motivation and development.
- ▲ Poverty alleviation and environmental improvement.
- ▲ Regular consultation with MMDAs through various committees of the Assembly and the operations of the Road Units.
- ▲ Implementation of an agreed timetable for decentralisation of responsibility and resources to the MMDAs.

### **Objectives**

The program objectives (development and maintenance) as defined by DUR in their 1999 annual report are:

- ▲ Consolidate and expand the arterial road network to provide adequate capacity and improve intersection capacities to achieve an improved flow.
- ▲ Institute traffic management measures, which will reduce traffic congestion, minimise pedestrian/vehicular conflicts, improve pedestrian facilities, and effectively ensure safety for pedestrian and vehicular operations.
- ▲ Reduce vehicle operation and maintenance costs.
- ▲ Strengthen the institutional support and build the professional capacity required to implement, manage and monitor the programme.

## **7.2 Organisational structure**

The Department of Urban Roads (DUR) was established in 1989 as an implementing agency within the Ministry of Roads and Highways (MRH). DUR has the responsibility

for the entire network within five cities (Accra, Kumasi, Secondi-Takoradi, Tema and Tamale) and the urban areas of the Greater Accra District. Prior to the establishment of DUR, the responsibility for the planning, development, maintenance and administration of all roads and related infrastructure in the five above-mentioned cities were with respectively the Public Works Department, the then City Council (now Municipal/Metropolitan Assemblies) and later with Ghana Highway Authority

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The DUR is also in the midst of changing its role as its direct role in planning and implementing the urban road network is increasingly decentralised to Metropolitan and Municipal Authorities. The Act of 1989 formulated the DUR, but was followed by the Act of 1992, which introduced Metropolitan and Municipal Assembly roles in urban roads. However, there is a lack of clarity in this development, as the decentralised authorities currently tend to spend their recourses on other services, such as sanitation. Therefore there is a suspicion within DUR that decentralisation will bring about a different balance of expenditure to the detriment of the urban road network. In future, DUR may develop more towards a department within MRT dealing with the formulation of policy in urban transport and facilitating action and research and development in urban roads.

### **7.3 Capacity building**

#### **Institutional capacity**

Through the years DUR has undergone a downsizing process, from 550 in 1996 to 462 at present. The management of DUR is a relatively young team and two of the engineers are female. DUR seems to have relatively fewer staffing problems, but also here problems exist in attracting skilled engineers. This was the reason for establishing

an in-house training programme, aimed at capacity building in view of the expected increased need for engineers due to the decentralisation.

### **Training**

The regular procedure in DUR is that graduate engineers are trained internally at headquarters for a period of 18-24 months. After this period they are placed in the municipalities. In addition there is an in-house training programme. The 1999 programme consisted of a combination of overseas training (Master Courses and short courses), short local courses and seminars. Training of local contractors is not within the scope of DUR. DUR and donors jointly finance training facilities, but the dependence on donor contributions is high.

## **7.4 Decentralisation**

The decentralisation of DUR started in the early 1990s with the pilot project in Accra. The transfer of responsibility for maintenance of the roads was subsequently carried out in the other four cities and the Ga-district. In all cases regional MMDUs have been set up which are under the responsibility of the MMDAs, although DUR still caters for development, budgeting, training and equipment. In these MMDUs MRT/DUR provides the professional and technical staff and MMDA provides the supporting staff (drivers, secretaries, mechanics, etc). All MMDUs are responsible for the whole range of implementation of routine and periodic maintenance related activities and have financial responsibility for routine maintenance. In addition the MMDU in Accra also has the financial responsibility for periodic maintenance. In the long-run DUR headquarters will reposition itself and only focus on planning, co-ordination and monitoring of activities. There is a fear within DUR that the decentralisation to MMDAs may involve a different balance of expenditure to the detriment of the urban road network.

## **7.5 SSATP**

The DUR shows keen interest in the UM programme and would like to be actively involved. However, ownership has been assumed by the MTC. Moreover, the specific “products” of UM, notably “micro-enterprises”, “clean air initiative”, “safety” and “intermediate means of transport” are not closely linked to roads infrastructure. However, DUR likes to see themselves as part of the Urban Transport System, and from that point of view their involvement in UM seems logical.

## **8 Ghana Road Fund (GRF)**

### **8.1 Mission statement GRF**

The mission of GRF is to ensure the regular maintenance of Ghana's road network by the provision of adequate and sustainable resources for the financing of road projects, through efficient and effective management of the fund, with the view of improving the quality of the road network.

### **8.2 Institutional setting**

In 1996 it was agreed to restructure the GRF, that had existed since 1985, so that it could operate according to sound accounting principles. The key changes were: (1) to develop a comprehensive legal framework, (2) to establish a public-private Road Fund Board to oversee management and (3) to establish a secretariat to manage day-to-day operations of the fund according to sound commercial principles. In addition it was determined that revenues paid into the GRF needed to be increased and that the first charge on the GRF would be the preservation of existing road assets.

The Road Fund Act 1997, Act 536, was enacted on 29th of August 1997 to establish a fund to finance routine and periodic maintenance and rehabilitation of public roads. The first GRF Board meeting took place in January 1997, six months prior to the GRF Act becoming effective. Board members are representatives from the private and public sector. The GRF secretariat has become operational and is functioning fully in accordance with the Road Fund Act. The secretariat currently consists of a director, an engineer, an accountant, a secretary and two drivers.

### **8.3 Revenues**

According to the Road Fund Act the GRF will receive its funds through (1) fuel levies, (2) tolls, (3) vehicle license and inspection fees, (4) international transit fees and (5) such monies as the Minister of Finance in consultation with the Minister of Roads and Transport may determine with the approval of Parliament. In Table 8.1 an overview is presented of the revenues from the various above-mentioned sources.

Table 8.1 GRF revenues form various sources (billion Cedis)

	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Fuel levy	59.35	98.65	180.60	193.49
Bridge tolls	0.85	1.60	2.36	2.74
Road tolls	0.74	1.83	2.77	3.35
Ferry tolls	0.07	0.06	0.02	0.06
Vehicle registration fees	1.85	2.10	7.81	11.89
Road use fees	0.00	0.00	0.00	8.05
International transit fees	0.00	0.00	0.18	0.53
<b>Grand total</b>	<b>62.86</b>	<b>104.24</b>	<b>193.74</b>	<b>220.11</b>
Less exemptions	0.57	1.74	3.57	0.15
<b>Net revenues</b>	<b>62.29</b>	<b>102.5</b>	<b>190.17</b>	<b>219.96</b>

During the last two years, the GoG proved reluctant to further increase fuel levies. Fuel prices have steadily gone up throughout the years, amongst others as a result of higher oil prices and the slide of the Cedi against the US\$. In most recent years fuel price increases have been higher than fuel levy increases. The levy/pump price ratio has consequently dropped. From a comparison with neighbouring countries it can be concluded that Ghana has modest fuel prices, both in nominal terms as in relation to GDP per capita. In conclusion, although short-term action does not seem to be advisable, there seems to be room for further increase in fuel prices, especially on the medium and long-term.

Fuel levies are collected by the Customs, Excise and Preventive Service (CEPS) and paid directly into the GRF account at the Bank of Ghana. During the 4th quarter of 1999 the GRF bank account was temporarily frozen, starting a debate on the desirable status of the account. Opening an account at a private bank was considered, but it was decided to keep the Bank of Ghana account under the strict condition that funds will be available.

## **8.4 Allocation**

The Road Fund Act stipulated that the GRF shall make funds available for: (1) routine and periodic maintenance of road and related facilities, (2) upgrading and rehabilitation of roads, (3) road safety activities, (4) selected road safety projects and (5) such other relevant matters as may be determined by the Board. Table 8.2 presents an overview of the allocation to the road sector in 2000/2001



Table 8.2 Overview allocation to the road sector 2000/2001

Ghana road fund secretariat Budget for allocation for maintenance programme – 2001										
Agency	Total of agency's programme for 2000-2004		Road Fund allocation –2001				2000 Allocation			
	AMT \$	%	Routine c'BN	Periodic c'BN	Total c'BN	%	Routine c'BN	Periodic c'BN	Total c'BN	%
GHA	349.0	42.1	45.0	107.0	<b>152.0</b>	42.1	45.0	106.0	151.0	49.8
DFR	259.6	31.3	28.1	75.1	<b>103.2</b>	28.6	24.0	48.0	72.0	23.8
DUR	220.6	26.6	18.8	71.3	<b>90.1</b>	25.0	18.0	58.0	76.0	25.1
<i>Sub-total</i>	<b>829.2</b>	<b>100.0</b>	<b>91.9</b>	<b>253.4</b>	<b>345.3</b>	<b>95.7</b>	<b>87.0</b>	<b>212.0</b>	<b>299.0</b>	<b>98.7</b>
MRT/GRFS					<b>15.0</b>	4.2		3.0	3.0	1.0
NRSC					<b>0.3</b>	0.1		0.5	0.5	0.2
DVLA					<b>0.3</b>	0.1		0.5	0.5	0.2
GRAND TOTAL					<b>360.9</b>	100.0	87.0	216.0	303.0	100.0

Currently, GRF is able to cover less than half of the programmed maintenance needs. This is still far below expectations and illustrates

## 8.5 Road Fund Performance

GRF has shown good performance since becoming effective in 1997 and revenues for maintenance have steadily increased till 1999. However, releases to the GRF were problematic during the 4th quarter of 1999 and unstable since then. Reliability of resources is considered a crucial element for a proper functioning of the GRF and in a broader sense the road sub-sector. This aspect needs to be monitored carefully, especially given the financial difficulties the country is facing.

Making GRF a statutory fund and introducing the direct collection of fuel revenues is considered good practice. If releases from the Bank of Ghana will again cause problems, it could be considered to transfer the funds to a commercial bank. This may also create room to negotiate a better financial return on the money in the account.

The planned levy increase in 2000 has been postponed until 2001 and hence the projected revenues were lower than anticipated. This had its bearing on the realisation of the programmed maintenance activities of the EAs. When further increasing the revenue basis of the GRF, it is recommended to focus on fuel levies. Fuel is by far the largest revenue generator and as argued above, there is room to further increase fuel prices. Other revenue sources are secondary to fuel levies, but nevertheless interesting enough to pay attention to, notably the road use fee, allowing for differentiation between damaging vehicles (heavy trucks) and vehicles with a lesser damaging effect (passenger cars).

In March 2001, the levy increase finally was implemented. However, in view of the devaluation of the Cedi against the \$ and the domestic price developments during the past two years, the real value of the allocation effectively decreased. This is an issue of great concern, how to extend the initial success of the Road Fund performance.

The GRF staff is limited compared to international standards. The GRF engineer and accountant are thus facing difficulties in properly executing their tasks. Therefore, an addition to the GRF staff (e.g. junior engineer-junior accountant) seems justifiable. Given the projected GRF revenue levels, it is suggested that a debate be started on the activities GRF should cover and that the conclusions should be so presented to the public that support for the GRF and potential increases in road user charges in the future become acceptable. First and foremost the levy should be increased further to fully cover maintenance.

## **8.6 SSATP**

GRF seems a “natural” partner in the RMI, but they are not. They have heard of the component, but never been asked to participate. Similarly they are abreast of the publications, but they are not on any mailing list. They sometimes visit the SSATP website. Better communications are recommended.

## **9 Transport: Ministry of Transport & Communications**

### **9.1 Vision, mission, objectives, strategies, policies of MTC**

Following the separation from Roads & Highways, the new Ministry of Transport and Communications has to find its position and define its functions. As to the agencies under MTC, the following paragraphs, adapted from Ministry of Roads and Transport, *Strategic Plan 2000 – 2004*, May 2000, summarise planned activities. This sets the scope for potential SSATP involvement in terms of facilitating transport policy development and associated capacity building.

### **9.2 Road Transport Services & Safety**

The National Road Safety Committee (NRCS)

- ▲ Continuation restructuring programme.

Vehicle Examination and Licensing Division (VELD)

- ▲ Strengthening human resources.
- ▲ Examine possibility greater autonomy.
- ▲ Streamlining systems.
- ▲ Establish Management Information System.

State Owned Bus Companies

- ▲ Divestiture.

Government Technical Training Centre

- ▲ continue training.

### **9.3 Maritime and Lake Transport**

Shipping and Navigation Division (SND)

- ▲ upgrading into Maritime Authority.

Ghana Ports and Harbours Authority (GPHA)

- ▲ Support of Gateway Programme.
- ▲ Change status GPHA from service provider to landlord.
- ▲ Increased private sector participation in port operations.
- ▲ Increase port capacity.

Volta Lake Transport Company (VLTC)

- ▲ Clearing navigation channels.
- ▲ Construction intermediate ports and ferry landings.

Ghana Shippers' council (GSC)

- ▲ Business as usual.

Regional Maritime Academy (RMA)

- ▲ Enhance co-operation with other knowledge institutions.

## **9.4 Aviation Transport**

Ghana Civil Aviation Authority (GCAA)

- ▲ Further improvements Kotoka International Airport.
- ▲ Restructuring of GCAA, separating regulatory from management functions.
- ▲ Sector development in line with Gateway Programme and "Liberalised Skies" policies.

Ghana Airways Limited (GH)

- ▲ Facilitate strategic alliances.

## **9.5 Rail Transport (GRC)**

- ▲ realisation of approved policy of involving the private sector in management, operations and investment, through
  - conversion of GRC into Limited Liability Company;
  - concessioning of the core activities of GRC to the private sector.

## **9.6 Capacity Building**

In the mission/objectives of MRT no reference has been made to the traditional function of a ministry of transport to promote capacity building in the sector. This function pertains to co-ordination and stimulation of exchange of information between knowledge centres:

- ▲ infrastructure and transport gvt agencies;
- ▲ universities;
- ▲ research and training institutes;
- ▲ consultancy firms;
- ▲ knowledge developed in donor funded interventions.

SSATP could prove instrumental in this field.

## **9.7 SSATP**

### **Urban mobility**

The component gained momentum for Ghana through hosting the Eleventh Steering Committee Meeting, Accra, 18-20 April, 2001.

The Urban Transport Strategy Paper (Patrick Bultynck) constituted the basis for discussions on future strategies of the component, as an update/follow-up of “The Urban Transport Transport 1998 – 2002 Strategic Development Plan (Patrick Bultynck, SSATP Working Paper # 35, September 1998).

### **Railways**

Recently renewed interest in Ghana Railways has been shown as the GRC seems to be prone to concessioning.

### **The Gateway Concept**

An initiative by the Ministry of Trade to promote international trade through improvement of border crossing transport facilities and trade facilitation. The Gateway Concept focuses on the complete transport chain, maritime transport, ports, inland transport corridors (including railways) to hinterland destinations including those abroad (land locked neighbours).

## **10 SSATP, exposure, potential**

### **10.1 Present exposure**

A striking conclusion is that SSATP at large, as a programme, is virtually unknown. Respondents fail to imagine what the abbreviation stands for. Some think it is another component, parallel to RMI, RTTP, etc. SSATP does not have a face, no association is made with “transport policy development” or “capacity building”. On the contrary, the individual components are reasonably well positioned in Ghana’s transport scene.

#### **Road Maintenance Initiative (RMI)**

Ghana has embraced and the principles of RMI in that all building blocks have been implemented in one way or the other. Ghana was member of RMI from the early days and still active in the component. The Review Team is convinced that RMI has substantially contributed to the considerable success of Ghana’s roads sub-sector in improving road maintenance performance and financing at a sustainable basis.

It is recommended that MRH co-ordinates with HGA on Ghana’s exposure and contributions on RMI.

#### **Rural transport and travel initiative (RTTP)**

Since two years, DFR is actively involved in RTTP. Recently they become full member. Next to organising (regional) workshops, DFR anticipated to contribute to:

- ▲ Drafting and reviewing the Rural Transport Strategy.
- ▲ Providing inputs to the “National Transport Policy”.

#### **Urban Mobility**

The component gained momentum for Ghana through hosting the Eleventh Steering Committee Meeting, Accra, 18-20 April, 2001.

#### **Trade and Transport (T&T)**

Ghana’s Gateway Concept is an initiative by the Ministry of Trade to promote international trade through improvement of border crossing transport facilities and trade facilitation. The Gateway Concept focuses on the complete transport chain, maritime transport, ports, inland transport corridors (including railways) to hinterland destinations including those abroad (land locked neighbours).

#### **Railway Restructuring (RR)**

Recently renewed interest in Ghana Railways has been shown as the GRC seems to be prone to concessioning.

#### **Conclusion**

All components are relevant in Ghana, in one way or the other. Some are well organised as ownership has been assumed by a particular agency (e.g. RTTP in DFR). In other

fields there seems to be an opportunity for component involvement, like T&T/RR in Gateway and corridor development.

## **10.2 Organisation structure**

To date, the organisation of SSATP activities is component specific. There is little or no communication or co-ordination between component activities. The products are standard: dissemination of reports and notes and occasionally a workshop. RMI and RTTP are prominently present at the annual co-ordinators meetings, as was experienced the other day in Senegal.

Most interviewees report that they do not or only occasionally see the SSATP paper work. They do not know who is responsible for the distribution and who is on the list (if there is any). Only one person said to be a regular visitor of the SSATP web-site. There is a common feeling that the direction of the programme is basically top down and that there is little ownership at the country level.

There is a strong support for the overall, holistic approach of transport policy. The notion of integrated transport policy and planning is gradually gaining ground in Ghana. In this respect, many are disappointed in the recent separation of infrastructure and transport.

The idea of a central focus point for SSATP was proposed and/or supported by most interviewees. The Ministry of Transport and Communications is frequently mentioned to host such a “SSATP unit”. The unit should be headed by a SSATP country co-ordinator, who is responsible for all communications and dissemination. This person shall co-ordinate all component activities in the country and liaise with the SSATP Programme Management at World Bank HQ, and the local World Bank Office, with the sub-regional SSATP co-ordinators, and with donors. It goes without saying that the country co-ordinator should have sufficient power and is recognised as an independent authority.

The focal point of SSATP shall allow the country co-ordinator to act at three levels:

- ▲ Propagate SSATP as the window for facilitation of Comprehensive Transport Policy Development.
- ▲ Co-ordinating the component specific activities.
- ▲ Liaise with interventions/operations of World Bank, donors and other development partners.

## **10.3 Information, communication**

The desire for increased ownership inspires stakeholders to the suggestion that the programme needs a platform for information, dissemination and communication (IDC) at the focal point of the country co-ordinator. IDC should be both vertical and

horizontal. Vertical: both top-down (Centre > countries) and bottom up (channelling demands from the field). Horizontal: between components, with the SSATP Sub-regional co-ordinator and bilaterally with sister organisations in the (sub) region.

A newsletter was suggested for more frequent exchange of information, parallel with the SSATP web site. One interviewee showed the DIFD brochure on transport as an example. The threshold should be low, allowing everybody in the field –both policy makers and practitioners- to come up with results, ideas, demands, questions. Editors shall be the Programme Manager in Washington, the sub-regional co-ordinators and the country co-ordinator.

## **10.4 Potential**

It is concluded that

- ▲ In Ghana, there is a breeding ground for virtually all component specific products of SSATP and the CTPD approach.
- ▲ Generally, the participants in the Ghana transport scene show considerable eagerness to get access to information about their (sub-)sector.
- ▲ There is a surprising similarity with suggestions made in both Washington and Saly.
- ▲ If a Pilot Country would be sought for a try-out of a “new” SSATP, Ghana certainly qualifies.
- ▲ Further thoughts should be given to the capacity building requirements of CTPD.

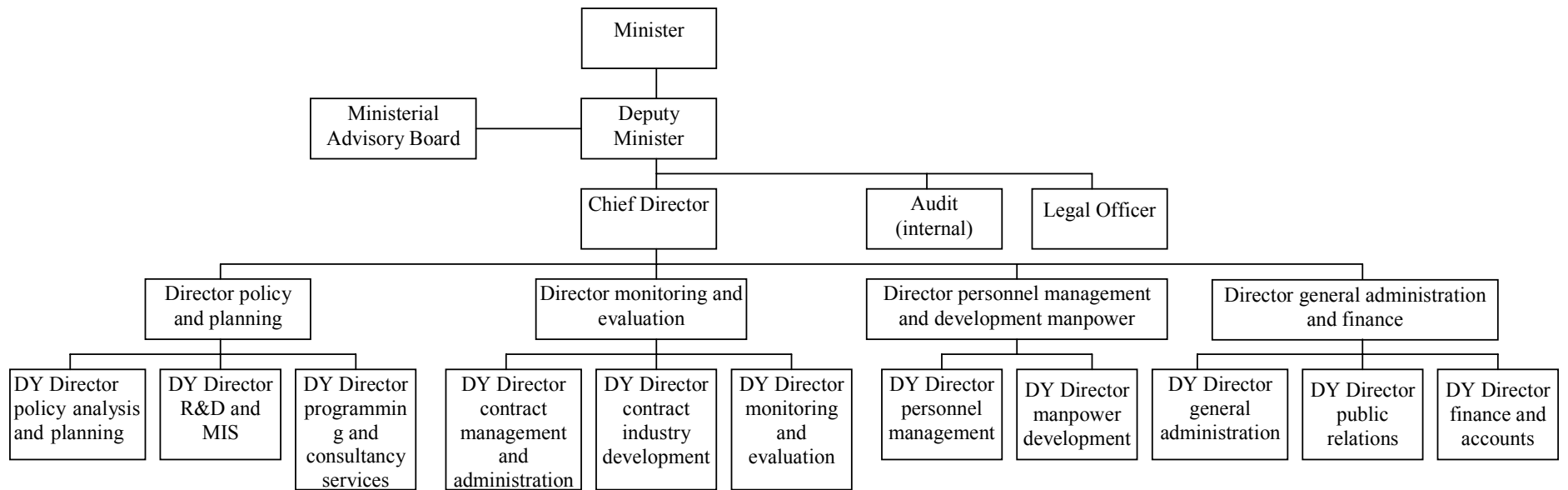


## **Annexes**

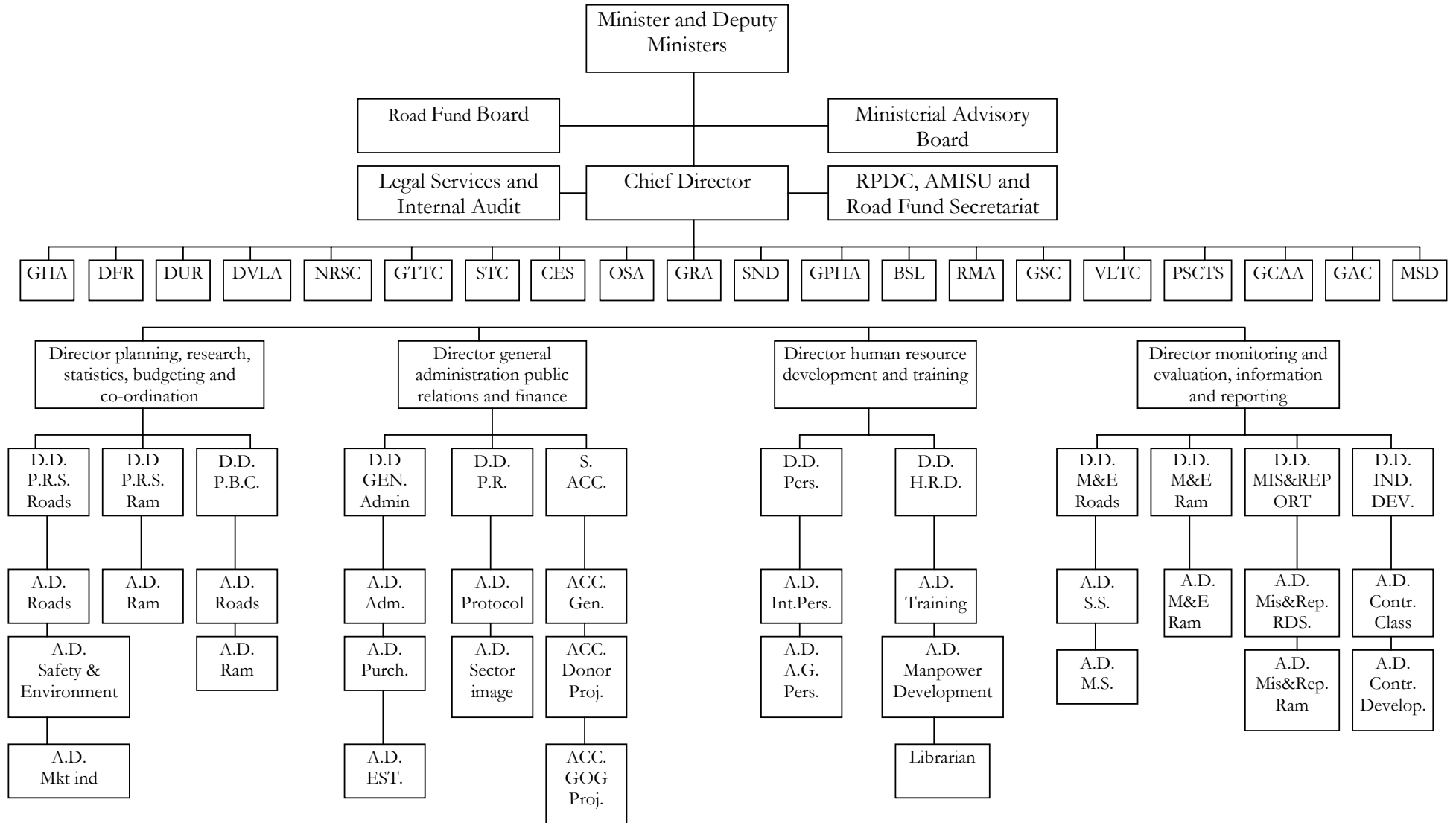
## **Annex 1**

### **Organisational structures GHA, DFR, DUR and MRT**

**Figure B1 Organisation structure Ministry of Roads and Transport, till 1997**



**Figure B2 Organisational structure Ministry of Roads and Transport, till January 2001**



**Figure B3 Current organisation structure of GHA**

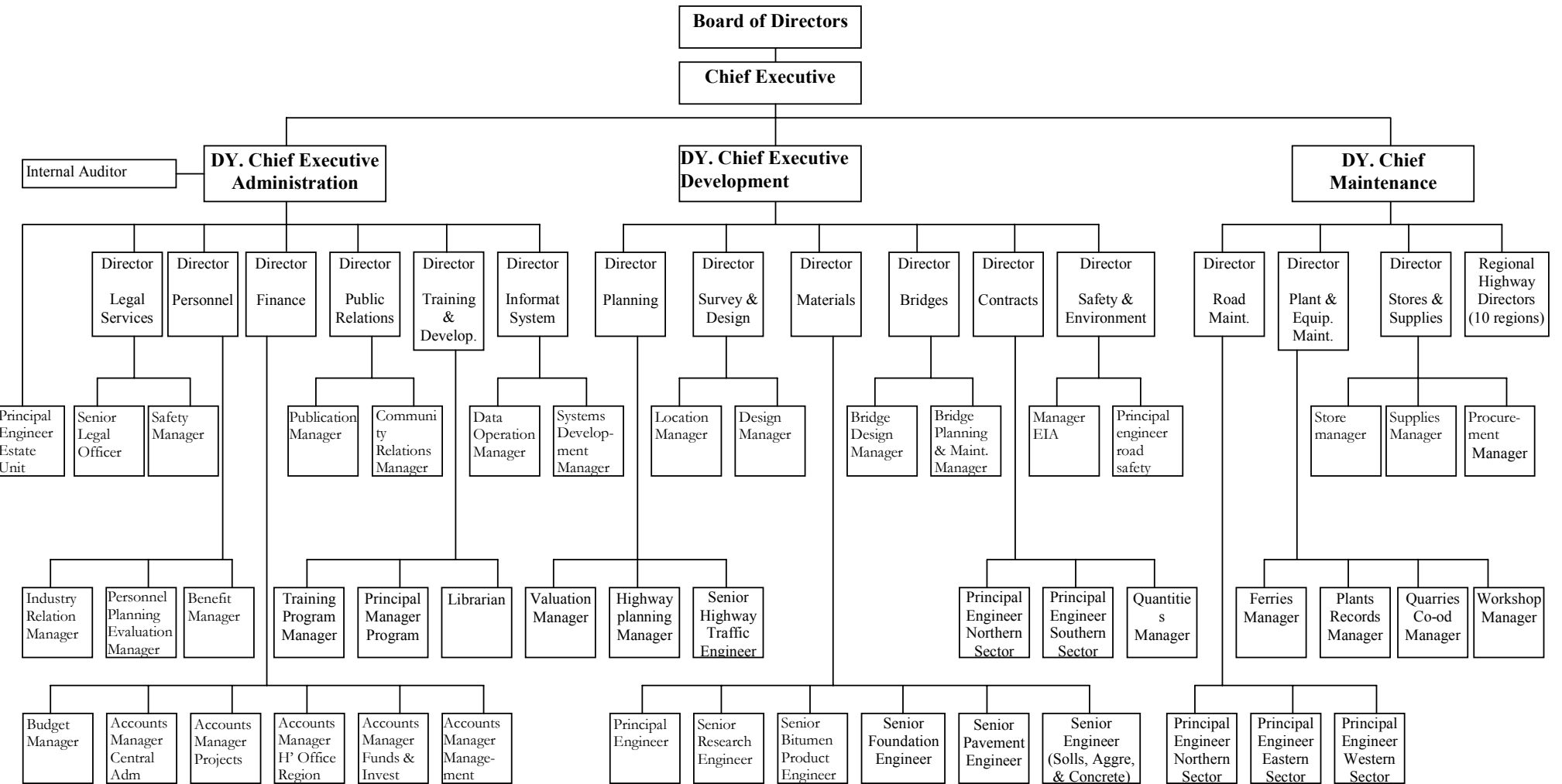


Figure A4 Organisational structure of DFR headquarters

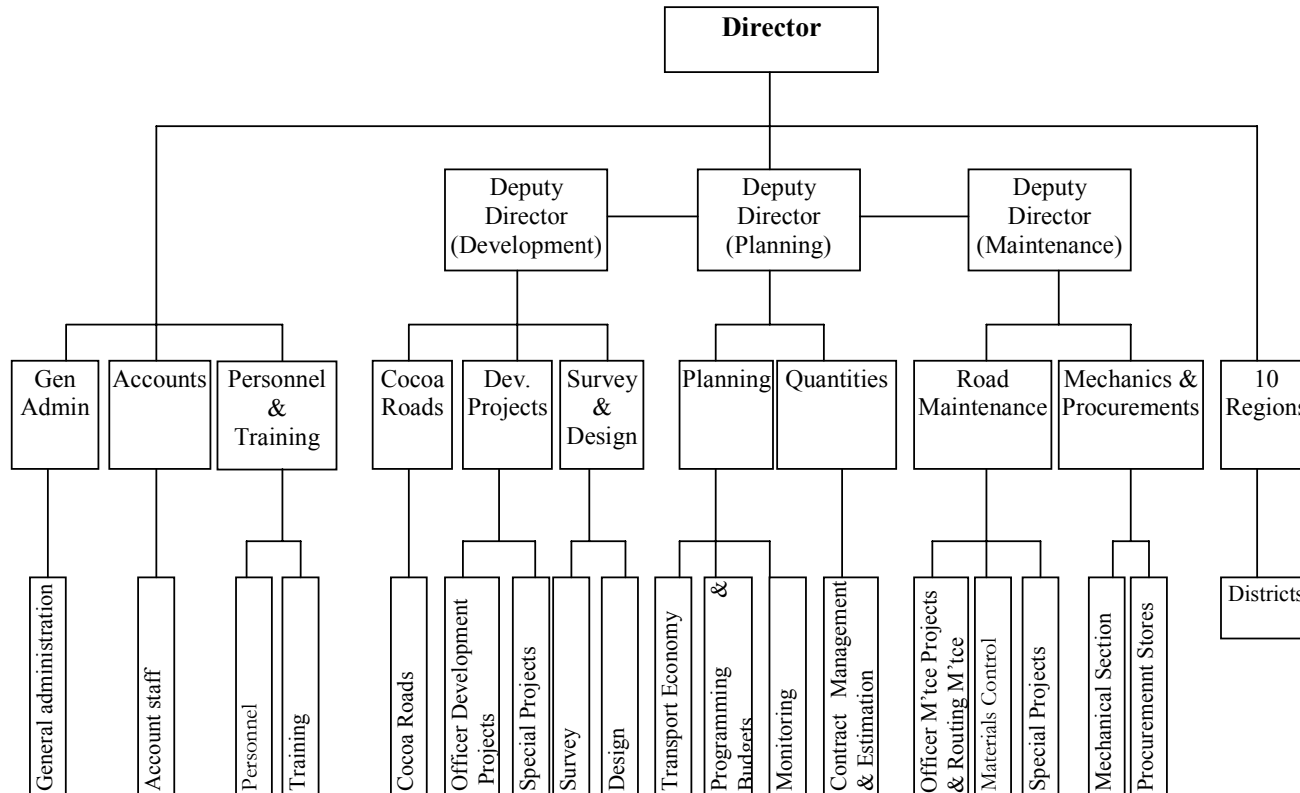
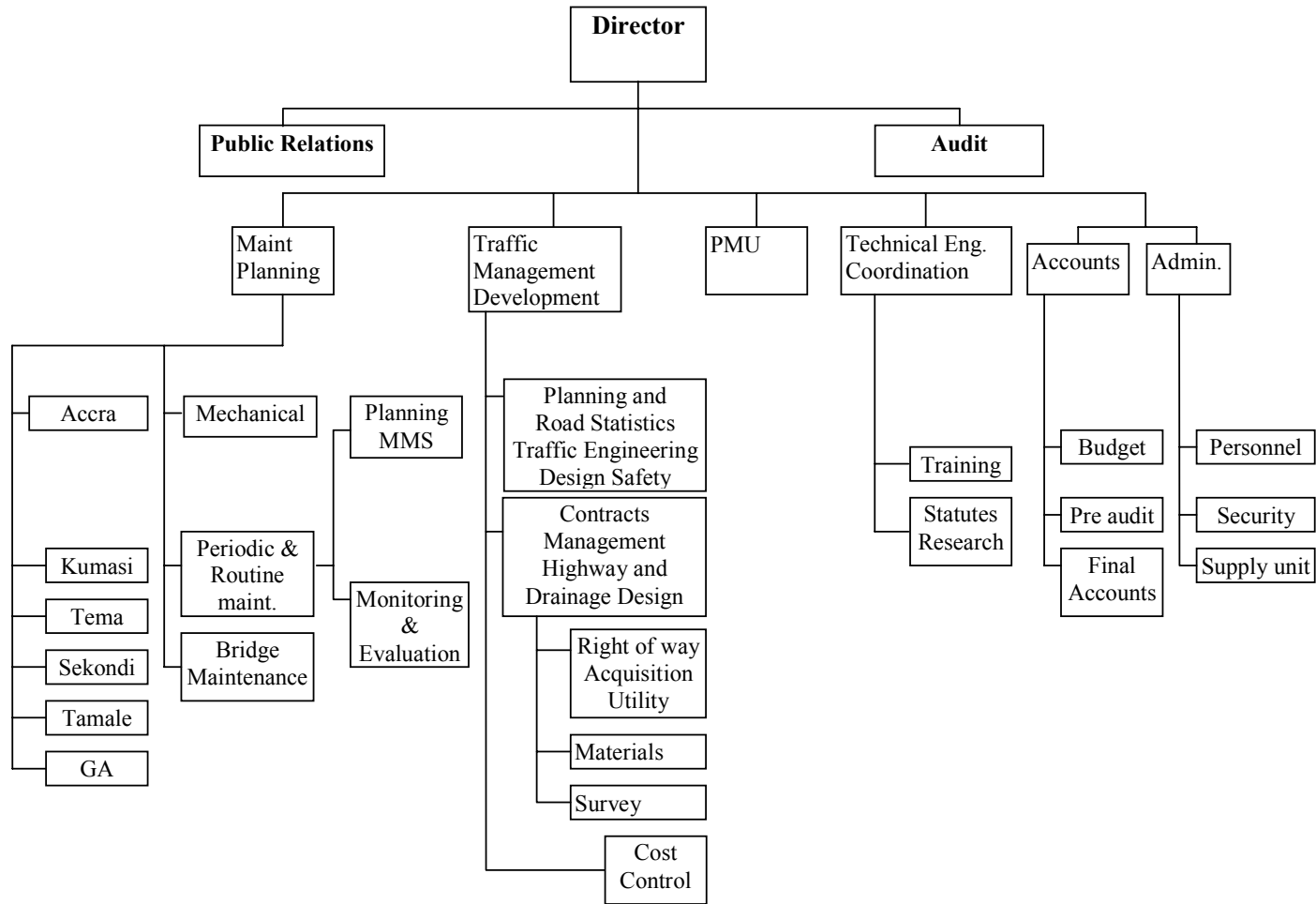


Figure A5 Organisational structure of DUR headquarters



**Annex 2**

**Country programme progress report RMI (presented in Saly,  
Senegal 16-22 May 2001)**

**(only available in hard copy)**



**Annex 3**

**Country programme progress report RTTP (presented in  
Saly, Senegal 16-22 May 2001)**

**(only available in hard copy)**

## **Annex 4**

### **List of persons met**

*List of persons met*

Mr. Vassilis Zafrakopoulos	Technical Adviser, Delegation of the European Commission in Ghana.
Mr. Ahmed Farhad	Transport Economist, I.T. Transport Ltd.
Francis O.M. Digber	Roads Engineer, Ghana Road Fund Secretariat
Mr. Eric Oduro-Konadu	Chief Executive (dev), Ghana Highway Authority
Mr. A.K. Hammond	Deputy Chief Executive (admin.), Ghana Highway Authority
Mr. Amoah Kingsford	Director, Ghana Road Fund Secretariat
Mr. Gerhard Tschannerl	Principal Engineer (Infrastructure), The World Bank
Mr. Martin hMensa	Ag. Director, Department of Feeder Roads, Head Office Accra

**Annex 6**  
**Country Report Malawi**

**Sub-Saharan Africa Transport Policy (SSATP)  
Review and Future Strategy**

**Draft Country Report Malawi**

**July 2001**

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## EXECUTIVE SUMMARY

The National Transport Policy reflects a growing public-private sector partnership, as evidenced by:

- ▲ Roads sub sector: Private sector involvement in network management.
- ▲ Dedicated Road Fund for road maintenance.
- ▲ Concessioning of Malawi railway operations and.
- ▲ Intended commercialisation of Malawi Lake services.

Road transport is by far the most dominant form of transport in terms of volume of freight/ passengers carried and the size of the transport network. The country's primary road network has a length of about 2,400 km, with district and other roads—a total of about 11,400 km—acting as a feeder system to the primary network.

Where road linkages within rural centres and markets exist, they are usually poorly maintained and hardly passable in the wet season. Development of these feeder roads is partly addressed by donor-financed rural infrastructure programmes. These programmes support both major and minor feeder roads, often through community based 'food for work' programmes. However, the areas covered in these efforts are invariably small and they do not meet the demand.

A Road Inventory and Condition Survey undertaken in November 2000 showed about one-third of the network in good condition, one-third in fair condition and one-third in poor condition.

There are few alternatives to road transport within Malawi, since rail network coverage is limited. There are some severe restrictions in rail access to and from Malawi on the key Nacala and Beira corridors. This has led to a situation where there are high costs in the road transport sector for import and export commodities. There appear to be conflicting information about the high cost of transport services to Malawi. Transport tariffs vary from 5.0 – 11.0 US cents per tonne kilometre, with tariffs, reportedly about half these levels in surrounding countries.

Over the last decade, the main actor in the road transport sector has been the EU which has focused upon institutional development and road investments, including backlog maintenance. The transport sector has a high absorptive capacity as well as high disbursement levels. Other important actors have been the World Bank (IDA) and KfW. Other IFIs including the AfDB, JICA and Kuwait/OPEC have also been participating in the programme indicating the past strength of international support for the sector following the creation of the NRA.

Within the coming five-year period, it would appear that the EU, with the Road Management Support Programme (RMSP<sup>1</sup>), and the World Bank with the Road Management and Rehabilitation Programme (ROMARP), would dominate support programmes to the national road transport sub-sector. Sub-sector donor co-ordination should thus in principle become simpler due to the involvement of fewer main actors, although not necessarily so at the local (district) level. The focus of enhancing donor co-ordination in the sector should build on the co-operation arrangements between the EU and the World Bank.

The RMSP concept is considered sound, worthy of continued support from donors, including the EU. It is commonly agreed that the RMI Initiatives have laid the groundwork for the success and impact of the targeted road sector reforms in Malawi. The NRA institution was founded with EU, KfW and World Bank support. The Road Fund has been set up, based upon commonly supported 'User Pay' principles.

There appears to be little up-to-date information on Non-motorised Transport (NMT) in Malawi. Some eight million pedestrians and possibly up to 400,000 cyclists could benefit from improvements in roads and pavement works. Any NRA initiative to improve road shoulders would generate a wider impact of income redistribution from better-off motorists who pay the fuel levy to poorer cyclists and pedestrians who do not.

The Interim Poverty Reduction Strategy Paper (I-PRSP) focuses on three specific goals: raising the productivity and income of the rural poor, with an emphasis on smallholder agriculture; promoting private-sector growth to expand non-farm employment; and improving and increasing social services. The I-PRSP recognises the problems in terms of access to transport infrastructure and the final PRSP document is to delineate strategies to improve the quality of economic infrastructure as a crucial component of economic growth. The role of rural feeder roads is further emphasised under the heading of rural insecurity, and an increased allocation to rehabilitation of rural feeder roads is listed as a key activity for the 2001/2002 financial year. Although the final PRSP document will contain more detail, it is not clear if all elements that would be part of a comprehensive Rural Travel and Transport Programme (or policy) are going to be included.

Two major challenges facing the Malawi Rural Travel and Transport Programme (MRTTP) are:

- ▲ Building capacity of district assemblies (primarily planning and management capacity); and
- ▲ Bringing coordination in various –often numerous– parallel interventions in the districts of different (government and/or donor-supported) Public Works programmes (e.g. WFP, Food Security, MASAF, different NGO's, NRA Road maintenance Fund).

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<sup>1</sup> RMSP (period 1996-2000) was recently evaluated (Report April 2001 – GOPA consultants)



MRRTTP would hope to see from SSATP practical support in the design of the process of decentralised implementation of local infrastructure public works (with ‘safety net’ provisions), addressing the complicating factors of multi-stakeholder interests, and multi-donor co-ordination problems (drawing from—inter alia—SSATP Working Paper No. 17 “The Institutional and Financial Framework of Rural Transport Infrastructure”).

Since its exposure to RMI (since 1995) and RTTP (since 1998), these two SSATP components had a great impact on (road) transport policy reformulation and triggered significant, first institutional reforms in the transport sector. There is a National Roads Authority (NRA) and a Road (Maintenance) Fund, with no separation (yet) between the Central Roads Agency function—NRA as the ‘provider’ of roads, and the Road Fund function—NRA as the ‘financier’ of roads.

Considering Malawi’s future needs, it would be helpful if the SSATP would focus on the following related activities:

- 1) Revisiting regularly/pro-actively the (road) transport policy implementation process, by conducting high-level Workshops with Road Fund Boards, Modal (Roads) Agencies at central and local level, policy-making/regulatory Transport and Local Government Ministries, etc. This concerns the provision of *continued guidance during the policy implementation process*, an important ‘sustainability’ task of SSATP.
- 2) Regional exchanges on selected ‘lessons learned’ by having designated country delegations meet regionally, or by arranging their bilateral study tours. This concerns the *dissemination of good practices* (e.g. on successful decentralisation and privatisation processes in road construction and administration, eytc.) in a most direct way.

## **I. LIST OF ANNEXES**

- ANNEX 1 MALAWI NATIONAL ROADS AUTHORITY
- ANNEX 2 LIST OF PERSONS MET
- ANNEX 3 THE MALAWI NATIONAL ROAD AUTHORITY

## II. ABBREVIATIONS AND ACRONYMS

AADT	Annual Average Daily Traffic
AC	Asphalt Concrete
ACEM	The Association of Consulting Engineers of Malawi
AfDB	African Development Bank
ALGAM	Association of Local Government Authorities in Malawi
ASIST	Advisory Support Information Services and Training (ILO)
CEO	Chief Executive Officer
CFM	Mozambique Ports and Railways
CFM-Norte	Mozambique Ports and Railways North
COMESA	Common Market for Eastern and Southern Africa
CONGOMA	Council for Non-Governmental Organisations
CR	Central Roads
CSIR	Centre for Scientific and Industrial Research (South Africa)
DANIDA	Danish International Development Agency
DDLGA	Department of District and Local Government Administration
DfID	Department for International Development (UK)
DRIMP	District Roads Improvement and Maintenance Project
EC	European Commission
EDF	European Development Fund
EIB	European Investment Bank
EIU	Economic Intelligence Unit
EU	European Union
GDP	Gross Domestic Product
GOM	Government of Malawi
GTZ	Gesellschaft für Technische Zusammenarbeit
HDM-IV	Highway Development Management Model, Version IV (World Bank)
HMS	Highway Management System
HRD	Human Resources Development
HPIC	Highly Indebted Poor Country status
ICB	International Competitive Bidding
IDA	International Development Association
IFIs	International Funding Institutions
ILO	International Labour Organisation
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper

JICA	Japanese International Co-operation Agency
KfW	Kreditanstalt für Wiederaufbau
MASAF	Malawi Social Action Fund
MK	Malawi Kwacha
MIM	Malawi Institute of Management
MIRTDC	Malawi Industrial Research and Technology Development Centre
MOF	Ministry of Finance
MTPW	Ministry of Transport and Public Works
MOWS	Ministry of Work and Supplies
MOLG(RD)	Ministry of Local Government (and Rural Development)
MR	Malawi Railways
MRTTP	Malawi Rural Travel and Transport Programme
NCIC	National Construction Industry Council
NEC	National Economic Council
NDF	Nordic Development Fund
NGO	Non-Governmental Organisation
NMT	Non Motorised Transport
NRA	National Roads Authority
NRSC	National Road Safety Council
OPEC	Organisation of Petroleum Exporting Countries
PCC	Petrol Control Commission
PRSP	Poverty Reduction Strategy Paper
RMI	Road Maintenance Initiative
RMSP	Road Management Support Programme
ROMARP	Road Management and Rehabilitation Programme
RTTP	Rural Travel and Transport Project
RTOA	Rural Transport Operators Association
RUC	Road User Charges
SADC	Southern Africa Development Community
SAF	Structural Adjustment Fund
SARCIC	Southern Africa Regional Construction Industry Council
SATCC	Southern African Transport and Communications Commission
SME	Small & Medium sized Enterprises
SSATP	Sub-Saharan Africa Transport Policy Programme
TRL	Transport Research Laboratory
UDR	Urban & Districts Roads
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa

USAID	United States Agency for International Development
VARBAU	Village Access Roads & Bridges Assistance Unit
VOC	Vehicle Operating Costs
WB	World Bank
WFP	World Food Programme

### III. NATIONAL MAP



# **1 Introduction**

This report gives account of a country visit to Malawi, within the framework of the Review of the SSATP programme, in the week 10-18 June, 2001.

The objective of the Mission:

- ▲ To give a brief description of the Malawi Transport Sector (recent past, present situation and prospects).
- ▲ The performance, exposure, and potential of the SSATP programme.

The Mission (Klaus Broersma and Erik Klaassens of the NEI Review Team) is grateful for the co-operation with officials throughout the transport sector, co-ordinated by the Technical Director (Urban and District Roads) of the National Roads Authority (NRA), Mr. Benjamin C. Kapoteza.

## 2 Background

### 2.1 General situation

#### Population and Health

Between 1995 and 2000 population in Malawi has grown at an annual average of 2,4%. This has brought the population from 9.9 million in 1995 to 10.9 million today. The average life expectancy over the same period has declined from 45 to about 39 years. The critical determinant in the declining life expectancy of the population is AIDS. The economic implications include loss of life among economically active population; productivity losses among family members and co-workers due to the need to care for and attend funeral of AIDS affected persons<sup>2</sup>; and the cost of care to households and the health system.

The distribution of the population of Malawi has also changed dramatically since 1995. According to estimates urbanisation is increasing at a rate of 4.7% per annum. This will create far more pressure on urban infrastructure, which is already in a decaying condition, whilst exacerbating the particularly high growth of HIV/AIDS amongst the urban dwelling, skilled and professional classes.

#### Economic Growth

The economy is based on agricultural production, generating 35.9% of GDP (UNDP, *Human Development Report*, 1999). About 85% of the Malawi's population earn their livelihood from agriculture. In terms of per capita income Malawi is ranked in the bottom ten countries with a GNP per capita estimated at USD 210 in 1999<sup>3</sup>.

The performance of the tobacco sector will continue to be the main determinant of economic growth in the forecast period. The EIU expects a real GDP growth of 3.8% in 2001, with a likely upward revision, in line with rising tobacco output and prices.

Efforts at economic diversification will continue, as foreign Governments discourage the domestic consumption of tobacco, Malawi's largest foreign exchange earner. However, no single product will be able to match tobacco's contribution to the economy in the near to medium term future. Development of the main export crops will remain highly dependent upon an efficient domestic transport network plus links to the Indian Ocean Ports.

Donors finance approximately 40% of the Recurrent and 90% of the Development Budgets in all sectors. In December 2000 Malawi reached a debt deal under the IMF and World Bank's HPIC initiative. This allows for a total relief of US\$ 1 billion on debt service, equivalent to some 643 US\$ million in NPV terms. This will save Malawi some

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<sup>2</sup> It can be estimated on statistical grounds that the National Roads Authority to lose two members of its staff to HIV/Aids every year

<sup>3</sup> *Malawi Country Report 2001*, Economic Intelligence Unit



1 billion US\$ over each of the next 20 years. The debt deal will reduce debt service expenditure by 50 million US\$ per annum over the next 2 years. This will allow debt relief funds to be allocated to other priority sectors such as poverty reduction.

**Table 1 GDP by Expenditure** (Current MK million)

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Private Consumption</b>	18,465	34,534	36,921	46,551	70,149
<b>Government Consumption</b>	4,069	4,636	5,242	6,399	9,599
<b>Exports of Goods and Services</b>	7,094	8,322	9,658	16,022	21,569
<b>Imports of Goods and Services</b>	-11,964	-15,201	-14,543	-23,743	-37,010
<b>GDP</b>	<b>21,378</b>	<b>36,595</b>	<b>42,357</b>	<b>54,491</b>	<b>79,537</b>
<b>GDP Euro (Million)</b>					<b>1,104</b>

*Source: IMF, International Financial Statistics*

#### **Infrastructure<sup>4</sup>**

Lack of adequate expenditure prioritisation, increased attention to the social sectors, delays in implementing necessary policy reforms (e.g. tariffs, autonomous utilities) and reductions in water flows from Lake Malawi have led to a serious deterioration in the once good quality of physical infrastructure. Road maintenance is seriously backlogged; power disruptions have become an increasing phenomenon; telecommunications services remain poor; and water services have deteriorated.

Internal and external transport costs continue to be one of the highest in the region, partly as a result of the dismal road network. High transport costs are a constraint to economic growth as export competitiveness is adversely affected while the external transport component of imports is very high (the transport component of imported agricultural inputs is roughly 50%).

The total area covered by Malawi is 118,000 km sq. While this is considered to be a small land unit in relation to other African countries, it is still a large area in terms of developing a well-maintained transport system. With all the major towns connected with all-weather roads, even if their quality is below acceptable condition, the smaller rural towns and centres often totally lack these facilities, and public transport services within rural areas are almost non-existent in most parts of Malawi. Where they exist, they are irregular, unreliable and far and few in between. Thus the majority of the population in rural areas have to walk long distances to access public transport and other public services like hospital and schools.

Where road linkages within rural centres and markets exist, they are usually poorly maintained and hardly passable in the wet season. Development of these feeder roads is partly addressed by donor-financed rural infrastructure programmes. These programmes

<sup>4</sup> Source: *Country Assistance Strategy, Malawi*, World Bank 1998

support both major and minor feeder roads, often through community based ‘food for work’ programmes. However, the areas covered in these efforts are invariably small and they do not meet the demand.

## **2.2 Poverty reduction/PRSP process**

Malawi is in the process of preparing a Poverty Reduction and Growth Strategy Paper (PRSP). An Interim Poverty Reduction Strategy Paper (I-PRSP) published in August 2000 forms the roadmap outlining the steps to be taken in developing a comprehensive PRSP, which is planned to be ready by August 2001.

The I-PRSP focuses on three specific goals: raising the productivity and income of the rural poor, with an emphasis on smallholder agriculture; promoting private-sector growth to expand non-farm employment; and improving and increasing social services. Policy prescriptions include strengthening fiscal discipline, increasing accountability and accelerating liberalisation and privatisation.

The I-PRSP recognises the problems in terms of access to infrastructure and the final PRSP document is to delineate strategies to improve the quality of economic infrastructure as a crucial component of economic growth. In an effort to make the policy proposals included in the I-PRSP more concrete, and to enable elements of the PRSP to be included in the 2001/2002 budget, a draft document called *Malawi PRSP, Findings to Date* was presented in May 2001. Under the heading of overall prioritisation, it recognises physical access as a key element of agricultural development. Two main barriers prevent this. Firstly and most importantly, by poor quality and insufficient rural roads linking farmers to towns, main roads and other markets. Secondly, by the lack of designated physical market places to which farmers can take their produce to be purchased by competing buyers. The role of rural feeder roads is further emphasised under the heading of rural insecurity, and an increased allocation to rehabilitation of rural feeder roads is listed as a key activity for the 2001/2002 financial year. Furthermore, at the level of specific district priorities<sup>5</sup>, a number of specified road-segments are selected for immediate attention, as well as regular speedboat services from Likoma Island to the mainland.

Although the full PRSP document will contain more detail, it is not clear if all elements that would be part of a comprehensive Rural Transport Programme (or policy) are going to be included. These would encompass elements like means of non-motorised transport, footpaths, small (bamboo-type) bridges etc.

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<sup>5</sup> In addition to highlighting various national issues, District Consultations also revealed a number of district-specific issues that needed to be addressed. Although it is intended that the decentralisation process will eventually address these district specific-specific issues, it is recognised that it may be several years before the district assemblies have the capacity to implement some of the solutions.

## 2.3 Decentralisation

With the introduction of multi-party democracy in 1994, the adoption of a new constitution based on the principles of participatory principles, the Malawi government embarked on a process of decentralisation of the political and administrative system<sup>6</sup>. In 1996, the Cabinet approved this policy and installed a Cabinet Committee on Decentralisation that was to look into the details of the policy. A new system of local government is to be made up of District Assemblies. The policy seeks to eliminate dual administration existing at the districts level by establishing one unified structure, the District Assembly, to achieve cost effectiveness and efficiency in service delivery. As part of the decentralisation, a number of administrative reforms have been effected. In addition, Government has made a commitment to ensure that adequate resources are made available to the assemblies<sup>7</sup>

The Assemblies will be composed of elected members, and ex-officio non-voting members. The last group is composed of traditional authorities and five appointed members to look after special interest groups. The district Assembly is given the mandate to employ their own staff headed by a Chief Executive Officer.

The District Assembly is charged with the overall development of the district and local communities will be participating in the formulation and implementation of the District Development Plan<sup>8</sup>. To translate the power and competence given to them by this policy a sound local government mechanism will be set up. The main sources of revenue are locally generated revenues and central government transfers.<sup>9</sup>

In October 1998 the Cabinet approved a plan for a set of functions that the Assemblies would be taking over as soon as possible:

- ▲ Primary Education.
- ▲ Local Health Services.
- ▲ Community Development Services.
- ▲ Forestry.
- ▲ Water.
- ▲ District Roads.
- ▲ Registration of Births and Deaths.

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<sup>6</sup> MOLG, 1998 *Malawi Decentralisation Policy*

<sup>7</sup> GoM, *the Interim Poverty Reduction Strategy Paper* (2000)

<sup>8</sup> GOM and the Donor Community Joint Appraisal Team (2000) *Appraisal of Malawi's Decentralisation Implementation Plan*

<sup>9</sup> In the long run the planning capacity at district level will be strong enough to use DDF. However, at the moment the technical ministries are still going ahead with their centrally controlled planning and implementation work, and the question is really: how far is the decentralisation process? In the opinion of CARE, it would be better to concentrate on the actual planning work of a sub-sector in the district and get this from the ground, instead of trying to set up the whole district machinery first.

Within the Roads sub-sector, the following functions and services are devolved to the Assembly:

- ▲ District, Township, City, and Estate Roads;
- ▲ Street naming;
- ▲ Issuing of road permits; and
- ▲ Issuing of drivers' licences.

The Joint Appraisal Team that issued a report on the status of the decentralisation process in August 2000. Under the heading "Sustainable Infrastructure and Service Provision" it identified three issues:

- ▲ "Local Government (LG) is responsible for the key infrastructure and service provision related to people in their area." Under *Analysis* it stated: "Seems to be the case when the LG Act is implemented";
- ▲ "Infrastructure and service provision of LG cover the people's needs." Under *Analysis*: "Matter of available resources – Local Government Finance Committee to advise on this"; and
- ▲ "Systems of costs recovery developed for the key infrastructure and service provision areas." Under *Analysis* it put a question mark, indicating that this issue was far from resolved.

In more general terms, the Joint Appraisal Team judged that "Inadequate institutional capacity at both national and local level may hamper the implementation process". The PRSP Technical Committee that issued the Findings to Date report addressed the issue of capacity building at the district level and suggested the following interventions for the 2001/2002 financial year<sup>10</sup>:

- ▲ Train assembly members on their roles, duties and responsibilities;
- ▲ Train assembly secretariats in management skills;
- ▲ Develop and disseminate financial management, accounting and auditing manuals for local Government; and
- ▲ Train assembly staff in financial management systems.

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<sup>10</sup> PRSP Technical Committee (2000), *Malawi PRSP; Findings to Date*

## 3 Transport sector and sub-sectors

### 3.1 National Transport Policy

The National Transport Policy reflects a growing public private sector partnership, as evidenced by:

- ▲ Roads sub sector: Private sector involvement in Network Management;
- ▲ Dedicated Road Fund for road maintenance;
- ▲ Concessioning of Malawi railway operations; and
- ▲ Commercialisation of Malawi Lake services.

Rail and Lake transport passenger and freight volumes have generally decreased over the past 5 years, whilst road traffic volumes have increased over the same period.

To address constraints in the road's sub-sector, The Government implemented the Road Maintenance Initiative aimed at improving the quality of the existing road infrastructure and addressing the maintenance backlog. The National Road Authority (NRA) acts as an autonomous entity with a predominantly private sector board. The NRA is partly financed by a fuel levy, which ensures financial sustainability. Government is also exploring options to upgrade the Nacala Corridor, which will be key to promoting export competitiveness and reducing import costs.

At the level of international trade and transport, the Malawian Government recognises that, given the landlocked nature of the country, major improvements in the economy can only be achieved with the use of shorter routes to the ocean. Improved transport services are thus an essential catalyst for production and lower transport costs would also lower production costs. The Government continues to pursue a policy of deregulation in the transport sector to enhance competitiveness that has included the concessioning of the Malawi Railways to Central and East African Railways.

At the level of internal (mainly rural) trade and travel, access and feeder roads to and from some rural areas are grossly inadequate, and where they exist often become impassable during the wet seasons, thus hindering socio-economic development. In the past GoM resources allocated to the rural transport sector were for road infrastructure development.

An overall, national transport policy document, prepared by the Ministry of Transport and Public Works<sup>11</sup> (MTPW) has been recently endorsed by the Cabinet (with the help of some World Bank pressure). Some say this was inspired and accelerated by the earlier preparation of a Rural Travel and Transport (RTT) policy document for which substantial assistance from SSATP/RTTP component has been instrumental. The transport policy document still needs to be widely disseminated to stakeholders, perhaps in a 'popularised' version.

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<sup>11</sup> In 1999, the Ministries of Transport and Works & Supplies were joined.

The major challenge ahead now is the implementation of the advocated national transport policy –in its various sub-sectors. A concerned Draft Action plan for implementation has been prepared recently with USAID assistance. In its present form, it seems still mostly a ‘shopping list’ and assistance for a further concretisation of some priority issues would possibly fit on the agenda of a new-style SSATP<sup>12</sup>.

### **3.2 The Ministry of Transport and Public Works (MTPW)**

Once the process of downsizing the Ministry has been completed, the main tasks of a lean MTPW would concern:

- ▲ Comprehensive transport policy development covering all relevant modes of transport (including inter-modal transport).
- ▲ Modernisation of legislation and regulations in line with latest transport policy development (including international agreements, protocols, etc.).
- ▲ Ensuring of compliance with prevailing legislation and regulations.
- ▲ Monitoring of the various sub-sector agencies placed at arm’s length, which will or have been established to implement and operate the various components of the overall transport system (infrastructure and transport services respectively).

This calls for quite specific staffing requirements and adjustments that cannot be achieved overnight. It is particularly difficult –if not impossible– to achieve within a traditional government framework of rigid employment rules combined with comparatively very low salaries. A rather rigorous reform of the total Government Administration (conditions of employment and remuneration of a largely reduced civil servants population) seems a pre-requisite for the desired ‘reconstruction’ of the MTPW, among practically all ministries.

Nevertheless, the process must be continued within the limits of what turns out to be practically possible. A first requirement is then to agree on the priority areas on which MTPW would have to focus its certainly scarce human and financial resources.

As far as the Roads sub-sector is concerned, the guidance of the Cabinet Committee on Roads chaired by the Minister of Health and with further representation of the Ministers of Transport and Public Works, Finance, Local Government and Agriculture will be key to establishing priority (policy) issues and concerned action plans. Obvious candidate-issues are believed to be the following:

- Road traffic regulation (aiming primarily at road safety).

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<sup>12</sup> Generally, in cases where support for the preparation of a transport policy implementation plan would not be so readily available, a new-style SSATP may take up such a challenge, perhaps not by fully financing it but by providing professional facilitation followed up with a resources mobilisation campaign to get the resulting Action plan carried out under (several) donor-supported programs/projects.

- Trade facilitation covering a wide-ranging complex of issues:
  - Reduction of international freight rates<sup>13</sup>
    - Inherent constraints (Low volumes, irregular transport, few return loads, little business from South Africa).
    - Improvement of Nacala railway infrastructure and operations concession –in comparison with other (road-oriented) corridors such as NTC in the North, and Blantyre -Quelimane or -Beira in the South<sup>14</sup>.
  - Adaptation of legislation in harmony with international (SADC) regulations
    - Simplification/standardisation of documentation for cross-border trade.
    - Fuel prices.
    - Permissible maximum axle loads and control procedures (axle weighing).
    - Standardisation of main road design elements.
    - Traffic codes and road ‘furniture’.
  - Bilateral transport agreements and adherence to signed international conventions/ protocols (SADC/SATCC).
  - Review of legislation, notably to ensure that Road Traffic Act will be coherent and consistent with the prevailing (road) transport policy, and enabling the advocated priority actions.

Comprehensive transport policy development calls for professional capacity in integrated, multi- and inter-modal transport planning focused on:

- Areas or transport corridors where (a strong potential for) cost-effective competition between different modes of transport exists<sup>15</sup>.
- Areas or corridors where there is (potential) complementarity of different modes of transport, e.g. inland water-road (Lake Malawi), railroad (‘hub’ points along the Nacala rail corridor), and air-road (small quantities of high-value goods).

It seems questionable that MTPW could afford to maintain the necessary high-level professional in-house staff for this on a permanent basis. An approach using a ‘*ad hoc Project Bureau*’ drawing seconded sector planning experts from the relevant Modal Agencies (placed at MTPW arm’s length in the future) under the leadership of an external, independent expert (in comprehensive transport planning and management) seems more realistic and cost-effective.

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<sup>13</sup> Reportedly, a USAID-supported Transport Costs Study looking at all relevant SADC transport corridors, including those affecting Malawi, is underway under SATCC auspices. Under ROMARP, there is a ‘Transport cost review’ scheduled, which may partly overlap and/or supplement this study (for the attention of NRA).

<sup>14</sup> EU Regional programme seems to offer the best opportunities for Malawi to obtain donor-support for addressing its transport corridor problems.

<sup>15</sup> Domestically, this could be –but is not necessarily– the corridor between the Northern and Southern Region where inland water transport (Lake Services) may be made to compete with road transport of freight; internationally, this concerns the Nacala (rail), Quelimane (road) and Beira (road, in a further future perhaps rail) corridors.

The modal agencies (to be) placed at arm's length of MTPW, could possibly be:

- ▲ The NRA for the main road infrastructure network.
- ▲ A Road Transport Inspectorate overseeing the road transport operators (licensing of professionally competent entrepreneurs, ensuring 'order in the market', vehicle inspections on-road as well as off-road, etc.).
- ▲ A Railway Concessions Agency (building on the ongoing developments), with just Railway Regulatory Unit at MTPW (dealing with safety and –revised– Rail Act enforcement).
- ▲ A Malawi Lake Services Concessions Agency that would treat maintenance/ operation of Lake port infrastructure (ownership), safety and pollution control on waterways and in ports (e.g. navigational aids, patrolling), and licensing of (large) vessel operators as separate, albeit coordinated, competencies.
- ▲ A Civil Aviation Authority (a recent Feasibility study on the establishment of an autonomous Airport and or Civil Aviation Authority seems to be available).

In view of perhaps little donor support for heavy investment in certain sectors (e.g. aviation or inland water transport), the 'shopping' list in MTPW's Draft Action Plan for transport policy implementation does not seem very realistic. Choices, selection of priorities is unavoidable.

For sub-sectors that so far have received less attention (Civil Aviation, Lake Services) than others (NRA, Railways restructuring), and that require a more realistic assessment of their relative importance/ position within the comprehensive transport policy framework, a well-prepared 'policy' Workshop<sup>16</sup> assembling all relevant stakeholders, would be the first activity to undertake (before jumping into further elaboration of the present Draft Action Plan transport policy implementation).

It would be logical that a new style SSATP covering Comprehensive Transport Policy Framework development, would consider supporting this type of (non-Road) sub-sector Workshops, in cases where the MTPW could substantiate the relative importance of the desired intervention –in dialogue perhaps with the SSATP Regional Coordination Unit (in e.g. Harare).

Finally, supposing that down-sizing of MTPW would be pursued more or less in the way sketched in this section, the professional staffing profile of MTPW would have to shift significantly in the direction of legal and regulatory –instead of engineering– expertise.

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<sup>16</sup> E.g. a Workshop for stakeholders in the aviation sector, air transport and airports would debate the results of the recently completed Feasibility study on a possible CAA, review the relative importance of the Malawi aviation sector for the national economy as well as within the regional context, look at fare's deregulation, review the bilateral air services agreements and aviation regulations in the light of a liberalised air services policy, consider requirements for privatisation of Air Malawi, consider the prospects of (privatised) air ports, etc.



### 3.3 The National Roads Authority (NRA) and the Road Maintenance Fund<sup>17</sup>

The creation of the NRA in 1997 and the introduction of fuel levies feeding a (routine) maintenance fund can be described as a major achievement<sup>18</sup>. In its present state of institutional/organisational development, the NRA combines the functions of a (Central) Roads Agency with those of the Administrator of the Road Maintenance Fund<sup>19</sup>.

NRA's mission statement reaches further than road maintenance. It is "*to ensure that public roads are maintained and rehabilitated at all times*" ... and ... "*to raise funds for the maintenance and rehabilitation of public roads*". Whereas the roads maintenance objective is (or should) be covered (fully) by the Road Maintenance Fund, the roads rehabilitation objective –relating largely to what is called also backlog maintenance –needs to be covered from other financial resources, newly introduced road user charges perhaps, but predominantly foreign donor grants (EU) and lending (IDA, BADEA/Kuwait Fund/ JICA, etc.) –for considerable time to come<sup>20</sup>.

Although NRA sets the budget and (together with the District assemblies) determines the needs and priorities, it cannot decide on the annual Road Maintenance Fund expenditure/allocation without the consent of the Minister of T&PW (a 'rubber stamp' procedure under the present Minister, but not necessarily always so!) and subsequent parliamentary approval within the context of overall, annual national budget endorsement.

It is interesting to note that the NRA as the Central Roads Agency –albeit a very lean one due to the adopted principle of out-sourcing most planning and operating functions surveys, has a Board that is heavily dominated by private sector representatives, whereas according to RMI principles this type of Board was 'designed' specifically to run a Road Maintenance Fund<sup>21</sup>.

With regard to the allocation of the Fund –distribution among Central, District and Urban roads– the NRA Board seems, at the moment, almost fully independent. As concerns the level of the Fund resources –adjustment of the fuel levy to the (road

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<sup>17</sup> See also Annex 1.

<sup>18</sup> The EU supported RMI through conducting studies in 1996 that helped to create NRA. Other donors, notably KfW and the World Bank also provided support for the build-up of NRA.

<sup>19</sup> KfW and the EU are in agreement on (a) the need to ensure adequate and stable sources of funds to the NRA during its infancy and (b) preference for the 'Single Board Model', at least during start-up. The World Bank has preferred a 'Two Board Model' and has suggested that donors (principally itself and the EU) need to agree on a view with regard to the process and periodicity of review of the performance of NRA and hence the timing of further organisational change.

<sup>20</sup> The GoM could decide to use HIPC-related funds to be channelled to NRA in order to support the rural roads sector.

<sup>21</sup> The original set-up of NRA foresaw separation between funding and executive role. The donors accepted that they operated within one organisation, on the perception that separating them would ask too much in terms of institutional changes, and separation would take place later.

maintenance) needs– the Board is heavily dependent on their understanding with the governments’ Petrol Pricing Committee.

### **NRA Board**

NRA Board chairman (appointed by the Minister of T&PW) is currently the representative of the agricultural (Tea Association) sector, and the Vice-chairman (elected by the Board members) is the representative of the Road Transport Operators Association. The other private sector representatives originate from the (agro-) industry (sugar manufacture) sector, the National Construction Industry Council (NCIC)<sup>22</sup>, the Malawi Chamber of Commerce, the minibus owners Association, the National Traffic Safety Council, and from the general public<sup>23</sup> (one contractor, one architect, and one accountant). The public sector is represented by the Permanent Secretaries from the Ministries of Transport and Public Works and Local Government, and by the representative of the Cities Assembly’s. The Board meets at least four times a year. What seems to be missing is the representation of the Ministry of Finance and that of the Tourism sector.

Whilst ‘step-wise’ representation is the only manageable solution, much depends on the communication process of the representatives on the Board with their respective constituencies. In this respect, proper representation of the interests of the ‘rural poor’ and the ‘urban poor’ is a particularly difficult issue (e.g. at present this is in the hands of the MLG and the Cities Assemblies representative); the general public representatives’ positions in the Board might be given a more prominent role in this respect.

Whereas the (present) NRA Board’s functioning is believed to be crucial for improved road sector management, by all Malawi stakeholders as well as donors, a periodic (annually, or every two years), externally facilitated Workshop reviewing various – sometimes controversial issues– would certainly contribute to further comprehensive consensus building. Such issues could be for example:

- ▲ Progress and constraints in decentralisation process/ devolution of resources to District assemblies.
- ▲ Public relations of the NRA/ fulfilment of legal obligations (Annual Reports, Annual Accounts publication) of the NRA.
- ▲ Road (maintenance) fund adequacy / conflicting interests with e.g. Petrol Pricing Committee / road user charging scenarios making use of the available RUC-tool to gain wider understanding of the complexities.
- ▲ Degree of representativeness of the Board/ constituencies of individual board members/ composition of Committees, Working Committees and Sub-Committees.
- ▲ Interaction with MTPW (inter- or multi-modal issues) and with MLG (rural travel and transport, mobility of urban poor)/ clarification of responsibilities.

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<sup>22</sup> Representing both the Contractors including the SME’s (joint in their Association) and the Consultants (without an umbrella Association so far).

<sup>23</sup> The ‘general public’ representatives are appointed directly by the Minister of T&PW –a rather ‘political move’; it would be more representative if they would at least originate from different regions (e.g. North, Central and South Malawi).

- ▲ Lessons to be learned from (recent) technical evaluations of donor-supported programs/projects.

Facilitating dedicated workshops addressing particularly sensitive (policy) issues in a well-prepared way (careful selection of decision-making level stakeholders, professional facilitator, authoritative resource person on the particular subject) could be a key task for the (new style) SSATP. It seems (to consultants) an important follow-up to ensure the sustainability of the Road Fund – Roads Agencies set-up initiated only four years ago (in Malawi).

Another (urgent) task for NRA seems to prepare a clear program of reclassification – basically restructuring of ‘ownership’ – of the road network, according to functional/utilisation criteria.

### **NRA Staffing and related issues**

NRA professional staff largely originated from the former Ministry of Works and Supplies. About 22 engineers positions are currently filled (in the Operations Department comprising the Planning Division, the Procurement Division and two Technical Divisions for Central Roads and Urban + Districts Roads respectively). A transport economist (for the Planning Division) is urgently required.

The Technical Divisions (CR and UDR) operate 5 zonal Offices. Each zone is supposed to be managed by two Highway engineers –one in charge of CR, the other one directing UDR –assisted each by one technical inspector (thus 10 engineers and 10 inspectors). This zonal set-up is supposed to run primarily the routine<sup>24</sup> and periodic<sup>25</sup> maintenance planning, programming and contract management of the works (carried out by the private sector contractors) financed from the Road Fund<sup>26</sup>. The decentralisation process with the intended transfer of ownership of roads and devolution of professional staff from MTPW and perhaps NRA to the District technical level will require to reconsider the position of the present (5) NRA zonal Offices and their staff.

The donor-supported periodic and back log maintenance projects, as well as rehabilitation and upgrading projects (ROMARP, EDF, etc.) are run by NRA from central office, but will also call upon the zonal Offices’ support.

Several spokesmen –donors in particular –believe that NRA is seriously understaffed to properly undertake all the responsibilities and tasks that it has taken on or been assigned. In addition, AIDS is prevalent amongst professionals and statistically the NRRA may lose two personnel each year. A private sector spokesman from the NRA Board mentioned that some NRA staff is still haunted by a civil servant working attitude. This impression is reinforced by the less than transparent business operations

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<sup>24</sup> Unambiguous definitions are important: E.g. routine maintenance of unpaved roads covers spot re-graveling, dragging, light grading, grass cutting, culvert and side drain cleaning.

<sup>25</sup> E.g. periodic maintenance of paved roads concerns shoulder reconditioning and AC overlay.

<sup>26</sup> There is not yet a clear mechanism to set up contract on maintenance. One option would be to give contractors a retainer contract for one stretch of road.

(no annual reports in spite of legal obligations and very little information to the public, although a public relations officer has recently been recruited).

Whereas other (donor-supported) programs are running ‘safety net’-type of projects targeting feeder and local roads’ maintenance or rehabilitation at the District level, there is considerable duplication of planning and management efforts while *no one seems to be addressing the co-ordination issue*. Therefore, more than anything else, the issue to develop a coordinated approach of the actual road maintenance and rehabilitation needs assessment followed by prioritised implementation proposals (i.e. a planning & programming exercise in the first place) should be tackled. The NRA Board might be the proper organ to take the initiative in addressing this issue.

There is also a need to co-ordinate donor approaches on this topic. There appears to be an absence of any joint policy (statement) between the EU and World Bank regarding the future direction of sub-sector support. For example in such matters as rural road sub-sector policy, the means of achieving a balance between eliminating the backlog of periodic maintenance vs. taking up new rehabilitation and reconstruction works.

#### **Road Maintenance Fund expenditure level 2001/02**

The Road Fund’s (minimum) size for the period 1999-2004 seems to be a ‘condition’ in the Road Maintenance & Rehabilitation Project (ROMARP), committed by the MOG Transport Policy letter signed by the Minister of Finance, as follows (in US \$):

1999/2000	US\$	9.5 million
2000/2001	US\$	12.0 million
2001/2002	US\$	12.9 million
2002/2003	US\$	13.8 million
2003/2004	US\$	15.3 million.

The expectation is that at this level of maintenance funding it will be possible to cover routine maintenance of the core network by 2000/01 –and of the full network by 2003/04.

NRA’s 2001/02 ‘status quo’ scenario (fuel levy of 3.75 Kwacha /litre<sup>27</sup>) proposes to distribute 1,146.5 MK (million Kwacha) from the Road Fund (not including NRA’s operational budget of currently more than 100 MK/year) as follows:

- ▲ 923 MK for Routine & Periodic Maintenance (‘maintainable’ roads).

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<sup>27</sup> Raised with 2 Kwacha/litre to this level in November 2000. The latest ROMARP Mission Aide Memoire of early June 2001 warns that there is a serious risk that the maintenance program could slip off track in the absence of no further increase in fuel levy; reportedly, the main donors have been recommending a level of 8 Kwacha/litre as a target level that could balance more or less the maintenance needs with the maintenance implementation capacity.

- ▲ 100 MK for Emergency works (a sort of reserve fund)
- ▲ 82 MK for Supervision services
- ▲ 41.5 MK for Consulting services.

An additional 215 MK for maintenance of unpaved Feeder (but ‘Central’ Secondary/Tertiary) roads would be funded from HIPC, bringing the total planned maintenance expenditure to 1,361.5 MK.

NRA has also submitted –to MTPW for submission to the Cabinet and Parliament– an ‘ideal’ scenario that would require an additional 1,983 MK –therefore requiring a substantial increase (almost 3-fold) of the fuel levy. It seems unlikely that there would be sufficient implementation capacity (contractors, contract management, professional supervision) for such additional workload.

### **3.4 District Assemblies and Transport**

Within the context of ‘pro poor’ transport strategies that are to be advocated more by a new style SSATP management, the decentralisation process<sup>28</sup> set in motion in Malawi during the last 2-3 years, will be instrumental.

Training of District teams to sensitise and train –i.e. to empower– local communities to express their transport and mobility constraints and to articulate their views and suggestions on possible (priority) solutions ‘bottom up’ to the District Development Committees that will have to compile action programmes and mobilise the resources for implementation, seems the best way ahead to contribute to capacity building at the local –rural district as well as urban slum– level.

This process of sensitising and training needs to precede investment in locally ‘invented’ improvements of the local transport infrastructure (e.g. footpaths, small bamboo bridges, walk route-shortening, spot improvements, etc.), and perhaps (where appropriate) non-motorised vehicles’ services operated by local providers.

Concerned investment may be financed from the District Development Fund<sup>29</sup> (rather than from a Roads Fund), but after implementation one could envisage a contribution-flow from the Road Maintenance Fund to the DDF for maintenance of local transport infrastructure –justifiable as a sort of cross-subsidy for non-motorised transport/access to the higher level, classified (road) transport system. However, for some time the Assemblies may not be in a position to handle funds in a efficient manner. To avoid a deadlock, one solution may be that Assemblies would only be involved in the needs and give out certificates of completed work. The money would be handled through funds managed by the NRA.

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<sup>28</sup> A summary on the Decentralisation process is contained in chapter 2.3.

<sup>29</sup> DDF to be distributed by MLG to the Districts: 20-30% pro rata (e.g. population) and 80-70% according to some poverty indicators (e.g. infant mortality, etc.)

SSATP/RTT (new style) could be a facilitator for developing and disseminating the approach and methodology for such a capacity building effort as well as for an appropriate funding mechanism. These could then be incorporated in concerned (donor-supported) MLG programs.

UNDP carried out pilots in rural districts to find out how communities can do their own planning. One outcome was identification of lack of organisation looking after rural access. There is a need for a policy at this level, maybe a separate Rural Road Commission?

### **3.5 Rural Travel and Transport (RTT)**

The country co-ordinating arrangement of RTT in Malawi comprises a National (Programme) Co-ordinator who is (acting) Head of the Planning and Development Division of MoLG, a Programme co-ordinator of MRTTP who is also the SSATP/RTTP country co-ordinator, placed at some arm's length of MoLG (and provided with a local budget for MRTTP development), and a MRTT Steering Committee for providing policy guidance and programme oversight. The MRTT unit has been instrumental in preparing the RTT policy. Apart from the mentioned (2) co-ordinators, the Steering Committee consists of representatives from the following agencies:

- ▲ Ministry of Gender, Youth and Community Services.
- ▲ Ministry of Transport and Public Works (Planning division).
- ▲ Ministry of Agriculture and Irrigation.
- ▲ Ministry of Finance.
- ▲ National Economic Council (NEC).
- ▲ National Roads Authority (NRA).
- ▲ Malawi Social Action Fund (MASAF).
- ▲ Council for Non-Governmental Organisations (CONGOMA).
- ▲ Rural Transport Operations Associations (RTOA).
- ▲ Malawi Industrial Research and Technology Development Centre (MIRTDC).
- ▲ Association of Local Government Authorities in Malawi (ALGAM).

Two other major tasks, notably (i) preparing proposals to –and mobilising resources from– various donors for implementation of (physical) interventions in the sub-sector, and (ii) participating in the preparation of the Poverty Reduction Strategy Paper, seem to have remained fairly low-key. This is probably related with the two major challenges ahead now, which are

- ▲ Building capacity of district and city/municipal/town assemblies (primarily planning and management capacity); and
- ▲ Bringing coordination in various –often numerous– parallel interventions in the districts of different (government and/or donor-supported) Public Works programmes (e.g. WFP, Food Security, MASAF, different NGO's, NRA Road maintenance Fund).

The best vehicle to face these two major challenges in the current stage of RTT development in Malawi –where raising awareness and understanding of rural travel and transport issues is still very much needed– is perhaps a pilot project approach in a sufficient number of districts, which will demonstrate the benefits of addressing rural travel and transport issues in an integrated manner.

This approach would bring together the local communities, the newly formed District planning unit (i.e. the ‘executive arm’ of the District Assembly), the sector or line ministries’ staff still employed in the district (but eventually to be devolved into the District administration), the various NGO’s and donors active in the district in RTT type of public works. Co-ordination between these parties, in an integrated manner, is very much –more than anything else– needed in order to make progress in the decentralisation process, as can be observed in some districts (e.g. Dedza and Lilongwe rural districts<sup>30</sup>) where many parties are operating now side-by-side un-coordinated, because district assemblies are still too weak to take the lead in (sub-) sector planning, coordination, management and monitoring.

MRRTP expects SSATP (RTTP component or otherwise) to provide practical support, i.e. the needed type of hands-on experience delivered at the right time in the right place (in Malawi). In this exemplary case, the venue could be a carefully prepared Workshop (e.g. in a district like Dedza) run by a professional facilitator, ensuring that the relevant stakeholders – quite a variety– would all participate and be focused on the relevant issues. SSATP/RTT input would be a ‘resource’ expert in the field of *multi-donor co-ordination in an environment of decentralisation with multi-stakeholder interests, focusing on local infrastructure public works-cum- ‘safety net’ aspects*.<sup>31</sup>

Just the preparation of the intended type of Workshop will require a significant input – well before the venue takes place– both from the MRRTP co-ordinator and the SSATP regional co-ordinator (e.g. Harare-based). Finding the right, professional facilitator (this is not the mentioned resource expert –unless such a unique combination would be found), who would have to participate in the Workshop preparations as well, is another important aspect. In case, the professional facilitator who will be responsible also for a high standard report of the Workshop, could not be financed from the meagre, local

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<sup>30</sup> Based on information from MRRTP co-ordinator unit and NGO (Care).

<sup>31</sup> CARE is carrying out a “livelihoods” pilot project to construct a safety net around public works. One component is the formation of “contracting units”, consisting of 10 women who would carry out labour intensive maintenance work on feeder roads. Activities are aimed at community and entail (i) group formation and (ii) selection of plan and management of implementation. The second component is the development of small community level contractors. Activities are selection of “promising contractors” and training in contract management. CARE is involved through the Training of Trainers to MoT&PW. In the future there should be a link with the NCIC (the contractors should become members). The type of work (for the time being can be classified as “enhanced rehabilitation”. Planning (with communities) is now done with CARE staff. In the longer run, this needs to be taken over by MoLG staff. Most roads would be more than footpaths or bamboo bridges, they are the unpaved feeder roads as identified under MASAF/EU. The problem is that in the long run the DDF would not have the resources to finance this kind of operations.

MRRTP-unit<sup>32</sup> budget, another source of funding her/him would have to be found at SSATP, or under one of the IDA (NDF) or EU-funded transport projects.

SSATP Working Paper No. 17 “The Institutional and Financial Framework of Rural Transport Infrastructure”<sup>33</sup> (Approach Paper – April 1997 – Christina Malmberg Calvo) could be very helpful for preparing such a Workshop.

### 3.6 Cross-cutting issues

#### Poverty

Three aspects of transport relate directly to poverty:

- ▲ Basic physical access in rural areas
  - Gender and transport (gender-specific requirements).
  - Non-Motorised Transport (NMT, but no pre-conceived ‘recipes’).
  - Informal transport services.
- ▲ Availability and affordability of urban transport services
  - NMT (primarily shortened and secure walking routes!).
  - Traffic safety (traffic ‘calming’ measures).
  - Informal transport services.
- ▲ Traffic safety
  - High-speed roads in rural areas (village/market passages, pedestrians and cyclists on road verges!).

How to make strategic choices in addressing pro-poor transport?

- ▲ Adopt participatory approach in decision-making (‘participatory mapping’).
- ▲ Investigate/emphasise multi-sector interventions (e.g. relate land use-location-activity with transport consequence).
- ▲ Apply cost-effectiveness in combination with least-cost design, and allow creative solutions to replace rigid, traditional design solutions/standards<sup>34</sup>.

The following relationships were derived from notions presented by the authors of the Transport Chapter in the Source book for (preparing) Poverty Reduction Strategy Papers

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<sup>32</sup> MRRTP Unit to get shortly a Highway Engineer, a Transport Economist, and a 2001/02 budget of 6.2 MK.

<sup>33</sup> At least 20 copies of this document were discovered (coincidentally) on one of the shelves of the World bank office Library in Lilongwe, not in the Transport section (which is hard to distinguish anyway) –for distribution to whom? When? Under whose responsibility? (could this be part of the dissemination problem?)

<sup>34</sup> When undertaking ‘improvement works’ on higher level roads passing through (poor) rural areas, the concerned project could bring along ‘some concrete benefit’ for the poor local population –e.g. ‘attached’ small-scale rural access projects; this might prevent (endemic) theft from main project assets (guard rail; diesel from contractor) by local population.



<b>Transport sector</b>	<b>Dimension of Poverty Alleviation (in Donor jargon)</b>		
<b>(Sub-) sector intervention</b>	<i>1- Empowerment</i>	<i>2- Security</i>	<i>3- Economic opportunity</i>
1- Roads Boards with user representation and accountability	User decisions on Charges and Allocation of Funds (e.g. for maintenance and for the benefit of poor areas)		
2- Improved rural access (roads & tracks)	Expanded constituency/ voice – Social/ political participation	Workers able to follow (seasonal) jobs	
3- All year access (motorized passability)		Fast response to emergencies – Reduced vulnerability	
4- Improved rural travel & transport services			Viable access to markets (cash crops)/ Information – Increased competition
5- Improved urban mobility	Expanded constituency/ voice – Social/ political participation		Affordable access to jobs
6- Liberalization of urban public transport services			New entry (Pedicabs/ minibus jobs)
7- Concessions (private sector involvement)			Increased job opportunities
8- Lower vehicle operating costs	Substitutions (e.g. release of women time, butane gas for firewood)		
9- Lower total transport costs (or input prices)		Inter-regional trade eases – spatial imbalance in supply & demand	
<b>INDICATORS</b>	1- Participation in elections (%) 2- Primary school attendance 3- Road conditions	1- Income variation 2- Regional price differences 3- Degree of isolation of population (%)	1- Travel cost/Real wage 2- Farm gate crop prices – Real income/ real wages 3- Daily (low income) passengers deficit
<b>MOST DONOR'S POLICY PRIORITIES</b>			
Economic growth/ private sector stimulation	<b>(X)</b>		<b>X</b>
Economic and social equity *	<b>X</b>	<b>X</b>	
Political plurality & Democratic development *	<b>X</b>	<b>(X)</b>	
Gender equality	<b>X</b>	<b>(X)</b>	
Environmental protection		<b>X</b>	

\* in other words: *Enabling (governance) environment*

### **Gender issues**

Gender aspects of transport have primarily to be viewed in relation to the division of transportation-related tasks between male and female members of the household. In Malawi, as in most other Sub-Saharan countries, the responsibility for subsistence

agriculture, water and firewood collection, and health care usually rests on the woman's shoulder. Added to this is the fact that about 30% of rural households in Malawi are headed by women, while in many other households men have migrated to the cities in view of work and the spouse is responsible for the management of the household. The main challenge is not just to develop policy guidelines, manuals, or women-oriented projects, but to ensure that a gender analyses takes place in all programmes and projects. In addition, the potential for non-transport solution should not be overlooked.<sup>35</sup> The recent Transport Policy document, which uses a target group approach and the ongoing decentralisation process, should provide a good opportunity to implement gender sensitive projects.

### **Safety**

The economy suffers from a high rate of accidents – 2 deaths per 1000 vehicles per year, mostly pedestrians – in the EU it is 1000 times less. Road traffic accidents have been estimated to cost MK1.2 billion in 1995 or 5% of GDP<sup>36</sup>. The National Road Safety Council (NRSC) is mandated with the overall task of co-ordinating road safety improvement activities but has no resources, and the NRA's duty is restricted to the engineering element only. Accident black spot work is not identified clearly in the NRA budgets, and NRA has no establishment position designated with accident black spot work and road safety in general.

There are a number of issues regarding road safety and NRA<sup>37</sup>:

- ▲ There may be a conflict between in the commercialisation strategy for the road sector in expecting NRA to use its resources with respect to road safety.
- ▲ In the NRA, there are no personnel appointed to the position of road safety engineer nor is road safety included in the job descriptions of senior engineers.
- ▲ No guidelines for road safety auditing or engineering for road safety schemes have been produced by the NRA; and
- ▲ The NRSC should be the prime mover in the formulation and implementation of road safety policy but it doesn't have the resources to do so.

### **HIV/Aids**

According to the I-PRSP, a multi-sectoral Strategic Framework for HIV/AIDS was developed following detailed consultations at community and national level. However, the relation with transport was not made explicit. However, whereas no mention of HIV/AIDS was made in RMI studies carried out before 1996, recent transport programmes show an improved understanding of the fact that HIV/AIDS has a considerable impact and must be taken into account.

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<sup>35</sup> These may include the supply of potable water closer to the homestead, well-designed and strategically placed woodlot schemes, improved wood-burning stoves, or grinding mills closer to the homestead.

<sup>36</sup> Studies to Support the RMI, Road Safety Study, Scott Wilson Kirkpatrick Iberinsa, April 1997.

<sup>37</sup> Personal communication, Pacifici (EC)

## **4 SSATP and its future role in Malawi**

### **4.1 The SSATP image in Malawi**

Since its exposure to RMI (started sometime in 1995) and RTTP (since 1998), these two SSATP components had a great impact on (road) transport policy reformulation and triggered significant, first institutional reforms in the transport sector. There is a National Roads Authority (NRA) and a Road (Maintenance) Fund, with no separation (yet) between the Central Roads Agency function—NRA as the ‘provider’ of roads, and the Road Fund function—NRA as the ‘financier’ of roads (maintenance).

The RMI- and to some extent the RTT- philosophy has been well mainstreamed into the ROMARP World bank project (IDA loan with NDF grant), as well as into EU transport sector projects, and EU supported RMI-workshops. It had –still continues to have– a massive input in NRA institutional development concerning Technical Management, Financial Management, Preparation of Tender Documents for Backlog Maintenance, Contract Administration, Installation of a Highway Management System, etc. In fact, RMI is among most Malawi recipients rather associated with the EU than with the World Bank, and the notion SSATP is virtually unknown and unheard of.

RTTP is among the few insiders brought in connection somewhat more with the Bank/SSATP, but there is some disappointment lately in MRTT circles about the RTTP support. This may change after the recent visit (4-10 June 2001) of the Harare-based regional SSATP/RTTP co-ordinator. ILO/ASIST based also in Harare, has reportedly been much more pro-active in Malawi. Reportedly, there was no evidence of co-ordination of RTTP with ILO/ASIST noticed by MRRT stakeholders.

Any of the notions SSATP, RMI or RTTP have little meaning for most Malawi stakeholders who would, as some say, prefer to think in terms of road network management.

From the Malawi case, the consultants gained the impression that donors not directly involved in transport sector support in Malawi –but supportive to SSATP particularly because they expect(ed) the World Bank to mainstream the good lessons learned into the operational WB (and EU) transport sector projects– could be convinced of the SSATP strengths and opportunities in creating the desired enabling (policy) environment in the SSA countries, *if they had been clearly and adequately advised on this by SSATP management.*

### **4.2 Recommended future focus of SSATP**

SSATP should consider focusing on the following four related activities, i.e. (facilitation of):

- 1) Overview –for each concerned SSA country– of the (road) transport policy elements that are currently being implemented as part of various, ongoing (donor-supported) transport sector programs/projects<sup>38</sup>. (This will *demonstrate the factual mainstreaming effect* of the SSATP transport policy-work).
- 2) Prioritising other or follow-up (road) transport policy elements –in that particular SSA country– for implementation in the next stream of (donor-supported) transport sector programs/projects under preparation or design, and mobilisation of resources for this among all donors interested in the country and sector. (This responds to the *urgently needed donor-coordination* task with respect to ‘pipeline’ projects).
- 3) Revisiting regularly/pro-actively the (road) transport policy implementation process, by conducting high-level Workshops with Road Fund Boards, Modal (Roads) Agencies at central and local level, policy-making/regulatory Transport and Local Government Ministries, etc. (This concerns the provision of *continued guidance during the policy implementation process*, an important ‘sustainability’ task of SSATP).
- 4) Regional exchanges on selected ‘lessons learned’ by having designated country delegations meet regionally, or by arranging their bilateral study tours. (This concerns the *dissemination of good practices* in a most direct way –while the other ways of dissemination by Newsletter, Technical Note, Working Paper and Web site will remain in place or perhaps be modified).

Each of the focal activities calls for (its own) specific measures in terms of organisational set-up. A pro-active SSATP attitude would require a much stronger Regional presence –not just a (part-time) RTT co-ordinator –in at least two locations (e.g. Harare in South-east Africa and Abidjan in West Africa). Every SSA country interested in SSATP-support for its (road) transport policy implementation process, would require probably quarterly ‘live & in-country’ activities between the SSATP Regional Coordinator and ‘variable’ stakeholders groups guided always by the SSATP (= ‘upgraded’ RMI) Coordinator of the concerned country, involving a short visit of the former.

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<sup>38</sup> E.g. institutional/organisational capacity building for (1) Road Fund management and/or (2) Modal (Roads) Agencies at arm’s length of a down-sized MoT, for (3) MoT restructuring and/or for (4) decentralisation or devolution to local, rural or urban level of road operations; and technical assistance for specific problem areas, e.g. road user charges strategy and associated tools for consensus building, integration of traffic safety in transport systems design, transport mode operations and enforcement bodies’ building.

**Annex 1**

***Malawi National Road Authority***

### **The National Roads Authority (NRA) and the Road Maintenance Fund**

The creation of the NRA (by Parliamentary Act No. 13 of 16<sup>th</sup> May 1997) and the introduction of fuel levies feeding a (routine) maintenance fund can be described as a major achievement<sup>39</sup>. In its present state of institutional/organisational development, the NRA combines the functions of a (Central) Roads Agency with those of the Administrator of the Road Maintenance Fund<sup>40</sup>.

NRA's mission statement reaches further than road maintenance. It is *“to ensure that public roads are maintained and rehabilitated at all times”* ... and ... *“to raise funds for the maintenance and rehabilitation of public roads”*. Whereas the roads maintenance objective is (or should) be covered (fully) by the Road Maintenance Fund, the roads rehabilitation objective –relating largely to what is called also backlog maintenance –needs to be covered from other financial resources, newly introduced road user charges perhaps, but predominantly foreign donor grants (EU) and lending (IDA, BADEA/Kuwait Fund/ JICA, etc.) –for considerable time to come<sup>41</sup>.

On the other hand, NRA's mission is stated as (just) *“to advise the Minister of T&PW on the preparation and the effective implementation of the annual national roads program”* whilst the latter is what NRA is de facto carrying out –as the Central Roads Agency under the Minister.

Although NRA sets the budget and (together with the District assemblies) determines the needs and priorities, it cannot decide on the annual Road Maintenance Fund expenditure/allocation without the consent of the Minister of T&PW (a ‘rubber stamp’ procedure under the present Minister, but not necessarily always so!) and subsequent parliamentary approval within the context of overall, annual national budget endorsement.

The Operations Department of the NRA in particular constitutes the Central Roads Agency –albeit a very lean one due to the adopted principle of out-sourcing most planning functions (road inventory and condition surveys; traffic counts and surveys; etc.) to consultants, and road works contracts (routine maintenance, periodic maintenance and rehabilitation) to contractors.

It is interesting to note that the NRA as the Central Roads Agency, has a Board that is heavily dominated by private sector representatives, whereas according to RMI

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<sup>39</sup> The EU supported RMI through conducting studies in 1996 that helped to create NRA. Other donors, notably KfW and the World Bank also provided support for the build-up of NRA.

<sup>40</sup> KfW and the EU are in agreement on (a) the need to ensure adequate and stable sources of funds to the NRA during its infancy and (b) preference for the ‘Single Board Model’, at least during start-up. The World Bank has preferred a ‘Two Board Model’ and has suggested that donors (principally itself and the EU) need to agree on a view with regard to the process and periodicity of review of the performance of NRA and hence the timing of further organisational change, include a split of the CRA.

<sup>41</sup> The GoM could decide to use HIPC-related funds to be channelled to NRA in order to support the rural roads sector.

principles this type of Board was ‘designed’ specifically to run (just) a Road Maintenance Fund<sup>42</sup>.

With regard to the allocation of the Fund –distribution among Central, District and Urban roads– the NRA Board seems, at the moment, almost fully independent, too independent perhaps because it is done by its ‘internal’ Operations Department (= Central Roads Agency). As concerns the level of the Fund resources –adjustment of the fuel levy to the (road maintenance) needs– the Board is heavily dependent on their understanding with the governments’ Petrol Pricing Committee.

### **NRA Board**

NRA Board chairman (appointed by the Minister of T&PW) is currently the representative of the agricultural (Tea Association) sector, and the Vice-chairman (elected by the Board members) is the representative of the Road Transport Operators Association. The other private sector representatives originate from the (agro-) industry (sugar manufacture) sector, the National Construction Industry Council<sup>43</sup>, the Malawi Chamber of Commerce, the minibus owners Association<sup>44</sup>, the National Traffic Safety Council, and from the general public<sup>45</sup> (one contractor, one architect, and one accountant). The public sector is represented by the Permanent Secretaries from the Ministries of Transport and Public Works and Local Government, and by the representative of the Cities Assembly’s. The Board meets at least four times a year<sup>46</sup>. What seems to be missing is the representation of the Ministry of Finance and that of the Tourism sector.

Whilst ‘step-wise’ representation is the only manageable solution, much depends on the communication process of the representatives on the Board with their respective constituencies. In this respect, proper representation of the interests of the ‘rural poor’ and the ‘urban poor’ is a particularly difficult issue (e.g. at present this is in the hands of the MLG and the Cities Assemblies representative); the general public representatives’ positions in the Board might be given a more prominent role in this respect.

The Board has a Finance and Administration Committee chaired by the NCIC representative, and a Technical Advisory Committee chaired by the general public representative/ architect, plus an Ad hoc committee of NRA’s Chief Executive Officer and Committee chairmen (emergencies’ meetings).

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<sup>42</sup> The original set-up of NRA foresaw separation between funding and executive role. The donors accepted that they operated within one organisation, on the perception that separating them would ask too much in terms of institutional changes, and separation would take place later.

<sup>43</sup> Representing both the Contractors including the SME’s (joint in their Association) and the Consultants (without an umbrella Association so far)

<sup>44</sup> There is also a (separate) Taxi owners Association.

<sup>45</sup> The ‘general public’ representatives are appointed directly by the Minister of T&PW –a rather ‘political move’; it would be more representative if they would at least originate from different regions (e.g. North, Central and South Malawi).

<sup>46</sup> Sub-committee meetings are more frequent

The Technical Advisory Committee deals *inter alia* with road maintenance programming and prioritisation, and is of particular importance for the Fund/budget allocation process. It seems perhaps more important to achieve proper representation of stakeholders of the Main roads, Rural roads and Urban roads sector respectively –and (pro-poor) interests embedded– in this Technical Advisory Committee than in the Board itself. There are also Working Committees, e.g. on (road) transport policy issues and at the project level (e.g. ROMARP) and, when needed, ad hoc Sub-Committees, e.g. a Road User Charges Sub-Committee (with CEO, NCIC and RTOA-representatives).

Whereas the (present) NRA Board’s functioning is believed to be crucial for improved road sector management, by all Malawi stakeholders as well as donors, a periodic (annually, or every two years), externally facilitated Workshop reviewing various – sometimes controversial issues– would certainly contribute to further comprehensive consensus building. Such issues could be for example:

- ▲ Progress and constraints in decentralisation process/ devolution of resources to District assemblies.
- ▲ Public relations of the NRA/ fulfilment of legal obligations (Annual Reports, Annual Accounts publication) of the NRA.
- ▲ Road (maintenance) fund adequacy / conflicting interests with e.g. Petrol Pricing Committee / road user charging scenarios making use of the available RUC-tool to gain wider understanding of the complexities.
- ▲ Degree of representativeness of the Board/ constituencies of individual board members/ composition of Committees, Working Committees and Sub-Committees.
- ▲ Interaction with MTPW (inter- or multi-modal issues) and with MLG (rural travel and transport, mobility of urban poor)/ clarification of responsibilities.
- ▲ Lessons to be learned from (recent) technical evaluations of donor-supported programs/projects.

Facilitating dedicated workshops addressing particularly sensitive (policy) issues in a well-prepared way (careful selection of decision-making level stakeholders, professional facilitator, authoritative resource person on the particular subject) could be a key task for the (new style) SSATP. It seems (to consultants) an important follow-up to ensure the sustainability of the Road Fund – Roads Agencies set-up initiated only four years ago (in Malawi).

Another (urgent) task for NRA seems to prepare a clear program of reclassification – basically restructuring of ‘ownership’– of the road network, according to functional/utilisation criteria. This would need to take into consideration:

- ▲ A systematic needs assessment procedure drawing a clear distinction –from year to year –between the ‘maintainable’ road network incorporated in the routine plus periodic maintenance cycle and the ‘non-maintainable roads’ requiring first rehabilitation (or back log maintenance) or upgrading (in width, strength or pavement) before being added to the ‘maintainable’ network.
- ▲ The relationship between ‘maintainable’ network (length and road types) to be maintained and –vehicle fleet size and performance, and fuel levy which together determine whether the Road Maintenance Fund resources will be sufficient to cover



the maintenance costs (related also with ‘scenarios’ review using the RUC-tool mentioned above).

- ▲ The devolution of lower level roads (present District/Urban, Tertiary and even part of the Secondary roads) not to be managed any longer by NRA –but with the new road agencies (rural Districts, Cities, Municipalities, Towns) receiving their adequate share from the (national) Road Fund, as well as ensuring the required ‘absorptive’ road maintenance capacity at the District level.

The main, foreign donors will be shortly expecting from NRA not only a proper annual Report on 2000-2001 road maintenance expenditures (Accounts) and output achieved (Quality assessment of the works performed at specified locations), but also a set of proposals showing how the stated (road) transport policy is translated in multi-year (3-5 years) programs/project packages.

Substantial provisions (around US\$ 6 million) for strengthening the Road Sector Institutional Framework –incorporating NRA as well as MTPW and MLG (Department of District and Local Government Administration) –were foreseen in the ROMARP (Annex 2 of) project appraisal document. If such level of funding (commitment) has not actually materialised and/or the formulation of the concerned, concrete implementation plans has been delayed, there might be a facilitating role for SSATP here to step in pro-actively.

#### **NRA Staffing and related issues**

NRA professional staff largely originated from the former Ministry of Works and Supplies. About 22 engineers positions are currently filled (in the Operations Department comprising the Planning Division, the Procurement Division and two Technical Divisions for Central Roads and Urban + Districts Roads respectively). A transport economist (for the Planning Division) is urgently required.

The Technical Divisions (CR and UDR) operate 5 Zonal Offices, one in the Northern region (in Mzuzu city), two in the Central region (in Kasungu town and in Lilongwe city) and two in the Southern region (in Zomba municipality and Blantyre city). Each zone is supposed to be managed by two Highway engineers –one in charge of CR, the other one directing UDR –assisted each by one technical inspector (thus 10 engineers and 10 inspectors). This zonal set-up is supposed to run primarily the routine<sup>47</sup> and periodic<sup>48</sup> maintenance planning, programming and contract management of the works (carried out by the private sector contractors) financed from the Road Fund<sup>49</sup>. The Zonal Offices’ mandate concerns the classified Main, Secondary, Tertiary, District and Urban roads within their respective zones.

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<sup>47</sup> Unambiguous definitions are important: E.g. routine maintenance of unpaved roads covers spot regravelling, dragging, light grading, grass cutting, culvert and side drain cleaning.

<sup>48</sup> E.g. periodic maintenance of paved roads concerns shoulder reconditioning and AC overlay.

<sup>49</sup> There is not yet a clear mechanism to set up contract on maintenance. One option would be to give contractors a retainer contract for one stretch of road.

The donor-supported periodic and back log maintenance projects, as well as rehabilitation and upgrading projects (ROMARP, EDF, etc.) are run by NRA from central office, but will also call upon the Zonal Offices' support.

Several spokesmen –donors in particular –believe that NRA is seriously understaffed to properly undertake all the responsibilities and tasks that it has taken on or been assigned. In addition, AIDS is prevalent amongst professionals and statistically the NRRA may lose two personnel each year. A private sector spokesman from the NRA Board mentioned that some NRA staff is still haunted by a civil servant working attitude. This impression is reinforced by the less than transparent business operations (no annual reports in spite of legal obligations and very little information to the public, although a public relations officer has recently been recruited). A review of today's functioning of NRA and of the less than optimal technical assistance provided so far for NRA institution building will be available shortly with the Report of the Evaluation Mission for the European Commission entitled 'Malawi -Road Management Support Programme' (GOPA Consultants, 2001 Draft)<sup>50</sup>.

The decentralisation process with the intended transfer of ownership of (District/Urban, Tertiary and perhaps a portion of Secondary) roads and devolution of professional staff from MTPW and perhaps NRA to the District technical level will require to reconsider the position of the present (5) NRA Zonal Offices and their staff.

Whereas other (donor-supported) programs are running 'safety net'-type of projects targeting feeder and local roads' maintenance or rehabilitation at the District level, e.g. MASAF and Food security (WFP), and have invented their own Zonal organisations – different from the NRA one– there is considerable duplication of planning and management efforts while *no one seems to be addressing the co-ordination issue*.

Therefore, more than anything else, the issue to develop a coordinated approach of the actual road maintenance and rehabilitation needs assessment followed by prioritised implementation proposals (i.e. a planning & programming exercise in the first place) should be tackled. The NRA Board might be the proper organ to take the initiative in addressing this issue.

There is also a need to co-ordinate donor approaches on this topic. There appears to be an absence of any joint policy (statement) between the EU and World Bank regarding the future direction of sub-sector support. For example in such matters as rural road sub-sector policy, the means of achieving a balance between eliminating the backlog of periodic maintenance vs. taking up new rehabilitation and reconstruction works.

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<sup>50</sup> Technical Assistance personnel did well to help to set up NRA with systems and personnel driven by NRA immediate needs to get up and running rather than the ToR. But many components were not started and TA had to take NRA executive roles to get NRA going. In doing so a dependency culture was created. Skill transfer was limited, only 1% of NRA staff time was spent in training. The backlog maintenance component started late, cost 30% more than budgeted and covered 30% less roads than planned.

In summary, some of the issues confronting NRA are:

- ▲ The fuel levy only funds routine maintenance NRA does not provide for periodic maintenance and reconstruction.
- ▲ Backlog projects are not being maintained after completion and deterioration is already evident.
- ▲ The size and affordability of the network is not reconciled with the level of economic activity.
- ▲ There is no arrangement between GOM and NRA to fund the non-commercial network.
- ▲ The full implications of commercialising roads in newly democratic countries is yet to be fully understood or tested.

### **Road Maintenance Fund expenditure level 2001/02**

The Road Fund's (minimum) size for the period 1999-2004 seems to be a 'condition' in the Road Maintenance & Rehabilitation Project (ROMARP), committed by the MOG Transport Policy letter signed by the Minister of Finance, as follows (in US \$):

1999/2000	US\$	9.5 million
2000/2001	US\$	12.0 million
2001/2002	US\$	12.9 million
2002/2003	US\$	13.8 million
2003/2004	US\$	15.3 million.

The expectation (called verifiable indicator in Annex 1 of Project Appraisal Document - ROMARP) is that at this level of maintenance funding it will be possible to cover routine maintenance of the core network (where is the core network defined?) by 2000/01 –and of the full network (is this about 15,000 km?) by 2003/04.

NRA's 2001/02 'status quo' scenario (fuel levy of 3.75 Kwacha /litre<sup>51</sup>) proposes to distribute 1,146.5 MK (million Kwacha) from the Road Fund (not including NRA's operational budget of currently more than 100 MK/year) as follows:

- ▲ 923 MK for Routine & Periodic Maintenance ('maintainable' roads)
  - 477 MK for Central (M/S/T) roads<sup>52</sup>
  - 186 MK for District roads (unpaved, a 'classified' total length of 3500 km)
  - 260 MK for Urban roads (~ 528 km paved, ~ 505 km unpaved)
    - 184 MK for Blantyre and Lilongwe cities
    - 76 MK for 10 smaller cities/towns<sup>53</sup>
- ▲ 100 MK for Emergency works (a sort of reserve fund)

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<sup>51</sup> Raised with 2 Kwacha/litre to this level in November 2000. The latest ROMARP Mission Aide Memoire of early June 2001 warns that there is a serious risk that the maintenance program could slip off track in the absence of no further increase in fuel levy; reportedly, the main donors have been recommending a level of 8 Kwacha/litre as a target level that could balance more or less the maintenance needs with the maintenance implementation capacity.

<sup>52</sup> Paved roads ~ 2,250 km; non-paved roads ~ 1,250 km; bridges ~ 12, 970 m total length

<sup>53</sup> 1 city assembly (Mzuzu); 1 municipal assembly (Zomba), 7 town assembly's (Karonga, Kasungu, Dedza, Salima, Liwonde, Mangochi, Luchenza) and 1 township assembly (Balaka).

- ▲ 82 MK for Supervision services.
- ▲ 41.5 MK for Consulting services.

An additional 215 MK for maintenance of unpaved Feeder (but ‘Central’ Secondary/Tertiary) roads would be funded from HIPC, bringing the total planned maintenance expenditure to 1,361.5 MK.

NRA has also submitted –to MTPW for submission to the Cabinet and Parliament– an ‘ideal’ scenario that would require an additional 1983 MK –therefore requiring a substantial increase (almost 3-fold) of the fuel levy –to be subdivided as follows:

- ▲ 661 MK for Routine maintenance.
- ▲ 1,067 MK for Periodic maintenance.
- ▲ 84 MK for Emergency works.
- ▲ 146 MK for associated Supervision services.
- ▲ 25 MK for associated Consulting services.

It seems unlikely that there would be sufficient implementation capacity (contractors, contract management, professional supervision) for such additional workload.

The year-2000 condition of the non-urban road network was reportedly (NRA) as follows:

Road Condition	Main & Secondary Paved roads (km)	Unpaved (Main/Secondary / Tertiary/District) roads (km)
Good	1,676	633
Fair	568	2,075
Poor	120	2,415
Total <sup>54</sup>	2,364	5,123

According to 1997 statistics (NRA) there was 2,675 km of paved road and 11,428 km of unpaved non-urban road (classified!), altogether 14,103 km (of which 1,197 not trafficable).

<sup>54</sup> The total length used in this table is only one third of the total road network. It is not clear what part is referred to, but it is likely to be the ‘core’ or ‘maintainable’ network.

## Estimated Development Budget (NRA)

	2000/2001	2001/2002
Periodic maintenance (of presumably 'maintainable' roads)	1,403 MK	1,605 MK
Rehabilitation or upgrading (of now 'non-maintainable' roads)	2,567 MK	2,539 MK
<b>TOTAL</b>	<b>3,969 MK</b>	<b>4,144 MK</b>

These amounts include the GOM contribution (of less than 10%) and represent an annual investment level of US \$ 50 –55 million.

The multi-year (next 4-5 years?) prospects for road rehabilitation/back log maintenance (for 'non maintainable' roads) are envisaged (by NRA) as follows:

Multi-year road rehabilitation program			
Main roads	867 km	US \$ 156.1 million	Multi-donor (EU, IDA, AfDB, ROC, OPEC c.s.)
Urban roads	29 km	US \$ 4.4 million	IDA
Multi-year back log maintenance program			
Main roads	1,183 km	US \$ 29.0 million	Multi-donor (EU, IDA, KfW)
Feeder roads	1,262 km	US \$ 2.0 million	EU
		US \$ 191.5 million	Total (4-5 years?)

Sub-division of US \$ 191.5 million: EU → US \$ 63.2 million (~1,910 km); IDA → US \$ 47.4 million<sup>55</sup> (~ 810 km); OPEC/BADEA/Kuwait Fund → US \$ 40.0 million (~105 km); ADB/GOC (Taiwan) → US \$ 32.0 million (~ 184 km); KfW → US \$ 9.0 million (~330 km).

In the earlier GOM road transport policy letter (vide ROMARP) the Road Sector Investment Program 1999-2004 –supposedly relating to a 15,000 km network length– had estimated costs as follows:

- ▲ US \$ 278 million for rehabilitation and upgrading ('non maintainable' roads).
- ▲ US \$ 54 million for routine and periodic maintenance ('maintainable' roads).

<sup>55</sup> Under ROMARP, there is (just) US \$ 25.3 million for 800 km rehabilitation/upgrading –and 450 km pavement resealing (= backlog maintenance?) plus 900 km periodic maintenance! From where the other IDA-funds?

These amount are in addition to US\$ 16 million for strengthening of road sector institutions and capacity building of local consulting and construction industry and strengthening road traffic management and road safety.

## **Annex 2**

### **List of persons met**

***LIST OF PERSONS MET***

Mr. Benjamin C. Kapoteza	Technical Director NRA (Urban & Districts Roads)
Mr. Peter Silcock	EU Advisor Ministry of Finance
Mr. Attilio Pacific	EU/EC Delegation – First Secretary (Engineering)
Mr. .. Chibwana	National RTTP Coordinator (MOLG/MRTTP)
Mr. .. Nyasula	NRA Board member – Private Sector (Consultancy)
Mr. .. Sentala	Ministry of Local Government – MRTTP chairman
Mr. G.A. Nthinda	NRA Board Dep.-Chairman – Private Sector (NCIC)
Mr. J.M. Shirwa	Ministry of Transport & Public Works
Mr. Nick Osborne	Head of CARE Int. (involved in local public works programmes)
Mr. David Makako	CEO of NRA
Mr. Matsimbe	NRA Board Chairman – Private Sector (Truckers Association)
Mr. R. Liebenthal	Res. Rep. World Bank Office Lilongwe



**Annex 3**

**The Malawi National Road Authority**

## ***The Malawi National Road Authority***

### **The National Roads Authority (NRA) and the Road Maintenance Fund**

The creation of the NRA (by Parliamentary Act No. 13 of 16<sup>th</sup> May 1997) and the introduction of fuel levies feeding a (routine) maintenance fund can be described as a major achievement<sup>56</sup>. In its present state of institutional/organisational development, the NRA combines the functions of a (Central) Roads Agency with those of the Administrator of the Road Maintenance Fund<sup>57</sup>.

NRA's mission statement reaches further than road maintenance. It is *“to ensure that public roads are maintained and rehabilitated at all times”* ... and ... *“to raise funds for the maintenance and rehabilitation of public roads”*. Whereas the roads maintenance objective is (or should) be covered (fully) by the Road Maintenance Fund, the roads rehabilitation objective –relating largely to what is called also backlog maintenance –needs to be covered from other financial resources, newly introduced road user charges perhaps, but predominantly foreign donor grants (EU) and lending (IDA, BADEA/Kuwait Fund/ JICA, etc.) –for considerable time to come<sup>58</sup>.

On the other hand, NRA's mission is stated as (just) *“to advise the Minister of T&PW on the preparation and the effective implementation of the annual national roads program”* whilst the latter is what NRA is de facto carrying out –as the Central Roads Agency under the Minister.

Although NRA sets the budget and (together with the District assemblies) determines the needs and priorities, it cannot decide on the annual Road Maintenance Fund expenditure/allocation without the consent of the Minister of T&PW (a ‘rubber stamp’ procedure under the present Minister, but not necessarily always so!) and subsequent parliamentary approval within the context of overall, annual national budget endorsement.

The Operations Department of the NRA in particular constitutes the Central Roads Agency –albeit a very lean one due to the adopted principle of out-sourcing most planning functions (road inventory and condition surveys; traffic counts and surveys; etc.) to consultants, and road works contracts (routine maintenance, periodic maintenance and rehabilitation) to contractors.

It is interesting to note that the NRA as the Central Roads Agency, has a Board that is heavily dominated by private sector representatives, whereas according to RMI

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<sup>56</sup> The EU supported RMI through conducting studies in 1996 that helped to create NRA. Other donors, notably KfW and the World Bank also provided support for the build-up of NRA.

<sup>57</sup> KfW and the EU are in agreement on (a) the need to ensure adequate and stable sources of funds to the NRA during its infancy and (b) preference for the ‘Single Board Model’, at least during start-up. The World Bank has preferred a ‘Two Board Model’ and has suggested that donors (principally itself and the EU) need to agree on a view with regard to the process and periodicity of review of the performance of NRA and hence the timing of further organisational change, include a split of the CRA.

<sup>58</sup> The GoM could decide to use HIPC-related funds to be channelled to NRA in order to support the rural roads sector.

principles this type of Board was ‘designed’ specifically to run (just) a Road Maintenance Fund<sup>59</sup>.

With regard to the allocation of the Fund –distribution among Central, District and Urban roads– the NRA Board seems, at the moment, almost fully independent, too independent perhaps because it is done by its ‘internal’ Operations Department (= Central Roads Agency). As concerns the level of the Fund resources –adjustment of the fuel levy to the (road maintenance) needs– the Board is heavily dependent on their understanding with the governments’ Petrol Pricing Committee.

### **NRA Board**

NRA Board chairman (appointed by the Minister of T&PW) is currently the representative of the agricultural (Tea Association) sector, and the Vice-chairman (elected by the Board members) is the representative of the Road Transport Operators Association. The other private sector representatives originate from the (agro-) industry (sugar manufacture) sector, the National Construction Industry Council<sup>60</sup>, the Malawi Chamber of Commerce, the minibus owners Association<sup>61</sup>, the National Traffic Safety Council, and from the general public<sup>62</sup> (one contractor, one architect, and one accountant). The public sector is represented by the Permanent Secretaries from the Ministries of Transport and Public Works and Local Government, and by the representative of the Cities Assembly’s. The Board meets at least four times a year<sup>63</sup>. What seems to be missing is the representation of the Ministry of Finance and that of the Tourism sector.

Whilst ‘step-wise’ representation is the only manageable solution, much depends on the communication process of the representatives on the Board with their respective constituencies. In this respect, proper representation of the interests of the ‘rural poor’ and the ‘urban poor’ is a particularly difficult issue (e.g. at present this is in the hands of the MLG and the Cities Assemblies representative); the general public representatives’ positions in the Board might be given a more prominent role in this respect.

The Board has a Finance and Administration Committee chaired by the NCIC representative, and a Technical Advisory Committee chaired by the general public representative/ architect, plus an Ad hoc committee of NRA’s Chief Executive Officer and Committee chairmen (emergencies’ meetings).

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<sup>59</sup> The original set-up of NRA foresaw separation between funding and executive role. The donors accepted that they operated within one organisation, on the perception that separating them would ask too much in terms of institutional changes, and separation would take place later.

<sup>60</sup> Representing both the Contractors including the SME’s (joint in their Association) and the Consultants (without an umbrella Association so far)

<sup>61</sup> There is also a (separate) Taxi owners Association.

<sup>62</sup> The ‘general public’ representatives are appointed directly by the Minister of T&PW –a rather ‘political move’; it would be more representative if they would at least originate from different regions (e.g. North, Central and South Malawi).

<sup>63</sup> Sub-committee meetings are more frequent

The Technical Advisory Committee deals *inter alia* with road maintenance programming and prioritisation, and is of particular importance for the Fund/budget allocation process. It seems perhaps more important to achieve proper representation of stakeholders of the Main roads, Rural roads and Urban roads sector respectively –and (pro-poor) interests embedded– in this Technical Advisory Committee than in the Board itself. There are also Working Committees, e.g. on (road) transport policy issues and at the project level (e.g. ROMARP) and, when needed, ad hoc Sub-Committees, e.g. a Road User Charges Sub-Committee (with CEO, NCIC and RTOA-representatives).

Whereas the (present) NRA Board’s functioning is believed to be crucial for improved road sector management, by all Malawi stakeholders as well as donors, a periodic (annually, or every two years), externally facilitated Workshop reviewing various – sometimes controversial issues– would certainly contribute to further comprehensive consensus building. Such issues could be for example:

- ▲ Progress and constraints in decentralisation process/ devolution of resources to District assemblies.
- ▲ Public relations of the NRA/ fulfilment of legal obligations (Annual Reports, Annual Accounts publication) of the NRA.
- ▲ Road (maintenance) fund adequacy / conflicting interests with e.g. Petrol Pricing Committee / road user charging scenarios making use of the available RUC-tool to gain wider understanding of the complexities.
- ▲ Degree of representativeness of the Board/ constituencies of individual board members/ composition of Committees, Working Committees and Sub-Committees.
- ▲ Interaction with MTPW (inter- or multi-modal issues) and with MLG (rural travel and transport, mobility of urban poor)/ clarification of responsibilities.
- ▲ Lessons to be learned from (recent) technical evaluations of donor-supported programs/projects.

Facilitating dedicated workshops addressing particularly sensitive (policy) issues in a well-prepared way (careful selection of decision-making level stakeholders, professional facilitator, authoritative resource person on the particular subject) could be a key task for the (new style) SSATP. It seems (to consultants) an important follow-up to ensure the sustainability of the Road Fund – Roads Agencies set-up initiated only four years ago (in Malawi).

Another (urgent) task for NRA seems to prepare a clear program of reclassification – basically restructuring of ‘ownership’– of the road network, according to functional/utilisation criteria. This would need to take into consideration:

- ▲ A systematic needs assessment procedure drawing a clear distinction –from year to year –between the ‘maintainable’ road network incorporated in the routine plus periodic maintenance cycle and the ‘non-maintainable roads’ requiring first rehabilitation (or back log maintenance) or upgrading (in width, strength or pavement) before being added to the ‘maintainable’ network.
- ▲ The relationship between ‘maintainable’ network (length and road types) to be maintained and –vehicle fleet size and performance, and fuel levy which together determine whether the Road Maintenance Fund resources will be sufficient to cover

the maintenance costs (related also with ‘scenarios’ review using the RUC-tool mentioned above).

- ▲ The devolution of lower level roads (present District/Urban, Tertiary and even part of the Secondary roads) not to be managed any longer by NRA –but with the new road agencies (rural Districts, Cities, Municipalities, Towns) receiving their adequate share from the (national) Road Fund, as well as ensuring the required ‘absorptive’ road maintenance capacity at the District level.

The main, foreign donors will be shortly expecting from NRA not only a proper annual Report on 2000-2001 road maintenance expenditures (Accounts) and output achieved (Quality assessment of the works performed at specified locations), but also a set of proposals showing how the stated (road) transport policy is translated in multi-year (3-5 years) programs/project packages.

Substantial provisions (around US\$ 6 million) for strengthening the Road Sector Institutional Framework –incorporating NRA as well as MTPW and MLG (Department of District and Local Government Administration) –were foreseen in the ROMARP (Annex 2 of) project appraisal document. If such level of funding (commitment) has not actually materialised and/or the formulation of the concerned, concrete implementation plans has been delayed, there might be a facilitating role for SSATP here to step in pro-actively.

#### **NRA Staffing and related issues**

NRA professional staff largely originated from the former Ministry of Works and Supplies. About 22 engineers positions are currently filled (in the Operations Department comprising the Planning Division, the Procurement Division and two Technical Divisions for Central Roads and Urban + Districts Roads respectively). A transport economist (for the Planning Division) is urgently required.

The Technical Divisions (CR and UDR) operate 5 Zonal Offices, one in the Northern region (in Mzuzu city), two in the Central region (in Kasungu town and in Lilongwe city) and two in the Southern region (in Zomba municipality and Blantyre city). Each zone is supposed to be managed by two Highway engineers –one in charge of CR, the other one directing UDR –assisted each by one technical inspector (thus 10 engineers and 10 inspectors). This zonal set-up is supposed to run primarily the routine<sup>64</sup> and periodic<sup>65</sup> maintenance planning, programming and contract management of the works (carried out by the private sector contractors) financed from the Road Fund<sup>66</sup>. The Zonal Offices’ mandate concerns the classified Main, Secondary, Tertiary, District and Urban roads within their respective zones.

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<sup>64</sup> Unambiguous definitions are important: E.g. routine maintenance of unpaved roads covers spot regravelling, dragging, light grading, grass cutting, culvert and side drain cleaning.

<sup>65</sup> E.g. periodic maintenance of paved roads concerns shoulder reconditioning and AC overlay.

<sup>66</sup> There is not yet a clear mechanism to set up contract on maintenance. One option would be to give contractors a retainer contract for one stretch of road.

The donor-supported periodic and back log maintenance projects, as well as rehabilitation and upgrading projects (ROMARP, EDF, etc.) are run by NRA from central office, but will also call upon the Zonal Offices' support.

Several spokesmen –donors in particular –believe that NRA is seriously understaffed to properly undertake all the responsibilities and tasks that it has taken on or been assigned. In addition, AIDS is prevalent amongst professionals and statistically the NRRA may lose two personnel each year. A private sector spokesman from the NRA Board mentioned that some NRA staff is still haunted by a civil servant working attitude. This impression is reinforced by the less than transparent business operations (no annual reports in spite of legal obligations and very little information to the public, although a public relations officer has recently been recruited). A review of today's functioning of NRA and of the less than optimal technical assistance provided so far for NRA institution building will be available shortly with the Report of the Evaluation Mission for the European Commission entitled 'Malawi -Road Management Support Programme' (GOPA Consultants, 2001 Draft)<sup>67</sup>.

The decentralisation process with the intended transfer of ownership of (District/Urban, Tertiary and perhaps a portion of Secondary) roads and devolution of professional staff from MTPW and perhaps NRA to the District technical level will require to reconsider the position of the present (5) NRA Zonal Offices and their staff.

Whereas other (donor-supported) programs are running 'safety net'-type of projects targeting feeder and local roads' maintenance or rehabilitation at the District level, e.g. MASAF and Food security (WFP), and have invented their own Zonal organisations – different from the NRA one– there is considerable duplication of planning and management efforts while *no one seems to be addressing the co-ordination issue*.

Therefore, more than anything else, the issue to develop a coordinated approach of the actual road maintenance and rehabilitation needs assessment followed by prioritised implementation proposals (i.e. a planning & programming exercise in the first place) should be tackled. The NRA Board might be the proper organ to take the initiative in addressing this issue.

There is also a need to co-ordinate donor approaches on this topic. There appears to be an absence of any joint policy (statement) between the EU and World Bank regarding the future direction of sub-sector support. For example in such matters as rural road sub-sector policy, the means of achieving a balance between eliminating the backlog of periodic maintenance vs. taking up new rehabilitation and reconstruction works.

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<sup>67</sup> Technical Assistance personnel did well to help to set up NRA with systems and personnel driven by NRA immediate needs to get up and running rather than the ToR. But many components were not started and TA had to take NRA executive roles to get NRA going. In doing so a dependency culture was created. Skill transfer was limited, only 1% of NRA staff time was spent in training. The backlog maintenance component started late, cost 30% more than budgeted and covered 30% less roads than planned.

In summary, some of the issues confronting NRA are:

- ▲ The fuel levy only funds routine maintenance NRA does not provide for periodic maintenance and reconstruction.
- ▲ Backlog projects are not being maintained after completion and deterioration is already evident.
- ▲ The size and affordability of the network is not reconciled with the level of economic activity.
- ▲ There is no arrangement between GOM and NRA to fund the non-commercial network.
- ▲ The full implications of commercialising roads in newly democratic countries is yet to be fully understood or tested.

### **Road Maintenance Fund expenditure level 2001/02**

The Road Fund's (minimum) size for the period 1999-2004 seems to be a 'condition' in the Road Maintenance & Rehabilitation Project (ROMARP), committed by the MOG Transport Policy letter signed by the Minister of Finance, as follows (in US \$):

1999/2000	US\$	9.5 million
2000/2001	US\$	12.0 million
2001/2002	US\$	12.9 million
2002/2003	US\$	13.8 million
2003/2004	US\$	15.3 million.

The expectation (called verifiable indicator in Annex 1 of Project Appraisal Document - ROMARP) is that at this level of maintenance funding it will be possible to cover routine maintenance of the core network (where is the core network defined?) by 2000/01 –and of the full network (is this about 15,000 km?) by 2003/04.

NRA's 2001/02 'status quo' scenario (fuel levy of 3.75 Kwacha /litre<sup>68</sup>) proposes to distribute 1,146.5 MK (million Kwacha) from the Road Fund (not including NRA's operational budget of currently more than 100 MK/year) as follows:

- ▲ 923 MK for Routine & Periodic Maintenance ('maintainable' roads).
  - 477 MK for Central (M/S/T) roads<sup>69</sup>
  - 186 MK for District roads (unpaved, a 'classified' total length of 3500 km)
  - 260 MK for Urban roads (~ 528 km paved, ~ 505 km unpaved)
    - 184 MK for Blantyre and Lilongwe cities
    - 76 MK for 10 smaller cities/towns<sup>70</sup>
- ▲ 100 MK for Emergency works (a sort of reserve fund).

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<sup>68</sup> Raised with 2 Kwacha/litre to this level in November 2000. The latest ROMARP Mission Aide Memoire of early June 2001 warns that there is a serious risk that the maintenance program could slip off track in the absence of no further increase in fuel levy; reportedly, the main donors have been recommending a level of 8 Kwacha/litre as a target level that could balance more or less the maintenance needs with the maintenance implementation capacity.

<sup>69</sup> Paved roads ~ 2,250 km; non-paved roads ~ 1,250 km; bridges ~ 12, 970 m total length

<sup>70</sup> 1 city assembly (Mzuzu); 1 municipal assembly (Zomba), 7 town assembly's (Karonga, Kasungu, Dedza, Salima, Liwonde, Mangochi, Luchenza) and 1 township assembly (Balaka).

- ▲ 82 MK for Supervision services.
- ▲ 41.5 MK for Consulting services.

An additional 215 MK for maintenance of unpaved Feeder (but ‘Central’ Secondary/Tertiary) roads would be funded from HIPC, bringing the total planned maintenance expenditure to 1,361.5 MK.

NRA has also submitted –to MTPW for submission to the Cabinet and Parliament– an ‘ideal’ scenario that would require an additional 1983 MK –therefore requiring a substantial increase (almost 3-fold) of the fuel levy –to be subdivided as follows:

- ▲ 661 MK for Routine maintenance.
- ▲ 1,067 MK for Periodic maintenance.
- ▲ 84 MK for Emergency works.
- ▲ 146 MK for associated Supervision services.
- ▲ 25 MK for associated Consulting services.

It seems unlikely that there would be sufficient implementation capacity (contractors, contract management, professional supervision) for such additional workload.

The year-2000 condition of the non-urban road network was reportedly (NRA) as follows:

Road Condition	Main & Secondary Paved roads (km)	Unpaved (Main/Secondary / Tertiary/District) roads (km)
Good	1,676	633
Fair	568	2,075
Poor	120	2,415
Total <sup>71</sup>	2,364	5,123

According to 1997 statistics (NRA) there was 2,675 km of paved road and 11,428 km of unpaved non-urban road (classified!), altogether 14,103 km (of which 1,197 not trafficable).

<sup>71</sup> The total length used in this table is only one third of the total road network. It is not clear what part is referred to, but it is likely to be the ‘core’ or ‘maintainable’ network.



## Estimated Development Budget (NRA)

	2000/2001	2001/2002
Periodic maintenance (of presumably 'maintainable' roads)	1,403 MK	1,605 MK
Rehabilitation or upgrading (of now 'non-maintainable' roads)	2,567 MK	2,539 MK
<b>TOTAL</b>	<b>3,969 MK</b>	<b>4,144 MK</b>

These amounts include the GOM contribution (of less than 10%) and represent an annual investment level of US \$ 50 –55 million.

The multi-year (next 4-5 years?) prospects for road rehabilitation/back log maintenance (for 'non maintainable' roads) are envisaged (by NRA) as follows:

Multi-year road rehabilitation program			
Main roads	867 km	US \$ 156.1 million	Multi-donor (EU, IDA, AfDB, ROC, OPEC c.s.)
Urban roads	29 km	US \$ 4.4 million	IDA
Multi-year back log maintenance program			
Main roads	1,183 km	US \$ 29.0 million	Multi-donor (EU, IDA, KfW)
Feeder roads	1,262 km	US \$ 2.0 million	EU
		US \$ 191.5 million	Total (4-5 years?)

Sub-division of US \$ 191.5 million: EU → US \$ 63.2 million (~1,910 km); IDA → US \$ 47.4 million<sup>72</sup> (~ 810 km); OPEC/BADEA/Kuwait Fund → US \$ 40.0 million (~105 km); ADB/GOC (Taiwan) → US \$ 32.0 million (~ 184 km); KfW → US \$ 9.0 million (~330 km).

In the earlier GOM road transport policy letter (vide ROMARP) the Road Sector Investment Program 1999-2004 –supposedly relating to a 15,000 km network length– had estimated costs as follows:

- ▲ US \$ 278 million for rehabilitation and upgrading ('non maintainable' roads).
- ▲ US \$ 54 million for routine and periodic maintenance ('maintainable' roads).

These amount are in addition to US\$ 16 million for strengthening of road sector institutions and capacity building of local consulting and construction industry and strengthening road traffic management and road safety.

<sup>72</sup> Under ROMARP, there is (just) US \$ 25.3 million for 800 km rehabilitation/upgrading –and 450 km pavement resealing (= backlog maintenance?) plus 900 km periodic maintenance! From where the other IDA-funds?

**Annex 7**

**Country Report Mozambique**

**Sub-Saharan Africa Transport Policy (SSATP)  
Review and Future Strategy**

**Draft Country Report Mozambique**

**July 2001**

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## EXECUTIVE SUMMARY

On the basis of our research and interviews held we have identified the following key-issues in transport in Mozambique:

- ▲ Mozambique features a varied transport scene with three multi-modal hinterland corridors and North-South trunk roads under (re)construction.
- ▲ Still there is little transport co-ordination, the main modes being under different Ministries.
- ▲ Decentralisation of road management is underway.
- ▲ The principles of RMI have been accepted, but implementation follows a cautious step-by-step approach.
- ▲ The Road Fund was initially under the Road Authority, but is now about to become fully independent.
- ▲ SSATP exposure is low at present. Most achievements of components (particularly RMI) are known under SADC/SATCC-label.
- ▲ The SADC Transport Protocol, designed to harmonise policies and legislation between Member Countries, embraces the concept of Integral Transport Policy and Planning, according to objectives similar as those of SSATP. Co-operation at the sub-regional level should be pursued.

## **I. LIST OF ANNEXES**

ANNEX 1 Targets for poverty reduction 2000-2004

ANNEX 2 List of persons met

## II. ABBREVIATIONS AND ACRONYMS

ANE	National Roads Administration
CFM	Portos e Caminhos de Ferro de Mocambique
DNEP	National Directorate of Roads and Bridges
EU	European Union
GDP	Gross Domestic Product
MFA	Movimento das Forças Armadas
MOPH	Ministry of Public Works and Housing
PARPA	Action Plan for the Reduction of Absolute Poverty
PRSP	Poverty Reduction Strategy Paper
RT	Review Team
RMI	Road Management (Maintenance) Initiative
RTTP	Rural Travel and Transport Programme
SADC	South African Development Community
SADF	South African Defense Forces
SATCC	Southern African Transport and Communications Commission
SSATP	Sub-Saharan Africa Transport Programme
TOR	Terms Of Reference
USAID	U.S. Agency for International Development

### III NATIONAL MAP





## 1. Introduction

According to the TOR, five countries should be visited by the Review Team: Ethiopia, Ghana, Ivory Coast, Malawi, and Senegal. A “sixth country” was still to be nominated. In the TOR it was suggested “to gain comparative information through the selection of a country that has had minimal exposure to the SSATP”. The RT expressed doubts whether this approach would yield the expected results. Rather, it was proposed to select a country with “considerable potential” for SSATP exposure. Mozambique was recommended for the following reasons:

- ▲ Two main transit corridors (Beira, Maputo), featuring railways (T&T, RR).
- ▲ SADC/SATCC in Maputo.
- ▲ RMI and RTTP one country co-ordinator.
- ▲ Maputo. Pilot in UM.
- ▲ Public-private initiatives and financing structures.

A mission was fielded in the period 2-7 July 2001 by Hans Vogelaar (Team Leader) and Kees Hörchner (Finance Expert).

This report contains a summary of information collected and interviews held with key officials in the transport sector.

The mission is particularly indebted to Mr Antana'sio Muguuke, Director of Regional Roads and SSATP country co-ordinator for both RMI and RTTP, who acted as contact-person for the mission.

## 2 Country background

### 2.1 General

In June 1962, the Frente de Libertação de Moçambique (FRELIMO) was founded in Dar es Salaam, under the leadership of Eduardo Mondlane. In September 1964, FRELIMO initiated its first military campaign against Portugal, the colonial ruler, in the north of the country. In 1969, with Mozambique still firmly in Portuguese hands, work began in Tete province on the Cahora Bassa dam, the fifth largest dam in the world. A year later, Samora Machel succeeded Mondlane as head of FRELIMO. In May 1970, in an attempt to quell Mozambican resistance to Portuguese rule once and for all, Portugal's General Arriaga launched his 'Gordian Knot' operation, deploying 35,000 troops against the FRELIMO insurgency in the north. In response, FRELIMO recentered its operations from Cabo Delgado to Tete and Manica provinces.

In April 1974, the Movimento das Forças Armadas (MFA) seized power in Portugal; the Government of Portugal subsequently decided to relinquish its colonies. Around this time, under the leadership of Matsangaissa and with Rhodesian patronage, the Resistência Nacional de Moçambique (RENAMO) was formed. In September 1974, FRELIMO and the MFA signed the Lusaka Accord, allowing for a transfer of power to FRELIMO without prior elections within nine months, and in July 1975, Mozambique acquired independence. Promoting state-led growth, FRELIMO under Samora Machel subsequently began to nationalize abandoned Portuguese businesses.

In 1980, Zimbabwe achieved independence and South Africa, responding to the breach of the 'white laager' in southern Africa, initiated its policy of regional 'destabilization', using South African Defense Forces (SADF) to attack neighboring countries. In the same year, Afonso Dhlakama succeeded Matsangaissa as leader of RENAMO, and RENAMO began to receive SADF patronage. In 1983, RENAMO destroyed the rail bridge over the Zambezi. In 1984, in a sustained effort to reduce Mozambique's political isolation, South Africa and Mozambique signed the Nkomati Accord, with each country pledging not to support insurrection in the other. As a result, SADF support for RENAMO ceased to be official policy. In the same year, Mozambique joined the Lome Convention, the IMF and the World Bank. In September 1986, Machel was killed when his plane crashed in South Africa under mysterious circumstances; Joaquim Chissano succeeded him as President of Mozambique.

Throughout the late 1980s, neighboring countries, under pressure from Mozambique's government, forced RENAMO to abandon its bases outside of Mozambique, with the result that RENAMO increasingly established armed camps within the country. By 1990, RENAMO had gained control of most of the countryside in the center and north, confining FRELIMO to coastal cities and a few garrisoned interior towns. In the same year, major political changes began to sweep southern Africa, as F.W. De Klerk came to

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<sup>1</sup> Adapted from: the World Bank Group Countries: Mozambique, July 2001.

power in South Africa; the African National Congress was unbanned; and FRELIMO introduced a new constitution allowing multiparty elections and new press freedoms.

In October 1992, FRELIMO and RENAMO signed a cease-fire agreement in Rome. Mozambique's first multiparty elections were held in 1994, returning FRELIMO and President Chissano to power. In 1998, the country's first municipal elections established democratic government in 33 urban areas, and in December 1999, Mozambique's second multiparty elections again returned FRELIMO and Chissano to power. In November 2000, Mozambique suffered its worst political violence since independence. Widespread civil disobedience led by RENAMO, protesting the 1999 election results, resulted in over 40 deaths and 80 RENAMO demonstrators subsequently suffocated in a prison cell in Montepuez. In addition, a leading investigative journalist, Carlos Cardoso, was murdered in Maputo.

In February and March 2000, the country suffered from devastating rains and floods, which further compounded the daunting economic challenges that it faces. There was also extensive damage to property, roads, railways, and key utilities in the affected areas. Bank staff estimate the direct costs of the flood emergency at US\$273 million (almost evenly divided between the public and the private sectors), with the cost of reconstruction to improved (more flood-resistant) standards at about US\$430 million. In early 2001, the Zambezi valley was flooded, but damage was limited to about \$100 million. Major donor-financed reconstruction efforts are underway in response to both events.

## **2.2 Political development**

Mozambique is a unitary republic with a 250-member parliament elected by universal adult suffrage every five years. The President is head-of-state and government. The General Peace Agreement in 1992 between FRELIMO and RENAMO and the general elections that followed in 1994 and 1999 were important steps toward national reconciliation and stability. FRELIMO, led by current President Joaquim Chissano, won both national elections. At the same time, RENAMO has shown considerable strength among the electorate. Mr. Afonso Dhlakama won 47.7 percent of the presidential vote in December and RENAMO holds 117 seats in the present parliament, ensuring that the political opposition will continue to have an important role in Mozambique's maturing democracy.

## **2.3 The Economy: Structure and Recent Performance**

At independence, Mozambique inherited an agriculture-based economy with very little industrial development. The civil war disrupted the economy and destroyed vital facilities, including much of the transport system. Agricultural products once represented approximately 80 percent of Mozambique's exports, and cashew nuts are still a substantial component of the total today. Shrimp is also a major export product.

But export diversity is projected to increase rapidly in coming years, as the recently built Mozal aluminum smelter enters production, new or restored electrical transmission lines to South Africa and Zimbabwe permit the giant Cahora Bassa hydropower plant to export electricity, and the discovery of natural gas presents further opportunities for the exportation of energy or energy-intensive products.

In 1987, Mozambique embarked on a comprehensive economic reform program. Markets now determine the exchange rate, interest rates, and prices; quantitative restrictions on imports and subsidies have been eliminated; import tariffs have been reduced and simplified; and crop marketing has been liberalised. In addition, Mozambique's privatization program is one of the most active in Africa. More than 1,200 state enterprises have been restructured or privatized, including the entire banking sector and a number of state manufacturing firms.

As a result of these measures, annual inflation was reduced from 70 percent in 1994 to 3 percent in February 2001 and the country has been able to attract substantial external investment. Economic growth has also been impressive, exceeding 10 percent on average in the late 1990s, though in light of the flood emergency, the Government recently estimated that GDP growth was only 2.1 percent in 2000 (adjusted downwards from pre-flood projections of about 10 percent). A modest recovery is expected in 2001 as a result of late-starting reconstruction and the entry of the Mozal smelter into production.

Mozambique has the economic potential to become one of the brighter spots in Africa. The country is endowed with vast and untapped natural resources which can support the development of agriculture, forestry and fishing, energy, and tourism. It is situated in an ideal trading location for products moving to and from the interior of South Africa (its largest trading partner), Malawi, Swaziland, Zimbabwe, and Zambia. To capitalize on these advantages, Mozambique is developing its transportation corridors. The Government also recently completed its full Poverty Reduction Strategy Paper (PRSP), which incorporates its Action Plan for the Reduction of Absolute Poverty.

**Table 1 Selected economic indicators**

	1996	1997	1998	1999	2000
GDP at factor cost (US\$ bn)	2,861	3,438	3,918	4,005	3,922
Consumer price inflation (year end, %)	16.6	5.8	-1.3	6.2	11.0
Population (m)	15.7	16.1	16.4	16.8	17.2
Exports fob (US\$ m)	226	234	249	276	349
Imports fob (US\$ m)	802	855	919	1,349	1,306
Total external debt (US\$ m)	7,566	7,639	787 (a)	809 (a)	896 (a)
External debt service ratio, paid	26.0	18.2	20.0	15.3	4.4 (a)
Raw Cotton production (b) ('000 tonnes)	51	74	80	114	37
Cashew nut production ('000 tonnes)	67	35	49	51	n.a.
Exchange rate Birr:US\$ (av)	11.294	11.544	11.875	12.673	15.164 (c)

Source: EIU, 2001

- a) Net present value, after enhanced HIPC terms.
- b) Marketed production; calendar years.
- c) Actual.

## **2.4 Poverty Situation**

The Republic of Mozambique has executed an extensive analysis of the poverty situation in the country, reported in the Interim Poverty Reduction Strategy Paper (PRSP) of February 2000. The Paper incorporates the Action Plan for the Reduction of Absolute Poverty (PARPA).

As one of the determinants of poverty, "...poor development of infrastructure in the rural areas..." has been identified. Consequently, "...expansion and improvement of the infrastructure network" was proposed as one of the specific objectives and targets for the five-year period 2000-2004 (See appendix 1).

## **3 Transport sector and sub-sectors**

### **3.1 Transport sector overview**

Traditionally, the countries transport sector was determined by main corridors to (land locked) hinterland countries. The Maputo Corridor, the Beira Corridor, and the Macala Corridor. During the past few years, North-South connections are becoming more important.

The organisational structure of the transport sector has been changing frequently during the past decades. Recently, some modifications have taken place: Before 1998, roads were under the Department of Roads in the Ministry of Public Works and Housing. In 1998, the National Roads Authority was created as an autonomous organization.

Railways are directly under the office of the president. The other transport modes are under the Ministry of Transport.

Transport co-ordination is not institutionalised. In the present structure, there are no formal arrangements. Sometimes, an interministerial commission is formed on an ad hoc basis for this purpose.

### **3.2 Roads sector**

#### **3.2.1 Organization**

The Roads sector is organized under the Ministry of Public Works and Housing (MOPH). The National Directorate of Roads and Bridges (DNEP) is responsible for execution of the Ministerial policies regarding Classified Roads (primary, secondary and tertiary). The Districts are responsible for execution of Unclassified Roads-policy and the Town Councils for Urban Roads-policy.

On the basis of institutional studies and the adoption of a new Roads Policy (see par.3.2.2), institutional reforms are in a final stage. They account for a new Road Administration System. A new “National Roads Administration”, also called “Road Board” (ANE) was created in 1999. It consists of representatives of the Ministries of Public Works, Finance, Interior, and of Transport. Also, representatives of the private sector are active in the Road Board (a/o. the road transport industry, agricultural producers, and industry-and employers organizations). Under the ANE four Directorates are active:

- ▲ The Road Fund.
- ▲ The Directorate of National Roads.
- ▲ The Directorate of Regional Roads.
- ▲ The Directorate of Administration.

The organization of the roads sector will be further reformed from the fourth quarter of 2001. A new National Road Council will then be responsible for two Directorates: The Road Fund and the National Roads Administration.

### **3.2.2 Policy**

The basis for reforms can be considered the new “National Road Policy”<sup>2</sup>. It established guidelines for the sector reform. Some key features of the new Road Policy:

Road Management will become increasingly specialized and decentralized, involving the participation and shifting of responsibilities to the provincial authorities, municipal-local authorities, the private sector and the users.

The setting up of a National Road Administration System of Public Roads entrusted to improved management and development of the Road Network. The National Road Administration will:

- ▲ Define the procedures for transfer of management tertiary and feeder roads into the Provincial Government and their operational responsibilities in the maintenance and management of the primary and secondary road network.
- ▲ Set up the necessary liaison structures between the local government and the Government for the development of the Urban Network.
- ▲ Set up the working procedures of the future road sector Financing and Managing Bodies.

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<sup>2</sup> Minister’s Council Resolution NO. 50/98 of 28 July 1998.

## **4 Donors interventions**

Mozambique receives substantial financial support from a wide variety of donors, many of those have also targeted the transport sector. Most of the financial donor support to the transport sector is however focussed on funding works. Donors relate therefore more to the Ministry of Public Works than to the Ministry of Transport. Moreover, most donors are involved with road projects on a national and regional level, whilst other transport sub sectors are left to their own devices.

In previous years donors, like USAID, have been involved with the development of transport policy, but most of the work supported was done within the framework of SADC and SATCC. Donor support to SSATP initiatives has largely been limited to support of the Road Maintenance Initiative.

Donor co-ordination is a relatively new phenomenon in Mozambique. Recently a recurrent donor meeting has been set up in order to co-ordinate funding of projects by individual donors.

### **EU**

The European Union provides funding in the transport sector of Euro 110 million over the next 5 years. The lion's share of this amount will be for the road sub sector with a particular focus on maintenance and rehabilitation of roads. Around Euro 40 million is destined for the Road Fund. Only a fraction of the total funding – approximately 5 % - will be used for capacity building, which is mainly concerned with developing engineering and construction capacities. Policy related capacity building is not a priority for the European Union. On a policy level the European Union considers the SADC as its natural partner given the representative structure of both organisation.

### **USAID**

Over the last few years USAID has refocused its donor support away from policy development towards the funding of works. Also USAID is mainly involved with road projects. RMI and RTTP are familiar to USAID with funding concentrating on rehabilitation and the development and upgrading of feeder roads. USAID funds directly, not through the Road Fund or the Ministry of Public Works.

Capacity building is considered relevant, be it on a grass root level. Similar to the EU, USAID attaches high values to the development of engineering and construction skills, rather than on capacity for policy development.

USAID supports increased participation of private sector in transport. Much of the effort concentrates in this field on the reduction of bureaucratic procedures.



**World Bank**

World Bank is currently involved in the funding of the Roads and Bridges Management and Maintenance Program, which includes large rehabilitation works, related capacity building and development of road management practices. In previous years World Bank has been funding the ROCS 1 and 2 projects, predecessors of the Roads 3 projects, with a similar focus. Funding is mainly through existing institutions such as ANE and the Ministry of Public Works.

World Bank has also been involved in the restructuring and privatisation of the ports and railway sector in Mozambique. Recently, CFM received substantial funding for retrenchment and restructuring. In this case the Ministry of Transport and Communications acts as co-ordinator together with CFM.

## 5 Private Sector and Finance

Mozambique has a high degree of private sector participation in the provision of infrastructure and transport services. Private sector operators are prevalent in many sub sectors, and over the last few years the privatisation of previously public realms such as ports, railways and airports has gained substantial momentum, as can also be read from the table below.

Private sector participation in transport sector in Mozambique

Rail (passenger, freight, infrastructure)	Yes, in development. CFM gives rail links in concession to private consortia.
Road (infrastructure, passenger transport, freight transport)	Yes, road maintenance is carried out by private contractors. Road freight and most of public transport is privately operated.
Ports (terminal operation, infrastructure, marine services)	Yes, in development. CFM gives port operations and in some cases management in concession to private consortia.
Airports (infrastructure, passenger airservice, land side service)	Not yet, nonetheless Maputo airport and airline (LAM) are up for privatisation.

The move to involve the private sector in the provision of port and railway services is pushed by Portos e Caminhos de Ferro de Mocambique (CFM), which now operates as a public company with a large degree of freedom in making business decisions. Concessioning of ports and railways is a slow and time consuming process but will eventually lead to a retreat of CFM from the direct provision of port and railway services. Still Government is able to influence the concessionaire through CFM which often acts as shareholder in the consortia holding a concession. One of the major problems encountered in privatising the port and railways has been the inability of the market to take over the infrastructure which therefore remained with the public sector, i.e. CFM.

In the road infrastructure sub sector private sector participation has been along the lines of the Road Maintenance Initiative. A Road Fund has been set up and the Government has taken on the role of contracting agency for road works instead of executing road maintenance itself. This development is still ongoing and a new private road construction sector is emerging in Mozambique.

In the provision of transport services the buoyant development of private sector participation in the public transport is a dominant feature. A myriad of small bus operators holds licences on routes in big cities such as Maputo. A negative result of this otherwise positive development is the difficulty of assure quality to the customers. The market is not transparent making it rather difficult for the passengers to distinguish good

quality service from bad quality. The municipalities have as yet not been able to regulate the level of quality of bus services.

## 6 SADC/SATCC<sup>3</sup>

The SADC<sup>4</sup> “*Protocol on Transport, Communications and Meteorology*” is the most important piece of legislation for SSATP-purposes. It was signed at the SADC Summit in 1996 and aims to establish transport, communications and meteorology systems which provide efficient, cost-effective and integrated infrastructure and operations. It explicitly recognises the need for private sector involvement, for restructuring state enterprises and for co-operation between state and private sectors. Implementation of the Protocol therefore, is essentially a process of policy, legislative and institutional reform. Hence, It seeks to promote regional integration through developing compatible and harmonised national policy and legislation. The integration of the regional transport, communications and meteorology networks is to be facilitated by the implementation of compatible policies, legislation, rules, standards and procedures.

The protocol provides a comprehensive coverage of transport sector issues. It includes the harmonization of integrated transport policies by all Member States and specific policies on road infrastructure, -transport, -and traffic (Chapters 4 to 6). The Integral Transport Concept comprises:

- ▲ Multi-modal and inter-modal transport.
- ▲ A corridor approach.
- ▲ Inclusion of logistics and;
- ▲ Trade facilitation.

The scope<sup>5</sup> of the Protocol comprises the entirety of the transport sector in each Member State and the region, including, but not limited to–

- ▲ all policy, legal, regulatory, institutional, operational, logistical, technical, commercial, administrative, financial, human resource and other issues;
- ▲ international, continental, regional and national dimensions; and
- ▲ the public and private sectors in each Member State, as well as collectively in the region, to the degree that their activities overlap with the subject-matter of this Protocol.

SATCC focuses particularly on “policy reform” and “capacity building”, the same notions as in the SSATP Mission Statement. These notions are translated into the following objectives<sup>6</sup>:

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<sup>3</sup> SADC (Southern African Development Community) is a Sub-Regional Organization. Its members include the SATCC (Southern Africa Transport and Communication Commission).

<sup>4</sup> Members are The Republic of Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe, and the United Republic of Tanzania.

<sup>5</sup> Taken from Article 2.2 of the Protocol.

<sup>6</sup> Source: SSATC, Transport Investment Forum 24-26 April 2001, Executive Summary, Windhoek, Namibia.

1. Continued support of the Policy, Legislative, Regulatory, and Institutional reforms at national level by the co-operating partners to accelerate the momentum of reforms as initiated by Member States.
2. Political support to continue the Policy, Legislative, Regulatory and Institutional reforms at national level to create conducive conditions for private sector participation in the provision, maintenance, operation and management of the transport infrastructures and systems in line with the provisions of the protocol.
3. Strengthening and supporting the activities of the corridor groups by the co-operating partners.
4. Co-ordinated and collaborative human resources development to address the skills gap as well as improving labour productivity in the SADC region.
5. Creation of a conducive macro-economic environment with transparent regulatory framework and in particular, reduction of investment risks by the government through providing the necessary incentives, which can effectively mitigate the risk to investors.
6. SATCC to continue promoting effective dialogue between the private and the public sectors to address, in a pragmatic way, issues that impede the efficient operation of the region's transport systems.
7. Governments should develop credible, commercially viable opportunities responsive to a clear transportation plan.
8. Governments to facilitate trans-boundary investment in line with the corridor development concept.

The RMI principles have been adopted by SADC/SATCC and integrated in the Protocol. Some members of SADC have embraced RMI without being a member of SSATP.

Like SSATP, SADC/SATCC is now in a period of transition. The organization has to get leaner and has to focus on core activities: Transport policy formulation. Implementation is left to public or private organizations.

According to the RT, there is significant scope for co-operation with SSATP on the common main objectives: Transport policy facilitation and capacity building.

## **7 SSATP, exposure and potential**

SSATP as a parent organization is virtually unknown. The Mozambique Road Authority (presently ANE) has been involved in RMI from the early days. The Director was present at the launching conference, Harare, 1994. However, solving local problems prevailed, RMI did not get first priority. Recently, there is scope for membership of both RMI and RTTP. They are represented by one single country co-ordinator.

The idea of a single country co-ordinator for SSATP at large is supported by interviewees. UM is represented, but rather in isolation. T&T and RR have not been active, although the conditions in Mozambique are relevant. Much of SSATP's functions are assumed by SADC/SATCC. Further exposure of SSATP should be established through co-operation.

## **Annex 1**

### ***Targets for poverty reduction 2000-2004***

## *Targets for poverty reduction 2000-2004*

### **Introduction.**

As poverty is the most important factor in the definition of any development strategy in Mozambique, the Government decided to prepare a medium/long-term development program which, with appropriate policies and measures as well as short-term instruments for its operationalization, will attack the problem of poverty, which affects around 70% of the population. In the context of its attack to poverty, Mozambique elaborated in 1999 an Action Plan for the Reduction of Absolute Poverty (Plano de Acção para a Redução da Pobreza Absoluta— PARPA), which defines the actions and priorities to be implemented at different levels and in different sectors. PARPA was taken as the basis for the design of the Interim Poverty Reduction Strategy Paper (PRSP).

### **Statement of the Government on its Commitment as regards Poverty Reduction.**

The main objective of the Government of Mozambique is poverty reduction. To this end, the Government has assumed a firm position in the anti-poverty struggle, which facilitates the definition of strategies in the fight against poverty. This aspect comes through clearly, explicitly or implicitly, in the sector policies and official documents approved by the Government. Economic policy in recent years has concentrated on stabilization aspects, although one has now begun implementation of some policies aiming at the transition to structural adjustment. The effort was concentrated mainly on the reduction of the macro-economic imbalances. In implementing actions of this type there are implications in terms of income redistribution. The analysis of the IAF96/97 showed us that the levels of poverty are considerably elevated. For that reason, the process of growth has to rest on the directing of actions that are aimed at eliminating the levels of absolute poverty of the majority of the Mozambican population. Having reached the current levels of development, economic stability will continue to be a critical factor for ensuring the non-deterioration of the assets of the poor, whether in the short-, medium- or long term. From 1988 to 1989 the human aspect of the stabilization program has been taken up, because it was recognized that the initial policy measures provoked adverse effects on the poorest and most vulnerable groups. It was in that sense that the Social Dimension of Adjustment project (SDA) was instituted in 1989 with the objective of assessing the impact of the strategy and of structural adjustment in the poorest groups. In 1990 the Office for the Support to Vulnerable Population Groups (GAPVU) was established, which provides supplements to earnings of the poorest. Starting in 1990, the Policy Framework Papers (PFP) place the problem of increasing the participation of the poor in the Economic and Social Rehabilitation Program (PRES) and it was in that year that the first steps were initiated for the drawing up of a Poverty Alleviation Strategy. These actions were undertaken in a climate of political instability, since the civil war ended only in late 1992. The first attempt to define specific and explicit policies for poverty reduction in a context of peace in the country was through the preparation in 1995 of the Strategy for Poverty Reduction in Mozambique (GoM 1995a). This document defined five specific objectives:



- ▲ improving living conditions in the rural areas;
- ▲ investing in human capital;
- ▲ improving the social safety nets;
- ▲ formulating a population policy;and
- ▲ improving national capacity for analysis and monitoring of poverty.

The priorities established in the Strategy for Poverty Reduction are reflected in the Five-Year Program of the Government for 1995 to 1999, where it was defined that: "the government will concentrate its efforts as a priority ... on the reduction of the levels of absolute poverty, aiming at its eradication in the medium term, and the improvement of the lives of the people, with emphasis on education, health, rural development and employment." (GoM 1995). The estimates of poverty determined up till 1995 revealed some limitations however; in the first place, the national estimates of the poverty levels and profile of poverty were often based on extrapolations. Secondly, the objective aimed at both in the Strategy and in the Government's Program, were of an overall nature and didn't address specific actions in terms of target groups, goals, and mechanisms for co-ordination and collaboration of the different social actors in the fight against poverty. To address this issue, on April 13, 1999, the Council of Ministers approved the Action Guidelines for the Eradication of Absolute Poverty and from this came the PARPA as a means of operationalizing the Guidelines. These documents result from a detailed analysis of the data from IAF 96/97, the report Poverty and Welfare in Mozambique: First National Evaluation (MPF, 1998). The PARPA emerges as a government planning instrument which complements those that are already in use, namely: the Economic and Social Plan, the Three-Year Plan for Public Investments and the Annual State Budget. In parallel, the government has been developing medium-term fiscal policy which will permit the inclusion in a realistic way, with resources assured, of the poverty reduction actions amongst the government's annual instruments. The PARPA reflects the objectives contemplated in the different national and sectoral strategic plans, allowing a global and integrated vision of the actions to be developed for poverty reduction. Also identified are the targets that must be met in each one of the different areas, in order to allow their monitoring and evaluation in an objective way. The monitoring, evaluation, co-ordination, and financing mechanisms are identified in the Action Guidelines, and only the means for their materialization are yet to be established. Simultaneously, in recent years policies of a national and sectoral scope were approved which may contribute, directly or indirectly, to the achievement of the objectives of the PARPA. For example, the Population Policy should be highlighted, which answers the need to harmonize the determinants of demographic change in the population with factors of a social, economic and cultural nature, and the Food Security Strategy, which aims for the creation of conditions to ensure access to food for the whole population. Other policies have to do with more specific sectors, some of which are identified in this PARPA as immediately relevant to absolute poverty reduction, such as: education, agriculture, infrastructure, health, employment, security and social welfare, and institutional capacity for poverty issues. The PARPA is a basis for the development program.

### **Poverty in Mozambique.**

In the analysis based on the data from IAF 96 97, the following determinants of poverty in Mozambique were identified (MPF 1998):

- ▲ slow economic growth up to the beginning of the nineties;
- ▲ poor educational level of the members of households of economically active age, especially amongst women;
- ▲ high rates of dependency in the households;
- ▲ lower productivity of family farming;
- ▲ lack of opportunity for employment inside and outside of the agricultural sector;
- ▲ poor development of infrastructure in the rural areas.

### **The Global Objective of Poverty Reduction in the Decade of 2000-2009.**

Mozambique's global objective is the reduction of the incidence of absolute poverty from the current level of around 70% to around 50% in the next ten years. In order to reach such reduction in the poverty incidence, the Government has the intermediate objective of reaching a level of incidence of poverty of around 60% by the year 2004. In order to confront the poverty phenomenon, the Government has been developing actions of global, sectoral, and regional nature, as well as actions towards better allocation and management of public resources. The development program will identify the specific actions to be developed, as well as the institutions to be involved, the resources to be utilized, and the implementation and monitoring mechanisms. The consultation process within the Government and with civil society will be widely utilized during the elaboration, implementation, execution and adjustment of the development program, since it will be a rolling, five-year exercise so as to absorb the dynamism of different sectors, population groups, policies and variables.

### **Expansion and Improvement of the Infrastructure Network.**

*“To expand and improve the quality of roads in order to permit marketing and reduce transaction costs”.*

Targets:

- ▲ To reduce the proportion of impassable roads from the current 10% to under 5%.
- ▲ To reduce the proportion of bad roads from the current 32% to 25%.
- ▲ To ensure that each province and in particular districts with the greatest agricultural and livestock potential are linked to each other and to their respective provincial capitals by roads that permit circulation throughout the year.
- ▲ To guarantee that 100% of the localities in districts with the greatest agricultural potential are linked to their district capitals by roads that permit circulation throughout the year.

*“To facilitate commercial exchange between peasants and access to manufactured goods and agricultural inputs”.*

Target:

- ▲ To ensure the existence of district and village markets (commercial network) and give priority to credit and savings systems in the districts with the greatest agricultural potential.

## **Annex 2**

### **List of persons met**

*List of persons met*

Mr. Lucas J. Nhamizinga	Economist, Ministry of Transports and Communications, National Director For Road Transport
Mr. S.K. Silo	Principal Policy Officer, Southern Africa Transport and Communications Commission (SATCC) Technical Unit
Mr. E.H. Msolomba	Director, Southern Africa Transport and Communications Commission
Mr. Francisco Pereira	Vice-Presidente, Conselho de Administracao
Mr. Atanásio Mugunhe	Civil Engineer, Director, Directorate of Regional Roads
Mr. Sherri Archondo	Financial Specialist, The World Bank
Mr. Paulo Tarmamade	Project Manager, Maputo Development Corridor

## **Annex 8**

### **Donors' perspective**

# 1 Introduction

In this annex the donors' perspective regarding SSATP is presented. Two sections can be distinguished:

- ▲ Chapter 2: providing an overview of donors' involvement and funding of SSATP.
- ▲ Chapters 3-6: providing information from interviews with donors regarding the relevance of SSATP to the donors' policy, the donors' view on the contents of SSATP, the appreciation of the program and finally the future perspective.

The second section is based on interviews with representatives from Denmark, the European Commission, France, Ireland, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. It is realised that the World Bank is a major sponsor as well, the perspective of the World Bank is covered in other parts of the report, notably in Chapter 3.

## 2 Donors' involvement in SSATP and funding of SSATP

### 2.1 Donors involved in SSATP

Since the start of SSATP a fairly broad range of countries has contributed to the program. The donors, the majority of them being Western and Northern European countries, are presented in the box below in alphabetic order.

Belgium, Canada, Denmark, EU, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, UK, UNDP, USAID, World Bank.

Involvement of countries has varied through the years, some of the 'early' donors (at least prior to '97), such as Canada and USAID, dropped out whereas new donors joined SSATP. The overall tendency, however, is one of declining donor involvement. In '99 approximately half of the donors mentioned in the box above were still participating in SSATP while Canada, Finland, Germany, Iceland, Italy, Japan, UNDP and USAID had ended their participation. In the period '00-'01 Ireland joined SSATP but at the same time Norway, Sweden, Switzerland and the Netherlands stopped their contribution, limiting the number of donors involved and narrowing the funding basis of the program. Main reasons mentioned for withdrawal from SSATP are a shift of donor priority areas (away from transport to other sectors) and frustration with SSATP management. More on this issue is presented in sections 2 (relevance) and 3 (appreciation of the program).

The majority of the donors that have recently left the program have not fully 'closed the door' on SSATP. In section 5 (future view on SSATP) the donors' positions in this respect are presented.

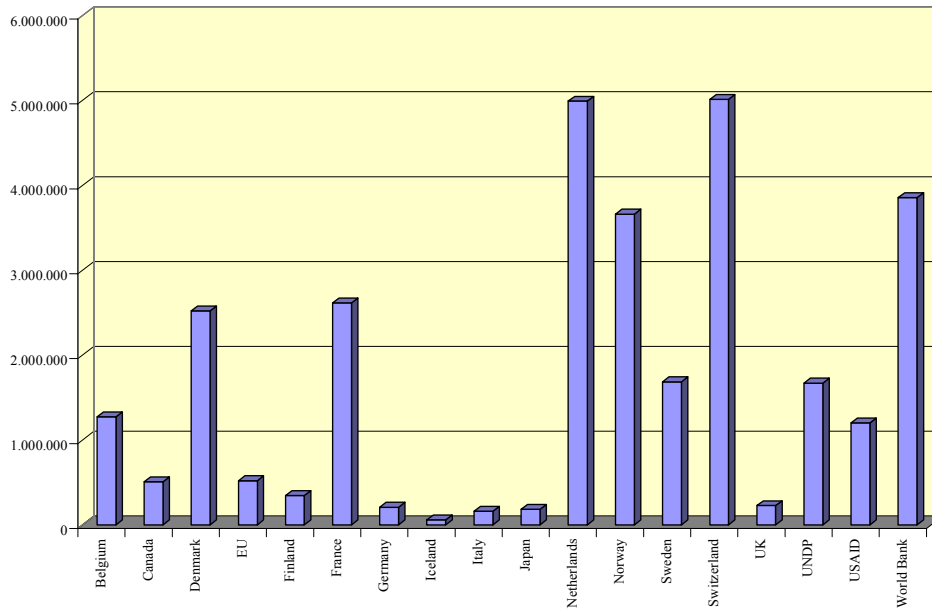
### 2.2 Overview of donor funding

As mentioned above a large number of donors have been involved in SSATP. The financial contribution to the program varies per donor, as presented in Figure 1.1.

Figure 1.1 indicates that Switzerland, the Netherlands, the World Bank, Norway, France and Denmark are big contributors in terms of funds made available. It should be noted that Figure 1.1 does not tell the complete story. EU, for example is funding SSATP activities through its bilateral country programs. The World Bank's contribution in terms of staff and related overhead (office space, etc) made available is not fully reflected in this overview [**note: check how this works out exactly**].

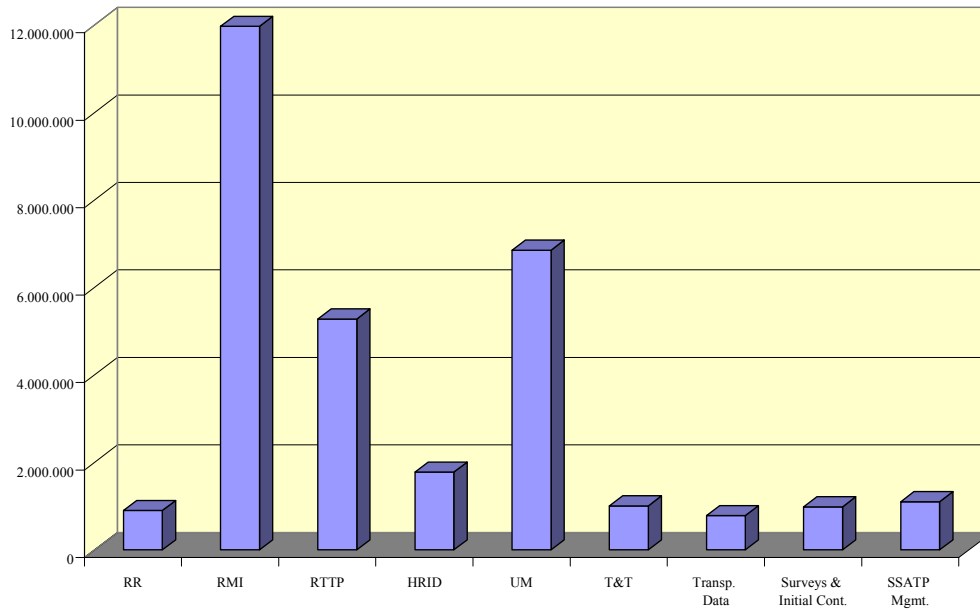


Figure 1.1 Financial total contribution per donor to SSATP in the period 1987-1999 (US\$)



Clearly not all SSATP components receive the same amount of funding. Donors usually have a specific component that is focused on. This may change throughout time, however, generally donors have contributed to two or three components. Figure 1.2 presents an overview of the distribution of funds over the various components<sup>1</sup>.

Figure 1.2 Financial total contribution to SSATP (per component) in the period 1987-1999 (US\$)



<sup>1</sup> Besides the five 'common' components the (previous) components HRID, TD,

In the tables below an overview is presented of donors' involvement in components throughout time.

Table 1.1 Contributions of donors to SSATP in the period '87-'99, specified per component (US\$)

	<i>RR</i>	<i>RMI</i>	<i>RTTP</i>	<i>HRID</i>	<i>UM</i>	<i>T&amp;T</i>	<i>Transp. Data</i>	<i>Surveys</i>	<i>SSATP Mgmt.</i>	<i>Total</i>
Belgium					1.127.645	143.999			60	1.271.704
Canada	398.398					107.455				505.853
Denmark		1.723.382	681.185			11.263			102.968	2.518.798
EU			319			518.570				518.889
Finland		343.114								343.114
France	50.137	2.107.667	9.365		428.188	3.746			13.945	2.613.048
Germany	21.500	183.849								205.349
Iceland						58.749				58.749
Italy				160.100						160.100
Japan		180.971								180.971
Netherlands	3.428	260.709	18.040		4.704.349				4.325	4.990.851
Norway		1.967.807	1.583.464	100.000					8.560	3.659.831
Sweden	12.969	779.225	853.278		39.449					1.684.921
Switzerland		3.324.813	1.677.881		8.568					5.011.262
UK		9.924							214.880	224.804
UNDP				475.000			724.000	470.000		1.669.000
USAID	300.000			900.000						1.200.000
World Bank	113.673	1.090.566	457.901	144.076	545.818	165.784	63.799	515.000	757.080	3.853.697
Total	900.105	11.972.027	5.281.433	1.779.176	6.854.017	1.009.566	787.799	985.000	1.101.818	30.670.941

Table 1.2 Contributions of donors (in % of total commitments) and most important component

Partner	1987-March 1997		March-Dec 1997		1998		1999	
	Share	Comp.	Share	Comp.	Share	Comp.	Share	Comp.
Belgium	5	UM	1	UM	4	UM	2	UM
Canada	2	RR	1	T+T	0	T+T	-	-
Denmark	7	RMI	10	RMI/RTTP	13	RMI	12	RMI
EU	2	T+T	4	T+T	1	T+T	-	T+T/RTTP
Finland	1	RMI	-	-	-	-	-	-
France	8	RMI	7	UM	9	RMI	14	UM
Germany	1	RMI	1	RR	-	-	-	-
Iceland	0.2	T+T	1	T+T	0.1	T+T	-	-
Italy	1	HRID	-	-	-	-	-	-
Japan	1	RMI	1	RMI	-	-	-	-
Netherlands	16	UM	21	UM	19	UM	9	UM
Norway	11	RMI	20	RMI/RTTP	17	RTTP	12	RMI/RTTP
Sweden	6	RMI/RTTP	12	RMI	1	RMI/RTTP	6	RTTP
Switzerland	16	RMI	7	RMI/RTTP	20	RTTP	23	RTTP
UK	0.04	RMI	2	MGMT	-	-	8	MGMT
UNDP	7	TD	-	-	-	-	-	-
USAID	5	HRID	-	-	-	-	-	-
World Bank	12	RMI	10	RMI	17	MGMT	16	RMI/RTTP

Based on figures and tables presented previously some conclusions can be drawn:

- ▲ RMI has received the majority of funds in the period '87-'99, however, donor support has shifted from RMI to RTTP, which is now receiving the bulk of the funds. Underlying reasons may be a shift in donors' preferences, emphasising poverty related issues that are being addressed in RTTP, as well as the perception that RMI has achieved its goals.
- ▲ UM has received considerable amounts of funds, especially from the Netherlands (focusing on non-motorised transport) and to a lesser extent from Belgium (focusing on clean air). The component is rather vulnerable, especially knowing that the Netherlands have withdrawn from the program.
- ▲ RR has not received many funds over the last couple of years (with Canada and USAID withdrawn from the program). The component is kept alive after 'completing' its specific objectives regarding railway concessioning.

**Table 1.3 EC – EDF Support to the Program**

Activity	Amount Euro
3 <sup>rd</sup> RMI Dissemination Seminar for ECOWAS Countries - 1997	<b>450,000</b>

**EC-EDF support to SSATP activities at the Regional level**

Region	Activity	Euro
SADC	SADC Transport and Communications Integration Study	4,500,000
	Regional workshops for SADC study	1,300,000
ECOWAS	Start-up phase for West Africa Regional Transport Study	80,000
	<b>Total</b>	<b>€ 5,880,000</b>

**EC-EDF support to SSATP activities at Country level**

Country	Activity	Euro
Eritrea	Transport policy sector study	311,200
Ethiopia	Road sector policy support: axle load management study, Road safety study; Road Traffic Regulatory study, Monitoring study	824,300
CAR	Road Fund Audit and Transport sector plan	343,900
<i>Chad</i>	<i>Transport sector policy – round table</i>	<i>60,000</i>
Congo (B)	Transport policy sector study	200,000
Ghana	Simplified road management system development; support to road sector policy ident.	437,000
Guinea	Transport sectoral plan study	540,000
Kenya	Roads institutional restructuring study leading to Roads Board; Review of Road fund management	644,900
Lesotho	Axle load management support; policy support for setting up road authority, policy + legal etc; support for road safety	± 800,000
Madagascar	Support to establishment of Road Fund	469,000
Malawi	Studies supporting RMI Malawi – policy, institutional + financing reform, road safety, axle load control, etc	1,059,800
Mali	Support to road maintenance policy	554,000
Rwanda	Study to support Road Fund capacity building	110,000
Sierra Leone	Setting up the Sierra Leone Road Authority	772,000
Tanzania	Road sector institutional reform study for road agency, road maintenance policy support, etc	1,518,300
Uganda	Support to policy studies managed by RAFU + follow up	± 300,000
Zambia	Support for road maintenance strategy developot.	±500,000
	<b>Total</b>	<b>€ 9,441,400</b>
Note	Technical assistance for capacity building in the transport sector in Ministries of Works, Road agencie etc in above and other SSA countries is not included.	

**EC-EDF support to SSATP activities in non-SSA countries**

Country	Activity	Euro
Jamaica	Study to secure financing for road maintenance	149,000
Solomon Is.	Shipping restructuring study for the Islands	300,000
Surinam	Support to creation of Road Authority	420,000
	<b>Total</b>	<b>€ 869,000</b>

### 3 Relevance of SSATP to donors

In this section the relevance of SSATP to the various donors, i.e. the relation between SSATP and the defined donor policy, is dealt with. The box below summarises the donors' views on this subject.

<b><i>Relevance of SSATP</i></b>
<p><b>Denmark:</b>            Danida has developed a Transport Sector Policy (TSP), based on Strategy 2000. S2000 established poverty reduction as the basic principle of Danish development co-operation, laid down 3 CC-themes (gender, environment, democratisation), limited the number of countries and introduced a sector approach-transport being one of the priority sectors. The TSP makes frequent reference to SSATP.</p>
<p><b>EU:</b>            Both 8<sup>th</sup> ('95-'00) and 9<sup>th</sup> ('00-'05) EDF indicate heavy involvement of transport sector (over 40% of total budget in 8<sup>th</sup> EDF, clearly making transport a top priority sector of the Commission. Africa is one of the key areas. Link with SSATP is also expressed in transport sector guidelines.</p>
<p><b>France:</b>            France's Ministry of FA policy put heavy emphasis on (1) improving the transport system and lowering the transportation costs accordingly and (2) involving the private sector in this process. The approach towards SSATP is a matter of opportunity. For each component issues are selected that fit into France's priorities and operational program.</p>
<p><b>Ireland:</b>            Ireland is involved in the transport sector in 6 priority countries in Africa and South-Africa. In the majority of the countries there is a rural access component (with emphasis on labour-based maintenance). Policy development in those fields done by SSATP provides valuable input.</p>
<p><b>Netherlands:</b>            Dutch development co-operation is based on two main principles: (1) poverty alleviation and (2) creating an enabling environment (including private sector participation-good governance). The transport sector is not defined as one of the priority sectors. As a result SSATP does not (anymore) provide a fit with Dutch policy on development co-operation.</p>
<p><b>Norway:</b>            Infrastructure is defined as one of the areas in which NORAD invests. However, Norwegian Parliament has claimed to put more emphasis on health and other social sectors at the cost of traditional sectors (among which transport). Norway is involved in the road sector in Africa (Botswana-Tanzania-Zambia, partly Madagascar-Mozambique). In these countries NORAD facilitates policy reform. SSATP provides a clear linkage to what NORAD is doing in the field.</p>
<p><b>Sweden:</b>            SSATP seems to fit in with SIDA's policy on development co-operation. In reducing poverty, SSATP can contribute through creating better transportation, which is considered a pre-condition for economic growth. Although often indirectly, SIDA sub-goals, such as gender and environment, are in one way or another dealt with in SSATP.</p>
<p><b>Switzerland:</b>            The three thrusts as part of SDC's rural transport strategy (capacity building, support to investments and institutional reform), provide a strong need for policy reform. This is exactly the core of SSATP, i.e. exchange of information amongst donors (platform function), resulting (ideally) in a more coherent approach. Having said this, SDC has decreased its involvement in the transport sector in Africa (currently only in Tanzania while long-lasting projects in Madagascar, Rwanda and Kenya were completed).</p>
<p><b>United Kingdom:</b>            SSATP is relevant to DFID's policy, focused on reducing poverty. Especially RTTP has a clear relationship towards poverty alleviation. In addition,, RMI has strong potential in reducing poverty by potentially reducing transportation costs.</p>

Based on the views on relevance as expressed by the selected donors the following remarks can be made.

- ▲ Although a general tendency can be noted regarding donors distancing themselves from traditional development co-operation sectors, such as transport and infrastructure, in favour of more socially oriented sectors, such as health and education, the majority of the questioned SSATP donors are actively involved in the transport sector in Africa. The World Bank and EU are frontrunners in this respect, whereas countries such as Denmark, Norway, United Kingdom, France and Ireland are solidly involved in the transport sector in Africa as well.
- ▲ The Netherlands and Switzerland have clearly decreased their involvement in the transport sector as a result of changing policy while in other countries, e.g. Norway, a debate on the future direction of development co-operation is ongoing, potentially endangering Norway's position in transport. For donors that were involved in the past, SSATP may have lost its relevance, e.g. Canada in railway restructuring.
- ▲ The strong presence of the above-mentioned group of donors in the African transport sector, 'justifies' SSATP membership of these countries, underlining the relevance of SSATP as a program concentrating on policy development and related capacity building in the transport sector.
- ▲ For the countries that have not included transport as a priority sector in their development co-operation policy, e.g. the Netherlands, SSATP's relevance is less obvious. Here a more indirect approach towards linking SSATP and donor policy is followed, focusing on the contribution of improved transportation, as a pre-condition and a catalyst for economic development, on poverty alleviation. The poverty link is relevant to all donors. SSATP's relevance towards donors' policies would benefit from a more 'visible' link towards the process of poverty reduction, e.g. through establishing a link with poverty reduction strategies.

## 4 Contents of SSATP

In this section the donors' view on what the program should focus on is presented, in addition special focus is on the cross-cutting themes, gender, environment, safety and HIV-AIDS and possible new emerging themes.

### 4.1 Focus of SSATP

The donors involved in SSATP may have different views on what the program should focus on. Below an overview is presented of some of the donors' opinions on this.

<i>Focus of SSATP</i>
<p>Denmark:            SSATP started as a vehicle to create awareness. As much of the 'earlier' objectives have been met, the program has shifted towards providing best practices. Current role of SSATP should focus on:</p> <ol style="list-style-type: none"> <li>1. To reach out for countries that did not participate at first and present good practices.</li> <li>2. To provide a forum to monitor 'developments', e.g. in Road Funds: why does it work, what are critical factors, lessons learned, etc., eventually leading to refining instruments.</li> </ol>
<p>EU:            SSATP should focus on transport policy development and formulation, implementation should be done within country programmes (not with SSATP). SSATP should contribute towards integrating transport sector elements.</p>
<p>France:            SSATP should be based on needs, feeding bottom-up needs into program, furthermore the program should be innovative, defining new concepts and discussing these concepts among donors.</p>
<p>Ireland:            SSATP's main role is to provide information (in relation to transport sector developments) and disseminate this information properly.</p>
<p>Netherlands:            SSATP needs a long-term vision based on needs of recipient countries. Next step is then how stakeholders should contribute in this process. A step in this direction is to start with some countries that have completed a PRSP with a transport section.</p>
<p>Norway:            SSATP should aim at facilitating policy reform in the transport sector. An important task in relation to this is to provide an overview of experiences from various countries so people can share the knowledge.</p>
<p>Sweden:            SSATP is an instrument to build understanding for need for reform and give guidance on reform process. The program should (1) look into post-reform issues, (2) not be involved in implementation, (3) look at components as themes to be incorporated in an integrated transport program.</p>
<p>Switzerland:            SSATP should be a platform to develop transport policy that should be incorporated in operations of individual donors, contributing to a more coherent approach.</p>
<p>United Kingdom:            SSATP should aim at identifying and sharing of good practices. This can be done through seminars/workshops and through toolkits, focusing on description of processes.</p>

Based on the views regarding the focus of SSATP as expressed by the selected donors the following remarks can be made.

- ▲ To a large extent there is a common view amongst the donors of what the contents of SSATP should be. The focus on policy reform, as expressed in the mission

statement, is generally accepted. Basing the program on needs of the recipient countries is also generally accepted.

- ▲ From a historic perspective SSATP started as an awareness-creating program for policy reform in the transport sector. As time progressed (and awareness was created accordingly), SSATP developed into a platform or forum for disseminating best practices, monitoring new developments and in general exchanging experiences. The majority of the donors express the platform function aimed at knowledge sharing as the key task of SSATP. SSATP should facilitate policy reform by gathering and disseminating best practices from and amongst partner countries, emphasising critical success factors and lessons learned regarding these best practices. Developing toolkits and organising seminars and workshops can support this process.
- ▲ Donors agree on the fact that SSATP should not be involved in operations.

## 4.2 Cross-cutting themes

<i>Cross-cutting themes</i>
Denmark: No specific reference, however, gender, environment and democratisation are mentioned in the S2000. Also, safety is top Danish priority. On the other hand, it is mentioned that SSATP should not be involved in activities that are addressed elsewhere.
EU: CC-themes are not mainstreamed in all components. The themes need to be addressed in the relevant components (e.g. gender-RTTP). Safety and HIV-Aids should be addressed through public awareness campaigns (not specifically SSATP).
France: The priority to deal with these issues should be clearly assessed without any 'fashion' effect. In addition, there are other programs dealing specifically with cc-themes, e.g. HIV-Aids initiative.
Ireland: CC-themes are considered important but it is questionable whether these issues can be mainstreamed into all components. Where relevant, issues should be addressed, e.g. gender-RTTP.
Netherlands: The Netherlands have defined the so-called GAVIM themes as priority areas within their policy. These themes overlap to a large extent the SSATP cross-cutting themes. SSATP would need to address these themes for the Netherlands to become actively involved in SSATP again.
Norway: SSATP should focus on its core task (policy reform in transport sector), therefore SSATP should be somewhat reluctant to take onboard too many cc-themes. For these themes other forums are available and maybe more appropriate. Of course, SSATP should not influence the cc-themes negatively.
Sweden: SIDA's sub-goals, such as gender and environment, are indirectly addressed by SSATP, e.g. environmental protection in UM: clean air initiative.
Switzerland: Cc-themes are important to SDC, however, it is not fully clear what SSATP has contributed in this field. Furthermore, it is noted that there are other programs with a more specific focus on cc-themes, e.g. the Forum for Rural Transport and Development.



United Kingdom:

SSATP has to be careful not to address issues that are covered in other programs, e.g. gender and transport initiative of the WB. The same applies for safety, covered through the Global Partnership Initiative and HIV-Aids, for which also a specific program is set up. The cross-cutting themes should be incorporated in the components where relevant but should not substitute the existing specific programmes, as mentioned above.

Based on the views on cross-cutting themes as expressed by the selected donors the following remarks can be made:

- ▲ The fact that cross-cutting themes, notably gender and environment, but also safety, HIV-Aids and democratisation, are high on the donors' political agenda, does not inevitably lead to donors' desire to heavily concentrate on these cross-cutting themes within SSATP.
- ▲ The overall tendency amongst donors is that the CC-themes should be addresses in those components where there is a natural fit, e.g. gender aspects in rural travel and transport and environmental aspects in urban areas. SSATP should focus on its core task, policy reform in the transport sector. The CC-themes should be taken into account but not so much be an aim by itself within SSATP. In this respect the argument is brought forward that specific programs are available to deal specifically with these issues, e.g. the Global Road Safety Partnership and global HIV-Aid-programs.

## 5 Donors' Appreciation of SSATP

In this section the donors' appreciation of the program is presented, firstly in terms of positive and negative aspects and secondly through a SWOT-analysis.

### 5.1 Positive and negative aspects of SSATP

Donors generally have a clear view on SSATP's advantages and disadvantages. In the box below some positive and negative aspects of SSATP are listed based on interviews with selected donors.

<b><i>Appreciation of SSATP</i></b>
<p>Denmark:  <i>Positive aspects:</i> (1) frontrunner in policy development, (2) platform function for policy makers in Africa, (3) platform function for donors involved in Africa-basis for donor co-ordination.  <i>Negative aspects:</i> (1) inability to renew, (2) WB-staff dividing time between SSATP and operations, (3) management-administration problems (reporting, provision of documentation, transparency), (4) inconsistency of donors in providing funds, (5) local demands not incorporated in program.</p>
<p>EU:  <i>Positive aspects:</i> (1) appointment of full-time manager, (2) after period of focus on health and education, transport is back through the linkage with economic development, opportunity for SSATP.  <i>Negative aspects:</i> (1) varied commitment towards SSATP at World Bank by Country Director (very commuted) and country transport team leaders, (2) SSATP organisation suffered from organisation at World Bank.</p>
<p>France:  <i>Positive aspect:</i> (1) platform function: SSATP is only place to work on policy with all donors, (2) innovative: SSATP helps to define new concepts (Road Fund, railway concessioning), (3) based on needs: SSATP is able to feed bottom-up needs into its program.  <i>Negative aspects:</i> (1) limited representation on partnership country level, (2) no clear beginning and (especially) end defined of components, components tend to be kept alive, also if the 'end of the life-cycle' is reached, (3) role of the World Bank: no clear link between SSATP and operations is defined.</p>
<p>Ireland:  <i>Positive aspect:</i> SSATP management at the World Bank leads to strong involvement in country programs, providing the opportunity to establish the relation between policy development (SSATP) and implementation (operations-country programs).  <i>Negative aspects:</i> marketing of SSATP may not be optimal, as Ireland Aid became aware of the program 'by accident', (2) dissemination by internet while Africans may not have access.</p>
<p>Netherlands:  <i>Positive aspect:</i> (1) potential to establish informal donor co-ordination.  <i>Negative aspects:</i> (1) limited leverage of SSATP regarding implementing findings from SSATP, (2) SSATP has not been able to keep pace with changing policies in development co-operation (focusing on issues such as ownership, participation, etc), (3) response of SSATP management on questions raised was poor.</p>

<p>Norway:</p> <p><i>Positive aspects:</i> (1) SSATP has been a catalyst for donor co-operation-a donor network can be established, (2) SSATP's policy development can be useful to the country programs-operations, (3) SSATP facilitates the process of knowledge sharing between countries.</p> <p><i>Negative aspects:</i> (1) documents are provided too late-often during a meeting, as a result no decisions can be made, (2) progress reports are poor, not inviting any discussion, (3) comments/complaints expressed by donors are not followed up by SSATP management, same for recommendations of Bentall-Daniels report, (4) meetings and reports are too focused on activities instead of focusing on objectives and results.</p>
<p>Sweden:</p> <p><i>Positive aspects:</i> (1) SSATP has provided good documentation (used on global level), (2) the available documentation is well accessible through the website, (3) the program has had an impact, notably RMI: issues have been taken up, (4) SSATP is a mainstreaming tool-&gt;facilitating co-operation between donors and moving towards an overall view of what should be done in the transport sector.</p> <p><i>Negative aspects:</i> (1) developments are on ad-hoc basis (based on funding available and personality of manager in charge of component), (2) qualification for RMI membership, countries that already started sector reform (e.g. Namibia) feel ignored. Experiences from these countries are not used for RMI purposes, (3) management of SSATP (no transparent division of time spent on SSATP and operations, no clear view on staff requirements, strength of task manager is determining the success of component, poor reporting, too little time allocation to SSATP (i.e. sometimes 10%).</p>
<p>Switzerland:</p> <p><i>Positive aspects:</i> (1) platform function: networking, co-ordination between donors active in the transport sector in Africa, (2) regional aspect of program: knowledge sharing, experiences from other donors but ALSO from neighbouring countries ('learning from each other').</p> <p><i>Negative aspects:</i> (1) management problem at World Bank 0'double agenda', (2) communication (limited number of meetings, little constructive discussion at meetings, (3) difficulty of transferring SSATP findings to operations, (4) SSATP is not open to outsiders, e.g. ILO, (5) partnership countries insufficiently involved.</p>
<p>United Kingdom:</p> <p><i>Positive aspects:</i> (1) SSATP can be a platform to show best practices, (2) SSATP can respond to demands. A good example are the RMI co-ordinators who have a clear idea of what is needed and can steer the program in that direction, (3) bilateral donors are addressing good issues (platform function), (4) potential leverage of SSATP at World Bank.</p> <p><i>Negative aspects:</i> (1) SSATP located at World Bank, may be following Bank needs more than those of partnership countries, (2) little communication between SSATP management/component managers and partnership countries, (3) inability to separate SSATP from operations resulting in confusion of objectives and use of resources, (4) management of SSATP (no clear program related to objectives, unreliable reporting, reporting not in time, dissemination per Email).</p>

Based on the positive and negative aspects as expressed in the box above the following remarks can be made.

The donors' appreciation of the project can be expressed in a list of positive and negative aspects mentioned in the interviews. The donors' opinions are grouped below. Additional information regarding the donors' appreciation of the program is presented in a SWOT-analysis (next section).

### **Positive aspects**

The positive aspects mentioned by the donors can be summarised in three functions aimed at policy development, mainstreaming and platform and dissemination.

*Policy development function:* SSATP is considered by the donors a frontrunner in policy development in the transport sector in Africa. SSATP has been a platform for

innovations, e.g. developing policy towards setting up Road Funds, and is expected to maintain that role.

*Mainstreaming function:* SSATP can contribute towards mainstreaming policy findings in operations, i.e. in the country transport programs of the partner countries and in the operations activities of the donors. Leverage of policy findings (on transport sector level in Africa-horizontal approach) into operations (on a transport sector level in a partner country-vertical approach) is regarded an principal task of SSATP by donors.

*Platform and dissemination function:* donors appreciate the fact that SSATP provides a place for African policy makers and donors active in the transport sector to exchange experiences, creating the opportunity to meet demands and establish a needs-based program. The majority of the donors recognise the value of the SSATP documentation and its dissemination function. At the same time donors have a platform to meet, potentially resulting in improved (informal) donor co-ordination in the sector.

### **Negative aspects**

The negative aspects brought forward by the donors were numerous, many of them related to management, administration, communication and participation. Below the main concerns brought forward are summarised.

*Management:* donors express a rather ambivalent attitude towards SSATP managed by the World Bank. There is the complaint that time of staff and resources between SSATP and operations are not clearly separated, while lack of leverage between SSATP and operations is also one of the complaints. At the same time, donors do not directly see an alternative for SSATP management outside the Bank and in fact emphasise the prospect for leverage, the World Bank being the largest operational player.

A donors' concern in the past has been the fact that SSATP's management is not basing the program on needs of partner countries and related to this that partner countries are not strongly involved in shaping the program. Instead, the program is a resultant of World Bank priorities and funding driven activities of some of the donors. Donors often feel 'unheard' regarding SSATP's strategic development.

Another concern expressed by donors is that SSATP has not been able to keep pace with changing policies in development co-operation, emphasising issues such as ownership, participation and pro-poor development.

*Administration:* a common complaint of donors is the inability of SSATP management to provide administrative overviews regarding activities, resources spent, provision of documentation, etc. Also, reports are often reported at a late stage (during a meeting), as a result donors often are not able to take decisions or pledge funds on the spot, delaying the entire process. Another complaint made is that often crucial reports are distributed by Email. With address lists not maintained properly, this can lead to missing information.

*Communication:* a main concern expressed by donors is that both meetings and reports are mere a listing of activities, instead of a coherent approach in which objectives are linked to a program of activities which are then monitored and evaluated and discussed amongst stakeholders.

Furthermore, donors indicate the lack of openness of SSATP. This relates to the membership approach in RMI, leaving out countries that are actively involved in sector reform ‘outside’ SSATP. In addition, SSATP is not considered very open to other initiatives or programs, e.g. ILO.

*Inability to renew:* the structure of five components may, according to some donors, result in a rather fixed program, unable to renew itself. There is a natural tendency to keep a component alive, as in the case with railway restructuring, even if the component has met its objectives.

## 5.2 SWOT-analysis

Based on a range of interviews, with selected SSATP donors as well as with SSATP management and other stakeholders involved, a SWOT-analysis is done, specifically focusing on SSATP from the donor’s point of view. The positive and negative aspects, as presented in the previous section, are incorporated in this analysis. Results are presented below.

<p><b>Strengths</b></p> <p><i>Program for policy development</i></p> <ul style="list-style-type: none"> <li>σ tool for innovations in transport sector</li> <li>σ vehicle to integrate (donors’) policy into transport policy in Africa</li> </ul> <p><i>Mainstreaming ability</i></p> <ul style="list-style-type: none"> <li>σ linkage between policy development and operations (leverage)</li> <li>σ defined policy (horizontal) can be fed in country programs (vertical)</li> </ul> <p><i>Platform &amp; dissemination</i></p> <ul style="list-style-type: none"> <li>σ place for exchange of information and experiences</li> <li>σ regional forum as meeting place for policy makers and donors</li> <li>σ knowledge sharing</li> </ul>	<p><b>Weaknesses</b></p> <p><i>Management</i></p> <ul style="list-style-type: none"> <li>σ donors’ lack of confidence in management</li> <li>σ close ties between management and operations</li> </ul> <p><i>Lack of coherent program</i></p> <ul style="list-style-type: none"> <li>σ absence of clearly defined objectives as the basis for a program of activities</li> <li>σ too much focus on activities instead of results</li> <li>σ no monitoring of results in relation to objectives</li> <li>σ focus on components instead of program</li> </ul> <p><i>Reporting &amp; communication</i></p> <ul style="list-style-type: none"> <li>σ provision of information and documentation (quality and timing-late)</li> <li>σ frequency of contact management-partner country-donor</li> <li>σ dissemination through internet (often not accessible for Africans) and Email (not always reliable)</li> </ul> <p><i>Supply instead of demand driven program</i></p> <ul style="list-style-type: none"> <li>σ program too little based on local demands and needs</li> <li>σ World Bank domination in setting the agenda</li> </ul>
<p><b>Opportunities</b></p> <p><i>New SSATP framework</i></p> <ul style="list-style-type: none"> <li>σ (re)gain donors’ confidence through new framework and new management set-up</li> </ul>	<p><b>Threats</b></p> <p><i>Transport ‘phased out’</i></p> <ul style="list-style-type: none"> <li>σ donors leaving the transport sector and shift attention to ‘social’ sectors, resulting in</li> </ul>

<p><i>(Further) mainstreaming opportunities</i></p> <ul style="list-style-type: none"> <li>σ opportunities to (further) feed policy findings in operations and create leverage</li> <li>σ step towards (informal) donor co-ordination</li> </ul> <p><i>Create ownership</i></p> <ul style="list-style-type: none"> <li>σ base program on local needs and stimulate increased ownership of partner countries</li> </ul> <p><i>SSATP and Poverty Reduction Strategies</i></p> <ul style="list-style-type: none"> <li>σ attention for transport and relation to poverty (after period dominated by 'social' sectors)</li> <li>σ improved integration of program into PRSPs</li> </ul> <p><i>Integrated transport policy</i></p> <ul style="list-style-type: none"> <li>σ provide input towards a coherent transport policy for partner countries</li> <li>σ approach to coherent program with integrated transport policy as framework for components</li> <li>σ relation with pooling of funds</li> </ul>	<p>funding problems</p> <p><i>Inability to renew</i></p> <ul style="list-style-type: none"> <li>σ inflexibility of program-a rigid approach towards components</li> </ul> <p><i>Management at World Bank</i></p> <ul style="list-style-type: none"> <li>σ vulnerability of program in case of potential diminishing World Bank support</li> <li>σ potential continued criticism on World Bank domination as manager of the program (and related conflict of interest between policy development and operations)</li> </ul> <p><i>(continued) Lack of ownership</i></p> <ul style="list-style-type: none"> <li>σ inability of Africa to 'host and manage' the program</li> <li>σ inability of program to reach partner countries</li> </ul>
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## 6 Future view on SSATP

This section provides an overview of the donors' positions towards future contribution to SSATP as well as the attitude towards 'pooled' SSATP funding in the future.

### 6.1 Future position of donors in SSATP

The first paragraph indicated a gradual withdrawal of donors from the program. A number of key donors stopped their contribution in 2001. At the same time donors expressed their 'belief' in the concept of SSATP. The box below presents views regarding the way donors look upon SSATP and their future involvement.

<i>Future position in SSATP</i>
<p>Denmark: SSATP is described as a living mechanism that should renew itself, the success of this process determining the lifetime of SSATP. SSATP needs to be based on needs (awareness, platform). SSATP management needs to be a mediator in filling needs that exist. Danida remains involved in SSATP as long as above conditions are met. Secondment of expert to SSATP is indicator for long-term relation.</p>
<p>EU: SSATP is considered an important vehicle in the future for policy developments, fitting in with the Commission's strong position in transport.</p>
<p>France: Given the presence of France in the transport sector in Africa, a continued interest is likely. However, the crucial issue is that SSATP activities need to be related to France's Ministry of FA objectives and priorities.</p>
<p>Ireland: Ireland just joined SSATP with a 3-year contract. First, focus will be on RTTP and the interface with RMI. In addition, SSATP should make clear what the advantage of SSATP is over individual components.</p>
<p>Netherlands: The Netherlands would consider participating in SSATP under the conditions that transport would become priority sector and that GAVIM themes (comparable to the cc-themes) would be addressed. Indirect funding, e.g. through the Netherlands Bank Partnership TF could be an option.</p>
<p>Norway: NORAD is anxiously waiting for the new framework to take shape. NORAD is likely to re-enter the program under the conditions that operational issues improve and that the program can deliver. A restriction could be the development of new priorities by the Norwegian Government.</p>
<p>Sweden: SIDA is definitely interested in being involved in SSATP in the future.</p>
<p>Switzerland: SDC will orient its position towards SSATP based on information that SSATP will provide, a meeting with the new SSATP manager and a meeting with the manager of the geographical division (East Africa).</p>
<p>United Kingdom: SSATP should prove to be capable of handling the five components before focusing on a new agenda for SSATP. On the short run SSATP should work on an interim program. DFID is likely to remain active in SSATP, however limit its focus on those components considered relevant (RTTP).</p>

Based on the views as expressed above by the selected donors the following remarks can be made.

The interviewed donors can be categorised as:

- ▲ *'true believers'*: European Commission (and World Bank although the Bank is not covered in this section).
- ▲ *'conditional supporters'*: the majority of the interviewed donors (Denmark, France, Ireland, Norway, Sweden, Switzerland and the United Kingdom).
- ▲ *'likely to leave'*: the Netherlands<sup>2</sup>.

The 'true believers' will remain a strong position in the transport sector in Africa and see SSATP as a vital future vehicle for policy development, feeding into operations, i.e. country programs.

The 'conditioned supporters' form the majority of the interviewed donors. There is a general belief in the relevance of the program. However, some conditions need to be met in order to (continue to) support SSATP. Meeting these conditions is partly within the control of SSATP management: improve reporting and communication, develop a coherent program based on needs, shaping the 'new organisation' and the ability to renew itself, 'SSATP as a living mechanism'. Other conditions for SSATP support are outside the scope of SSATP management: donors' development co-operation policy, more specific support to the transport sector.

The countries 'likely to leave' are driven by the fact that transport is not (anymore) a priority sector, negatively affecting the relevance of SSATP.

Based on the above it can be concluded that potentially there is ample future support for SSATP, however, specific conditions need to be met that, at least to a large extent, are within the scope of SSATP management.

## **6.2 Pooling of funds**

A specific point of interest is the pooling of funds. SSATP management expressed its desire for donors to fund the program instead of individual components or activities. In the box below the views on this subject as expressed in interviews with a selection of donors is presented.

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<sup>2</sup> In fact the Netherlands has already stopped their contribution to SSATP and are unlikely to re-enter the program.



<b><i>Pooling of funds</i></b>
<p>Denmark: Denmark has provided funds on a program level as of last year (pooled funding). Rationale for program funding is that Danida recognises the programming difficulty in case of component funding. SSATP management is given the 'benefit of the doubt' and needs to prove itself in terms of efficiency. If so, other donors may follow. If not, Danida will reconsider.</p>
<p>EU: EU is currently contributing SSATP through its country programs (not direct contribution to SSATP). This may change in the future, a mixed funding system, part on component level, part fungible is considered (depending on how SSATP will develop). A mixture will provide required flexibility.</p>
<p>France: Pooling of funds is very unlikely for France, based on the fact that not all SSATP activities are related to the objectives and priorities set by France's Ministry of FA. France may pool funds at component level in the future depending on (1) the extent to which the program is discussed with stakeholders and (2) whether a clear detailed monitoring and reporting system is in place.</p>
<p>Ireland: Not internally discussed the matter. On the long-run opportunities to 'pool' funds under conditions that there is good overall planning with clear strategies and budgets.</p>
<p>Netherlands: Pooled funding is unlikely, given the fact that transport is not a priority sector.</p>
<p>Norway: NORAD is not negative towards pooled funding, however, following conditions need to be met (1) have clear targets and indicators and (2) high quality reporting procedures.</p>
<p>Sweden: SIDA is willing to pool funds, provided that the Bank shows that it can handle the funds. Conditions that need to be met are (1) Improve SSATP management, e.g. regarding monitoring of staff contribution to SSATP (2) improve reporting, not limit reporting to listing of activities but link SSATP activities to objectives set. In addition improve financial and progress reporting, (3) improve monitoring of outputs/outcomes (related to SSATP objectives). Create set of indicators, (4) improve planning of SSATP (not on ad hoc basis) and (5) improve management of trust funds.</p>
<p>Switzerland: Pooling of funds could contribute towards a coherent strategy of donors active in roads in Africa, Hereto is needed (1) a strategy, (2) a monitoring system and (3) a working plan based on the strategy. In other words: a mechanism that will work towards meeting the objectives set.</p>
<p>United Kingdom: Program funding is not an option for DFID given the unclear management (lack of link objectives-program). DFID want to know what is happening to the money they are providing. At this stage the confidence is missing to fund the program. A pre-condition for program funding would be to be able to discuss the program and its priorities.</p>

Based on the views on pooling of fund as expressed by the selected donors the following remarks can be made.

Again, the interviewed donors can be categorised<sup>3</sup>:

- ▲ 'in favour': Denmark, having pledged funding to the program.
- ▲ 'not against it, but under certain conditions': the majority of the donors (European Commission<sup>4</sup>, Ireland, Norway, Sweden, Switzerland, United Kingdom).
- ▲ 'against it': France.

<sup>3</sup> The Netherlands is not included, as this donor is not likely to re-enter the program.

<sup>4</sup> The majority of EC funding is channelled through the country programs, however, in the future a mixed funding system, partly fungible is considered.

The country 'in favour', Denmark, agrees to the fact that SSATP management would benefit from pooled funding. SSATP is given the benefit of the doubt, if performance drops, Denmark would reconsider.

The group 'not against it, but under certain conditions' forms the majority. Conditions to be met include setting of clear targets and indicators, monitoring of outputs/outcomes in relation to set objectives, improved reporting (financial and progress), improved monitoring of World Bank contribution to program. In addition to this, some countries need to go through some administrative adjustments to be able to fund the program, notably the European Commission.

The donor 'against it', France, indicates that France can only fund activities that relate to objectives and priorities set by France's Ministry of Foreign Affairs. France indicates that it may consider pooling funds at component level.

In conclusion it can be stated that first steps in the direction of pooling of funds have been taken, with Denmark as the first donor that has agreed to the principle. Winning over other donors depend to a large extent on gaining confidence of the donors and meeting certain conditions, as indicated above. Total pooled funding is unlikely to happen, as some donors will remain a strong preference for a certain component or activity. A mixed system in which some pooled funding and some specific funding would co-exist would already be very beneficial for the management of the program.

**Annex 9**  
**Policy issues**

The policy issues are divided into five parts:

1. Poverty and Transport (leading SSATP theme)
2. Traffic safety (transport intrinsic theme)
3. Cross-cutting themes
4. Capacity building
5. Private sector participation

## **1. POVERTY AND TRANSPORT**

### **Transport and economic growth: general**

There are two analytical approaches which have generally been used to understand the relationship between transport and productive activity. The first is the conventional production theory approach in which there is a relationship between the stock of transport infrastructure and output via a neo-classical production function. Here there are three possibilities: (i) transport can enter as a direct input into the production process; (ii) transport can act as a complement to other factors by raising their marginal product; and (iii) transport can attract increased quantities of inputs and thus shift the production function. Duality between production and costs implies that there is also a relationship between the costs of production and the price of transport services. The second approach uses a spatial model of productive activity, which provides an analysis of how transport determines the location and level of production by determining the "area of influence" and the yield. This approach enables analysis of a set of alternatives regarding the organisation, cost, and availability of transport as well as marketing arrangements and how they affect producer prices and the incentives facing producers. The production theory and the spatial approaches are not incompatible and could even be unified.

### **Impact of transport on productive activity**

in general, there is strong evidence from several studies supporting the hypothesis that transportation infrastructure and services are critical for productive activity in developing countries. Methodologically, these studies can loosely be grouped into three categories: econometric analyses, documentation and description of trends determined from data, and reviews of literature and/or country-level experience, sometimes with theoretical analysis. A limited number of the studies utilise both the second and third methods. Most of the econometric studies are concerned with modelling production or productivity with the inclusion of an infrastructure variable. One problem common to these studies is finding a suitable measure for infrastructure. Another observation is that a number of the studies are not directly concerned with examining transportation and production linkages, yet these linkages become apparent from the research.

The evidence suggests several mechanisms through which transport may have an impact on productive activity. In the case of rural agricultural production, a transport improvement may lower input prices and hence production costs, improve access to credit, facilitate technological diffusion, increase the area of land under cultivation, or increase the availability of "incentive" goods. Other benefits from a transport improvement may include increased trade and competition from imports, in turn leading to improved production efficiency, downward pressure on consumer prices, and reduced seasonal price fluctuations. Stronger social and economic linkages between rural and urban areas and increased non-farm employment may also develop. In the case of urban economic activity, the quality of the transportation and other types of infrastructure appear to play a significant factor in firms' location decisions. Transportation costs have been found to be a significant component in total costs, affecting the survival of small firms and the entry of new firms into a market.

### **Impact of transport on personal welfare**

The quality of transportation affects the time spent travelling and hence the overall time constraint. There are therefore profound implications on welfare through affecting accessibility to various public services, ability to accept income-generating opportunities, and ability to accomplish the various productive, household, and community tasks required.

Given the spatial location of facilities and activities which determines the required distance, transport becomes critical to ensure *access*. In principle, the use of any means of transport, other than walking or head loading, improves accessibility by reducing time taken and/or increasing the unit load that can be carried. Improving local accessibility can affect welfare through enabling consumption and production and through saving time. For example, improved access to water supply will increase the consumption of water and improved access to farmlands may result in increased agricultural production. Also, improved accessibility often results in shortening the time required to carry out a particular activity. The time saved may be devoted to other activities or to leisure, thus improving welfare. Also, improved access to meet wider needs through access to major centers of activity has welfare effects in the areas of agricultural productivity and marketing, and through the provision of central services such as hospital care and credit facilities. Finally, improved personal travel, enabling contact with friends and relatives and participation in social and cultural events, brings a social benefit in terms of improved quality of life. It is also likely to bring an economic benefit through increased information flows on prices and greater mobility of labour and other inputs, thus increasing market efficiency. The awareness of technological developments is also increased.

A closer look at the *labour market* indicates that transport influences its functioning and can thus have an impact on an individual's ability to accept income-generating activities. In the short run, residential location and the location of economic activity affects the demand for transport to work. Therefore, the cost and availability of transport infrastructure will affect the labour market participation of individuals according to their

time and budget constraints. For instance, the severe time constraints facing women with substantial household duties make accessibility to a place of work a critical factor determining labour market participation. Also, residents of peripheral areas incur high costs to access those locations that residents close to the city can reach easily and cheaply. As a result, they may not seek higher paying jobs in the city centre. In addition, transport also affects the efficiency of the labour market. Poor transport infrastructure restricts labour mobility by increasing labour market transaction costs/job search costs. This contributes to segmented labour markets or a coexistence of vacancies and unemployment. Job search costs include the expenditure on transportation and the opportunity cost of time spent travelling to look for a job.

The relationships between transport and the *housing* market are both complex and dynamic and there is no clear direction of causality. On the one hand, conditions in the housing market affect residential location decisions which in turn influence the demand for transport. On the other hand, transportation affects the housing market. Conditions in the housing market also impact upon the demand for transport by affecting location decisions. The pattern of housing and land prices is a factor in the location decisions of households.

Transport is a vital input in the production of *tradeables*. Poor transport increases transport costs and decreases the incentive to produce tradeables instead of non-tradeables. In the case of international trade, recent developments in industrialised countries mean that efficient transportation is becoming increasingly important if developing countries are to avoid marginalisation and to maintain a competitive edge. Accordingly, the quality and efficiency of the transport infrastructure and services is particularly important for the success of a country's trade liberalisation policy.

### **Transport and poverty reduction**

During the last years, developing countries have responded favourably to the call to prepare country-driven poverty reduction strategy papers PRSP to serve as a focal point for development assistance in support of sustainable poverty reduction. Development partners have also been supportive of the notion that PRSPs should serve as the basis for their development assistance programmes and recognise that they have an important role to play in providing both technical and financial assistance if these strategies are to be successfully developed and implemented. Common themes have been emerging regarding governments' priorities for poverty reduction efforts. Reports confirmed the importance accorded to broad-based growth as a condition for sustainable poverty reduction. All have stressed the importance of the social sector investments; other common themes include the central importance of rural development. New issues are being placed on the poverty agenda such as governance, anti-corruption, transparency and improving access of the poor to public services.

Transport sector outputs are translated into poverty outcomes if the outputs are used directly or indirectly to improve quality of life. Therefore, it is important for the transport sector to ensure the benefits of transport services reach the poor. To do this, it

is necessary to understand the linkages between sector outputs and the likely poverty outcomes, and the conditions under which the outputs are translated into poverty outcomes. Examples of how sector outputs relate to poverty outcomes and public actions are listed in the following table, taken from the World Bank PRSP Sourcebook Transport Chapter.

Poverty outcomes	Sector outputs	Public actions
<p>Economic opportunities from reduced barriers to access</p> <ul style="list-style-type: none"> <li>- higher incomes from more economic opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced transport costs (better road condition, lower vehicle operating costs, shorter travel time)</li> <li>- Improved transport services (coverage, frequency, quality, reliability, prices, connectivity to markets, and jobs)</li> <li>- Improved traffic safety</li> </ul>	<ul style="list-style-type: none"> <li>- Public and private investments for improving efficiency</li> <li>- Maintenance policies</li> <li>- Transport agency reforms</li> <li>- Financing reforms</li> <li>- Regulatory reform</li> </ul>
<p>Capabilities improved because of access to essential services</p> <ul style="list-style-type: none"> <li>- improved literacy</li> <li>- reduced mortality</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced transport costs to services</li> <li>- Improved transport services (access to health, education, and social services)</li> <li>- Improved traffic safety</li> </ul>	<ul style="list-style-type: none"> <li>- Investments linking communities to services</li> <li>- Efficient maintenance and management of links</li> <li>- Nontransport solutions (for example, bringing services to communities)</li> </ul>
<p>Empowerment through participation in decision-making</p> <ul style="list-style-type: none"> <li>- overcoming sense of isolation</li> <li>- Consultative processes in program preparation</li> </ul>	<ul style="list-style-type: none"> <li>- Mechanisms for participation in planning and priority setting</li> <li>- Public reporting of outcomes against budgets</li> </ul>	<ul style="list-style-type: none"> <li>- Local consultation and participation including vulnerable groups</li> <li>- Transport user associations</li> <li>- Decentralization of budgets, resources, and accountability</li> </ul>
<p>Security against economic shocks and natural disasters</p> <ul style="list-style-type: none"> <li>- timely delivery of food and medical aid during emergencies</li> <li>- access to outside jobs and social services</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced transport costs</li> <li>- Availability and reliability of transport services</li> <li>- Participation of poor in marketing and logistics services</li> </ul>	<p>Investments in improving reliability</p> <ul style="list-style-type: none"> <li>- Maintenance reforms</li> <li>- Venture capital and advice for poor in logistic companies and marketing services</li> <li>- Service improvements in marketing and logistics services</li> </ul>

Source: PRSP Sourcebook Transport Chapter. Table 3.1

While different countries will have different transport strategies to reduce poverty, the differences are mostly in the form these strategies take. A strategy oriented toward poverty reduction is characterised by: (i) full participation of all stakeholders, especially

the poor; (ii) solid technical inputs from the transport sector and other sectors; (iii) accountability to poverty outcomes. Policy areas where direct interventions are most effective are rural and urban transport.

The scope for using direct transport interventions to assist the poor is likely to be the greatest in poor rural areas, for two major reasons:

- ▲ Targeting is more effective because the rural poor are often geographically isolated or concentrated in particular areas, and are a relatively more homogenous group than the urban poor.
- ▲ Road work (basic construction and maintenance) based on labour-intensive techniques may provide the rural poor with income-earning opportunities.

Direct transport interventions to improve accessibility of the poor in rural areas may include:

- ▲ Provision or improvement of rural access roads to a standard that provides for basic, all-season passability by motorised vehicles.
- ▲ Provision for the use of intermediate means of transport, through technical assistance and micro-credit programs and accommodation in the design of new/upgraded transport infrastructure.
- ▲ Integration (or coordination) of improvements in physical access with other rural interventions such as those involving schools, health clinics, and agricultural extension programs.
- ▲ Incorporation of community consultation and participation in decision-making for local transport investments and maintenance, and the establishment of extension services to provide the necessary technical advice and training, with support for the development of rural community funds.

Sometimes, transport or access problems facing the rural poor are actually local service delivery problems and can be tackled more cost-effectively by non-transport solutions. There are two major categories of non-transport solutions for rural transport problems: (i) providing on-site or near-site services to reduce travel requirements and; (ii) introducing micro-credit programs to enable the poor to acquire necessary transport means, such as vehicles, and especially non-motorised vehicles.

Inadequate transport access is typically just one of many infrastructure problems facing the poorest rural communities. Integrated rural infrastructure development programs can build synergies across sectors. Because they are more comprehensive, these programs can have greater impact on the incomes and quality of life of poor communities. Multi sector approaches, combined with stakeholder participation, can let rural communities set priorities according to their own needs. However, these programs sometimes can be more costly than the single-sector programs and thus call for selectivity in geographic targeting.

The urban poor face basic access problems as do the poor in rural areas, but their nature and solutions are different. Access problems can be more serious in larger cities where



on average people commute to work over longer distances. In large developing cities, the poor can find it difficult to obtain jobs partly because they live in squatter locations on the outskirts. The poor who have jobs often have to commute a long distance with very long travel time by modes of low quality. A large number of urban poor in the informal sector take several part-time, low-wage jobs at different locations. Their income-earning ability is tightly constrained by commuting time, out-of-pocket costs, and the (walking) access to available public transport services. Knowing what transport problems the urban poor are facing is important, but it is not sufficient as a basis for public policy to address the problems. Transport is a derived demand; its patterns and characteristics in urban areas have much to do with other markets, especially for labour, land, and housing. Many urban transport problems are symptoms of poverty, not fundamental causes of poverty.

If transport suppliers are bound or motivated by institutional and structural constraints from meeting the needs of the poor at a cost they can afford, high transport cost *contributes* to their poverty. Other contributing causes include excessive government regulations on land and housing markets that curtail the residential location choices of the poor.

A common political response to the heavy burden of transport costs the urban poor bear is to control public transit fares. Typically governments control fares on the grounds that prices above some threshold level would be unacceptably burdensome on the poor. Sometimes the adverse effects caused by formal policies are lessened by the development, legally or illegally, of informal-sector services, usually provided with smaller and cheaper vehicles, frequently at fares above the controlled formal-sector fares. In such instances, policymakers should carefully consider the likely supply outcomes with different levels of fare intervention and subsidy and set fares consistent with demand-driven outcomes, not on the basis of some normative concept of an “affordable fare.”

Transport itself is a major potential source of employment. The poverty diagnostics can reveal the extent to which the poor are working as construction workers, drivers, movers, maintenance workers, repairers, retailers, and NMT operators. Government programs that offer food or cash to the poor in exchange for transport construction civil work should also be examined. Ranges of production methods, with varying labour-capital combinations, are available for road construction, rehabilitation, paving, and maintenance. How efficient these methods are depends on the relative prices and productivity of inputs, especially labour and capital. Although some tasks cannot be done adequately by hand, for many other tasks labour-based methods can be cheaper and more reliable than equipment-intensive methods. Efficient labour-based methods can offer income-earning opportunities for the poor. Potential savings can be important in economic terms, taking into account the shadow prices of labour and foreign exchange. Whenever economically warranted, labour-based methods for roadwork should be promoted as one important means of supplementing rural employment in developing countries.

## 2. TRAFFIC SAFETY

Road accidents constitute a serious and increasing problem in developing countries. The poor are particularly vulnerable to accidents since they are restricted to walking or using public transport to meet their travel needs. It is these modes that are the most vulnerable to traffic accidents (Jacobs et al., 1999). Studies show that most accidents are due to:

- ▲ poor road use by pedestrians;
- ▲ poor driver behaviour;
- ▲ various external factors, e.g. road design and maintenance, poorly maintained vehicles, etc.

Critically for livelihoods, traffic accident deaths are a leading cause of death among people in economically active age groups (Ross and Mwiraria, 1992). The urban poor are particularly vulnerable to traffic accidents and a high percentage of victims come from the poorer sectors of society (Jacobs et al., 1999). This is partly explained by the poor's modal choice and also their awareness of safety issues. Pedestrians, users of public transport and non-motorised road users are often the victims and the poor are disproportionately represented in this group of road users (ibid.).

In order to create tolerable conditions for the traffic and with a view to reduce the alarming and increasing accident rates road safety planning is of utmost importance. This aspect is often given too low priority in national technical standards. Especially, non-motorised traffic, intermediate traffic and special groups such as physically handicapped are given little consideration. Roads lack basic measures such as wide shoulders, speed reduction measures, bus stops and in urban areas traffic separation.

There is considerable potential for improving the safety of these modes and reducing the risk to the poor, for example through education campaigns. The WDR 1993 suggests that a multi-pronged approach to road safety can reduce crashes at a reasonable cost: "Public investment in improved road infrastructure and highway operation systems, remedial action at known 'black spots' with high accident rates, and expanded public transport systems all make a difference. Legislation, financial incentives, and programmes of road safety education can improve driver behaviour, reduce traffic speeds, promote use of seat belts, improve vehicle safety, and reduce drunk driving. The insurance and legal liability systems may also offer powerful incentives for road safety" (WDR 1993: 99).

However, in the case of public transport there is likely to be a trade-off between improved safety and the cost of the service to the poor. For example, with limited financial resources, maintenance procedures are usually inadequate and key safety features such as the condition of lights, tyres and brakes are likely to be defective in one way or another (see Jacobs and Downing, 1982). Improved safety incurs a cost which, unless subsidised by government, will have to be covered by higher user charges. Therefore, livelihood would be improved by the reduction in the likelihood of a severe

internal shock, yet there will be a greater drain on financial resources, and some may be unable to afford public transport at all.

The non-technical aspects of improving road safety are very important. Measures of major impact include, on the one hand, enforcement of vehicle load and speed control, condition of vehicles, drivers' attitude, and on the other hand information/education campaigns.

According to Jacobs et. al. (1999), policies aiming at improvements in road safety need to include the following:

- ▲ establishing awareness of the problem;
- ▲ ensuring commitment to and ownership of the improvements;
- ▲ sufficient institutional strengthening;
- ▲ monitoring and evaluation with feedback and modification to action plans;
- ▲ sharing of project information for the benefit of all future projects.

However, policy makers are reluctant to devote more resources to promoting road safety, arguing that accidents are unpredictable and inevitable. The Government of Uganda for instance, allocates a meagre \$6,600 to the national Safety Council annually for Traffic Safety promotion countrywide. Indeed the performance of public bodies in tackling accidents has been disappointing. In addition to limited resources, the institutional or bureaucratic set-up of these safety agencies inhibits their performance.

A *Global Road Safety Partnership* (GRSP) was recently established under the World Bank's Business Partners for Development (BDP) programme. It is a global partnership between business, civil society and governmental organisation dedicated to the reduction of road accidents in developing countries. The GRSP strategy includes identifying and sharing lessons from projects, and aims to demonstrate that partnerships for development can be scaled up to regional and national levels. It also aims to develop and implement new demonstration projects in selected countries.

### **3. CROSS-CUTTING ISSUES**

#### **Gender**

There are two reasons why transport policies aimed at poverty reduction should consider gender issues. Firstly, there are linkages between poverty and gender. Women do make up a disproportionate number of the poor. The UNDP (1995) estimate that women are estimated to account for 70 per cent of those living in poverty world-wide. Secondly, gender relations influence macro economic outcomes and hence the growth path: gender equality is good for economic growth and therefore has strategic and indirect implications for poverty reduction (Poverty Status Report 1998, cited in OECD/DAC, 1999).

Gender relations in sub-Saharan Africa go a long way towards explaining the constraints on economic growth especially in the agricultural sector (Hanmer, Pyatt and White,

1997). “There is evidence that reliance on head loading (which is predominantly a female activity) is a significant constraint on small-farm output in Ghana” (Rogers, 1980). “African women are, in general, over worked in the rural areas and...pressure on women’s time is an important constraint on raising agricultural production and rural living standards” (ILO, 1988). To achieve a given level of household welfare, women have to work longer hours than men which means that the rate of return on women’s labour is lower than the rate of return on men’s labour.

It is generally recognised that men and women in developing countries have different tasks and responsibilities in their daily lives. Men and women, therefore, also have different transport and travel needs. Research (in particular from rural Africa) shows that women have a greater transport burden than men, and that almost universally women’s access to transport resources, are more limited than for men.

Transport routes used by men and women are often different as men and women have different tasks to carry out. For women by far most travel relates to domestic tasks and the trips are relatively short and local. The infrastructure used is mainly local tracks and paths. Burdens are transported in different ways, but it has been established that women face more cultural and socio-economic barriers to transport technologies than men do. Fewer women than men ride bicycles, drive ox-carts, or use wheelbarrows.

Recent village-level surveys in Africa have been undertaken which reveal the predominance of female portage in rural transport (Bryceson and Howe, 1993; Malmberg-Calvo, 1994). In rural areas women use transport primarily in order to fulfil the “reproductive” tasks of the household. Studies show that fetching water and firewood represent the greatest burden on rural women, closely followed by visiting the grinding mill. Agricultural activities also require travelling and transportation, although the amount depends on the extent to which cultivation and marketing of food crops is women’s responsibility. As caregivers, women are likely to accompany those in their care if they need to travel, e.g. the sick to medical facilities. In this sense, the problems of disadvantaged groups, e.g. the sick, elderly or very young, also impact disproportionately on women (Barter, 1999).

In terms of women’s travel patterns, it appears that travel within the village is much more frequent than that outside the immediate village area. In terms of modal choice, women are mainly involved in walking although there is some use of bicycles. For travel outside the vicinity of the village buses are most frequently used.

In rural areas, women spend much more time on transport activities than men. Overall, in Africa 65 per cent of the total transport effort and 65 per cent of transport time is borne by women, and women carry about three to five times as much as men in a year (Barwell, 1999; DFID, 1999; Malmberg-Calvo, 1994). Furthermore, women experience a disproportionate share of transport costs and only some of the benefits (Bryceson and Howe, 1993).

In urban settings, there is a marked difference between the time, money, and effort which low-income men and women expend on travel (Levy, 1991). In terms of modal choice, women are more likely to use public transport or be pedestrians than men, and are less likely to have access to a private car. Since traditional planning data focuses on the needs of the male “breadwinner”, transport infrastructure and services are planned around men’s needs with buses running from the periphery to the centre during morning and evening peak periods (Levy, 1991; Moser, 1989). Yet low-income women use public transport for multiple activities, such as school, shopping and health related trips, in addition to work trips. They use services at off-peak times during which there is a less frequent service and therefore experience longer waiting times.

#### *Access and control of transport resources*

Despite the fact that women bear the brunt of the transport burden, it is men who have primary access to and control of transport technologies. Men are more likely to own bicycles and ox-carts, and as the primary wage earner they are more likely to use public transport in order to travel to or from work.

Those with greater access to transport, or who own transport means, will be able to determine the extent and timing of use (Doran, 1996). For example, a husband may delegate to his wife and even though she does the carrying, may have little control over the goods, time when do it, whether do it and if there is a reward. The reasons for men’s control and access will now briefly be discussed.

#### *Cultural constraints*

Cultural norms and values There are strong cultural constraints to the use of IMTs by women in Sub-Saharan Africa (Barwell, 1999). There may also be issues of shame and honour at stake. For example, in Ghana concerns about women being exposed to traffic are partially concerns about women being placed in situations where they will be dishonoured. It may also be that men’s possession of IMT is triggered by status consciousness rather than practicality.

In short, gender relations determine the demand for mobility and they determine how transport assets and technologies are used.

#### *What can be done?*

IMTs can relieve women’s transport burden but as shown above, who owns and controls the IMT can heavily influence the degree to which their problems of accessibility are alleviated. There are examples of IMTs being successfully introduced and owned by women users if adequate systems of support accompany the intervention – e.g. community development, capacity building, sensitisation. The evidence indicates that introducing alternative means of transport to undertake a task can change gender responsibilities both positively and negatively (IFRTD, 1999: 40). The potential of non-transport interventions is often overlooked. According to Malmberg-Calvo (1994: ii), evidence indicates that:

- ▲ Well-designed rural water projects, which provide reliable, all-year-round supply of potable water closer to home than the natural source, reduce the time and effort spent per household per day on water collection. The saving can be up to 2 hours per day, depending on the relative locations of the old and new sources and size of the household.
- ▲ Similarly, well-designed woodlot schemes can reduce the time and effort spent on firewood collection, although this is a long-term benefit since woodlots take several years to mature and produce cooking fuel.
- ▲ The introduction of improved wood-burning stoves can reduce firewood consumption by 30 per cent, with an equivalent reduction in the time and effort spent on collection.
- ▲ The provision of grinding mills closer to the home reduces the transport burden related to this activity when households are using a more distant mill. If households switch from traditional pounding to use of the mill, there is an increase in the transport task, but an overall reduction in the burden of the activity, particularly in terms of energy usage.

There is an evident need for gender planning in transport, i.e. planning that takes into account the fact that men and women play different roles and therefore have different needs. When identifying and implementing planning needs it is important to disaggregate households on the basis of gender (Moser, 1989).

Transport policy can be made gender sensitive in the following ways:

- ▲ Consultation with women and men about their transport needs in order to reveal: the intra-household division of labour; the multiple and various transport needs of the household; and cultural attitudes and norms.
- ▲ Implementation of targeted credit schemes that will allow women to buy IMTs (the problem with this is that women's work is largely unremunerated and does not generate an income, therefore there is a problems regarding how they would pay back a loan of this kind).
- ▲ Provision of affordable IMT. Frequently, men appropriate improved means of transport since have capacity to pay for them – even if women are the intended beneficiaries. It may be most effective to focus on affordable improvements to existing means of transport that women are using.
- ▲ Provision of appropriate IMT (economically, socially and technically appropriate transport facilities for women).
- ▲ Look to other sectors for solutions. There are non-transport solutions that may be more appropriate than transport solutions. These would be particularly useful is available at the household rather than community-based level.
- ▲ Information should be made available to women which informs them of their rights to mobility and the options available for achieving greater mobility.
- ▲ Development and enforcement of regulations to ensure women's safety especially while walking and using public transport services.

Gender-sensitive transport sector policies include:

- ▲ provision of street lighting and other measures to improve women's safety in public and private transport use (World Bank, 1996);
- ▲ involving women in transport planning;
- ▲ targeting credit schemes to buy means of transport at women;
- ▲ targeting information at women transporters (Starkey, 2000).

Transport sector programmes mostly treat the issue of gender from a narrow analytical angle, where the approach taken is that of analysing how the different genders and women in particular benefit from programmes. The special needs of women – when such needs exist – are then addressed in the design. (An example of this is within the design of training programmes and in relation to occupational health and safety.) A much more profound analytical framework has recently been designed, and this includes analysing the sector as a gendered structure and analysing how gender relations and gender bias influence the formulation, delivery and impact of sector investment and services<sup>1</sup>.

The institutional process of gender relations, including the gendered division of labour and gender norms, informs the roles, responsibilities and constraints upon women. As Howe and Bryceson (1993: 1716) point out, “the responsibility for transport is based primarily on local consensus regarding the sexual division of labour in the household”. These gender relations determine that women have a triple role in the livelihood strategies of the household (Moser, 1989): reproductive, productive, and community-managing work. It is this culturally constructed, gendered division of labour that determines women's transport activities and needs.

Women's transport responsibilities and the constraints on how these are fulfilled, in this case their transport opportunities and choices, and their opportunities for how they reallocate any save time, are all impacted upon by the institutional conditions. There is a big variation in the institutional processes, e.g. cultural norms and gender relations, between Africa, Asia and Latin America (Edmonds, 1998).

#### *Human resource development (capacity building)*

Human resource development needs cut across all activities in the transport sector. The need for HRD in the sector generally includes a wide range of staff functions in government institutions at different administrative levels and semi-autonomous organisations. In the private sector it covers consultants, contractors and their work force. The extent of the HRD need obviously varies from one country to another and from one continent to another. HRD is crucial in the overall sustainability of sector investments and contributes also generally to a country's development. Gender is a central element in the analysis and design of an intervention.

Engineering schools at universities often produce enough graduates to meet the demand for engineers. The training that they receive is geared towards the environment of developed, western countries (although the skills level is at times rather low). The

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<sup>1</sup> Elson, Diane, Evers, Barbara, Turner Jeff (1998).

training generally lacks emphasis on the use of technologies appropriate for the labour-abundant, capital-scarce environments found in many developing countries. Many countries have agreements with engineering schools in other countries on study places for specialised training, but still there are gaps in meeting the demand.

This is coupled with an unequal competitive situation in most low-income countries between the private and the public sector. The best-qualified graduates tend to go to better paid private sector jobs and leave those with fewer opportunities to work in the public sector.

At lower level different types of technicians are educated at polytechnics or technical training colleges. Transport ministries (along with other line ministries) often have their own technical training institutions. It is a general feature in many low-income countries that there are an insufficient number of well-qualified technicians. Colleges often have insufficient financial and staff resources to offer an education that gives the students a sufficiently high level of skills to match the positions that they have to fill after completion of their training.

In recent years, technical colleges have had to start a process of changing their training curricula to match the new role division between the private and the public sector. Consequently, there is an increasing pressure on the colleges to deliver courses of higher standards. There is though a gap between specialist skills required in planning functions (often with a degree of high-tech skills needed) and the availability of such training within national training institutions.

On the job training is a comprehensive activity in most transport sector programmes. In particular, the use of labour intensive methods requires that the client's staff, the contractor's staff, the consultant's staff and the labour force have on the job training programmes of different kinds. Although such training is not usually recognised as a formal qualification, experience has shown that employment in a programme and the skills acquired on the job are a good entry point for other employment.

### **Natural Environment**

Environmental sustainability in transport programmes and at national and even international level is a major and complex problem involving a wide range of stakeholders. In fast growing cities traffic congestion gives air and noise pollution. Outside cities road programmes impact on the natural environment in different ways. Certain problems may be attributed to the actual construction of transport infrastructure, while other problems are of long-term nature stemming from increased road use and better access to previously remote areas.

National policies for environmental protection vary from country to country, as the policies reflect a specific institutional context, natural resource base, culture and history. National policies and legislation often exist without their enforcement being particularly



strong and consistent. In relation to transport the national environmental policy framework and legislation often does not exist in low-income countries.

Awareness has increased of the negative environmental consequences of past programmes. This has been throughout the world and in all types of projects and programmes. It is now generally accepted that effects on the environment of any programme must be assessed in each case in order to mitigate potential negative environmental effects.

#### **Aids/HIV**

Transport interventions and construction of new transport infrastructure can exacerbate exposure to risk. Increased mobility may be associated with exposure of communities to new disease through in- or out-migration. In some of the AIDS-afflicted countries, the highest HIV prevalence rates are found on major transport routes and truck drivers are frequently considered a high-risk group.

More recently, the pandemic of HIV/AIDS has also been exacerbated by increased travel by individuals and transport employees (World Bank – Transport Website, 2000). Certainly, HIV/AIDS prevalence rates are sometimes higher in urban and rural communities with good transport and communications. A mid-term review on the Lao-Swedish road sector project noted an increased problem of STDs as an increased flow of young women from rural areas go to the cities to earn money as prostitutes.

Transport-sector workers, including those, who build and maintain infrastructure, operate transport services, supervise and manage transportation projects, are particularly at risk. They are a mobile population whose jobs keep them away from their homes for extended periods of time, leading to increased opportunities to engage in HIV-risk related sexual behaviour (ibid.).

## **4. CAPACITY BUILDING**

### **General**

It is now recognised throughout the world that development projects involving the construction of physical facilities, however valuable in their own right, are less important in the long run than the development of a sound and "viable" local institution. In this context, capacity building encompasses not only the target institutions themselves but also the whole array of government policies that condition the environment in which the institutions operate. In its broadest sense, the challenge of capacity building extends to both the public and private sectors, and to all skill levels of the labour market. Experience has shown that insufficient attention to institutional aspects of a project or a development programme can lead to problems during their implementation. Of all aspects, capacity building is perhaps the most difficult to come to grips with. This is in part because success depends so much on understanding the cultural environment and the personalities involved in the institutional environment.

**Objective**

The principal objective of capacity building is to provide a strong institutional and technical base for the formulation and implementation of policies and projects. This objective is best achieved through “investment” in institutional and administrative reforms, human resource development (see textbox below) and equipment. Such investment may represent a small proportion of total development investment costs, but is often fundamental to successful policy and project completion and the establishment of a sustainable technical and administrative capability. Capacity building in the transport sector will normally include several measures. The mix and emphasis given to each should be tailored to suit the national and local needs and conditions.

**Identification of capacity building measures**

The identification and preparation of capacity building programmes is in principle a joint exercise involving the government (or private sector) organisation concerned and the aid agency. The precise content of these programmes and the mix of components will depend on local needs and priorities. In the urban areas for instance, the most common transport problems are traffic congestion, inadequate public transport facilities, limited access to low-income areas, inadequate pedestrian facilities, poor coordination between transport, traffic and planning agencies, high accident rates, poor traffic enforcement and a lack of firm policies for urban transport management. Project identification involves developing an outline package of components, which address these problems and falls within an agreed budgetary framework. The components generally include institutional development, physical improvements, equipment procurement and policy measures, and address problems in the problem areas identified.

**Sector/sub-sector studies**

The first stage in the identification of a capacity building project or component, involves carrying out a preliminary assessment of conditions in the sector concerned, and evaluating the agencies' existing technical and institutional capabilities. This preliminary assessment usually forms part of an overall economic and sector analysis, which is conducted by aid agencies or the parent ministry itself. These studies provide a framework for evaluating national and sectoral policies, assist in setting up a continuing dialogue and identify potential targets. In this way it is possible to identify projects which fit into and support a coherent country development strategy.

**Box: Human resource development (capacity building)**

Human resource development needs cut across all activities in the transport sector. The need for HRD in the sector generally includes a wide range of staff functions in government institutions at different administrative levels and semi-autonomous organisations. In the private sector it covers consultants, contractors and their work force. The extent of the HRD need obviously varies from one country to another and from one continent to another. HRD is crucial in the overall sustainability of sector investments and contributes also generally to a country's development. Gender is a central element in the analysis and design of an intervention.

Engineering schools at universities often produce enough graduates to meet the demand for engineers. The training that they receive is geared towards the environment of developed, western countries (although the skills level is at times rather low). The training generally lacks emphasis on the use of technologies appropriate for the labour-abundant, capital-scarce environments found in many developing countries. Many countries have agreements with engineering schools in other countries on study places for specialised training, but still there are gaps in meeting the demand.

This is coupled with an unequal competitive situation in most low-income countries between the private and the public sector. The best-qualified graduates tend to go to better paid private sector jobs and leave those with fewer opportunities to work in the public sector.

At lower level different types of technicians are educated at polytechnics or technical training colleges. Transport ministries (along with other line ministries) often have their own technical training institutions. It is a general feature in many low-income countries that there are an insufficient number of well-qualified technicians. Colleges often have insufficient financial and staff resources to offer an education that gives the students a sufficiently high level of skills to match the positions that they have to fill after completion of their training.

In recent years, technical colleges have had to start a process of changing their training curricula to match the new role division between the private and the public sector. Consequently, there is an increasing pressure on the colleges to deliver courses of higher standards. There is though a gap between specialist skills required in planning functions (often with a degree of hightech skills needed) and the availability of such training within national training institutions.

On the job training is a comprehensive activity in most transport sector programmes. In particular, the use of labour intensive methods requires that the client's staff, the contractor's staff, the consultant's staff and the labour force have on the job training programmes of different kinds. Although such training is not usually recognised as a formal qualification, experience has shown that employment in a programme and the skills acquired on the job are a good entry point for other employment.

Sector studies may pay attention to: (i) evaluating existing policies; (ii) determining institutional responsibilities; (iii) evaluating the performance of the transport agencies concerned or parts thereof; (iv) identifying and analysing expenditure patterns; (v) evaluating investment plans and their budget implications; (vi) evaluating transport policies as they relate to specific development issues; (vii) identifying key issues for the development and financing of the transport sub-sector concerned.

**Diagnostic studies**

The second stage in the project identification process involves evaluating the performance of the target transport agencies concerned (or parts thereof). These diagnostic studies can be carried out with the assistance of a consultant or advisor, if necessary. Method and procedures used to evaluate the performance of these agencies are described in a large number of publications. Often, a two-stage procedure is used. The first stage involves an Agency Responsibility Analysis (ARA) covering all aspects of the transport sector and the environment in which the agency operates and provides a

global overview of sector responsibilities. The second stage involves an Agency Performance Evaluation (APE) and can be used to assess the performance of the agencies involved. The basic purpose of such exercise is to identify potential organisational problems and issues and confirm priorities and targets of the organisations concerned. A possible appraisal checklist "checklist" is attached in appendix. The institutional diagnostic studies will enable the project owners to develop a package of consistent proposals for the overall improvement of the transport situation.

### **Typical capacity or institutional problems**

The main purpose of the diagnostic studies is to conduct a systematic search for institutional problems so that a project can be prepared which will plug gaps and strengthen weaknesses in the institutional framework. The most commonly found problems are: (i) a lack of experienced local professionals; (ii) a lack of understanding of management concepts; (iii) poor co-ordination in planning and implementing improvement measures; and (iv) poor enforcement of laws and regulations.

Improving local professional capabilities. While many factors acting simultaneously help to explain the shortage of skilled staff, constraints in five main areas appear to account for much of the problems.. The constraints include: (i) the lack of adequate pay and other incentives to middle and senior-level civil servants, in order to recruit, retain and motivate these cadres; (ii) the insufficient output of qualified graduates; (iii) the ineffectiveness - and in some cases - of high-quality local training programmes in key professional areas and; (iv) poor use of technical assistance in building local institutions and transferring skills to nationals.

Understanding management concepts. One can build up capacity without necessarily building organisations. Transport planning can provide significant savings in capital investment in transport infrastructure or transport mode programmes. To achieve these savings, the tools and techniques need to be understood and practised. In many countries, decision-makers are unfamiliar with these concepts and need to be shown the benefits that can be achieved by switching resources and emphasis from construction-intensive schemes to management-intensive schemes. One possible technique for doing this is to arrange study tours of other countries for a group of key decision-makers and technical officers so that they can see at first hand how management concepts work and are implemented.

Improving coordination. Planning requires strong control and effective coordination if it is to contribute towards the development of an efficient organisation. In many countries, a lack of understanding of the inter-agency relationships and linkages that are necessary, together with poorly defined and fragmented responsibilities, have resulted in the inefficient use of space and resources.

Improving enforcement. Since many management measures depend on regulations governing the use of the transport infrastructure, they will only be successful if the regulations are effectively enforced. Where the importance of enforcement is not

adequately recognised, it will be necessary to introduce training programs and provide equipment to assist in enforcement duties.

The typical problems outlined above may be found to some degree in almost all countries. Unfortunately there is no single remedy for these problems. Each situation must be evaluated independently and a formula developed which takes into account differences in institutional heritage, and the technical and financial resources available to the country. In many countries, the co-ordination of transport policies, standards and regulations at the national and local levels is complicated by the existence of additional administrative bodies at the state level, which generally assume some of the same responsibilities. As a result, technical resources are often duplicated and responsibilities fragmented. Also, bureaucratic procedures are often ponderous, complex and time consuming. Such problems can only be remedied by concentrating resources and clarifying the responsibilities of national, state and local agencies. In this respect it is vitally important to establish clear-cut lines of responsibility between political agencies and technical agencies at all levels.

### **Preparation**

Unlike physical improvement measures, which have a specific locational impact and can be completed within the time frame of a project, capacity building measures have much broader impacts, which continue well after a project is completed. Therefore, the capacity building component should be designed not only as short-term measure to assist in the implementation of a physical component, but also as part of a long-term, ongoing evolutionary process. Some of the important lessons that have been learned are that: (i) capacity building is an on-going process from which benefits increase substantially over time; (ii) developing local capabilities is a slow process requiring permanent local training opportunities.

Thus the greatest benefits will be achieved if the first project lays out the foundations for long-term institutional development and subsequent projects build on its achievements, gradually expanding the capabilities of local agencies to plan, design, manage, maintain and monitor transport systems.

The principal objectives of the project preparation stage are to: (i) clearly establish the target agency's overall goals and detailed objectives for each sub-component; (ii) describe in detail how these objectives will be achieved both from a managerial and technical standpoint; (iii) set the time frame involved in achieving the objectives and; (iv) detail the cost involved. The main methods are institutional and administrative reforms, technical assistance, training and equipment procurement.

Institutional and administrative reform. Caution should be exercised in proposing major institutional changes and administrative reforms, especially if they do not meet with widespread approval.

Technical Assistance. Technical assistance needs should be identified and advisors carefully selected. One of the main issues which will need to be addressed at this stage is whether the technical assistance should be carried out by a firm of consultants or by independent advisors.

Training. A training needs assessment should be prepared using the Agency Performance Evaluation (APE) procedures. The proposed programme should respond to both short and long-term needs and involve politicians, decision makers, middle management engineers, junior engineers and technicians. The long-term program should be principally aimed at developing graduate and training courses for engineers and transport. Usually such courses can be designed as an extension of local university civil engineering courses. In countries that either do not offer or cannot afford such courses, training at post-graduate schools in other countries should be considered as an alternative approach. The training of individuals in this way should be spread out over a period of years so that local on-the-job training can also be offered and the project does not suffer from the absence of several individuals at the same time. The importance of on-the-job training cannot be over-emphasised, not only for junior staff but also for middle and senior management.

Longer term training programmes may be complemented with short-term training and education programs. The financing of such visits should be organised and if necessary, external aid sought for them. In most countries it will be beneficial to offer local training to middle management, junior engineers and technicians. Courses or workshops should cover pertinent and practical subjects. The courses should be spread over a long time period and involve the use of detailed printed notes which can be referred to at a later date.

Equipment. Educational equipment includes such items as one would normally find in a classroom: overhead and slide projectors (particularly useful in training as well as presenting plans and proposals to groups and committees, filing cabinets, drawing equipment and (access to) copying facilities. Computational aids to assist in carrying out studies are also often helpful.

### **Implementation and Supervision**

It is the project sponsor's responsibility to ensure that project deadlines and targets are met. In terms of capacity building components, the performance criteria used for monitoring progress will principally be concerned with staffing of the target agencies both in terms of numbers and qualifications of staff, timetables for institutional and administrative reforms, staff training and development programs, equipment procurement and maintenance and conditions of employment.

## 5. PRIVATE SECTOR PARTICIPATION IN SSATP COUNTRIES

### PSP within SSATP

Private sector participation is a genuine cross cutting issue as it was and still is pervasive of transport policy in SSATP countries, deeply tied up with institutional development and policy reform in the transport sector. Looking back in time, PSP is one of the core elements of policy reform promulgated by SSATP. PSP as a policy issue concerns searching a new equilibrium between the public and private domain, as such redefining public and private sector roles in the provision of infrastructure and transport services. Repositioning of government requires far-reaching institutional changes and development with new governmental capacities and new institutions.

Private Sector Participation (PSP) policy is part of transport policy and is one of the cornerstones of recent policy reform. It concerns a phase of transformation, which is not yet fully gone through in most SSATP countries. PSP is a means to an end and thoughtless PSP may undermine public objectives and interest. PSP policy issues crosscutting transport policy are

- ▲ To streamline the process of private involvement in the provision of transport services.
- ▲ The development of a regulatory but enabling framework for PSP in transport.
- ▲ Providing insurance to the private sector for making investment decisions.
- ▲ Guarding the interest of the consumer (quality of service).

Addressing these issues in a proper manner require institutional change, a new role for government and capacity building. Most of PSP policy concerns institutional reform as it is mainly about repositioning the public sector and regulating the newly developed private sector. Capacity building so as to ensure good governance, a prerequisite for many Donors and World Bank, is an inextricable part of this institutional reform.

### General principles

PSP in the transport sector can manifest itself in various forms. Notwithstanding the great deal of attention for the strive for private sector involvement in the transport sector, private sector provision of transport services has always been an inextricable part of the sector, in particular in road transport. A helpful distinction in this respect is that between transport and infrastructure both elements having different PSP characteristics. Furthermore, PSP is different for each transport mode. A fundamental difference between the provision of infrastructure and transport services relevant to PSP is in the economic lifetime of the underlying assets<sup>2</sup>. Transport services are delivered using assets such as trucks with a relative short lifetime compared to the economic lifetime of the (road) infrastructure provided for the truck driving on it. A core example underlining

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<sup>2</sup> Furthermore the public goods characteristics of infrastructure may play a role, although this is not that relevant to all infrastructure because of e.g. toll roads and new technology concepts reducing the cost of tolling.

the thrust of the argument is the landlord model in the port sub-sector in which terminal services requiring equipment are delivered by private operators whilst the basic port infrastructure is provided by a public port authority.

As a result PSP in transport and infrastructure take different developmental routes. This uneven development is also typical for SSATP, for some components concentrate on infrastructure whilst others concern transport services. PSP cuts across all SSATP components, yet, related policy issues vary substantially.

### **PSP in infrastructure**

In most of the world, infrastructure has long been the domain of government a situation that is slowly but fundamentally changing. A distinction between planning, finance and realisation of infrastructure works may prove useful in understanding the development of PSP. Planning of infrastructure is generally believed to be a government responsibility and which could therefore not be ceded to the private sector, although a joint responsibility and decision-making would in certain circumstances be conceivable. Finance and execution of works on the other hand generally prove a different matter and can either be within or outside the public domain. PSP for one country may therefore primarily focused on involving the private sector in the execution of infrastructure works, whilst for another country PSP is synonymous for private finance of infrastructure.

The process of private sector participation basically comprises of two steps

1. Involving the private sector in the realisation of works. This requires the existence of a construction sector. PSP policy concerns in this case divestment of equipment, privatisation of construction units within Public Works departments, setting up financing instruments for local construction companies to buy or lease equipment, developing tender procedures for works, providing a legal framework for this market. The RMI component of SSATP represents a fine example of this form of private sector participation.
2. Involving the private sector in the financing of infrastructure. Full private finance requires the existence of a (commercial) market for the infrastructure service delivered, generating a revenue stream. In circumstances where such markets are absent, for example due to a willingness to pay on behalf of the consumers, public-private agreements may provide a solution. PSP policy focuses on developing markets for provision of infrastructure (e.g. toll roads), divestment of infrastructure holdings in rail, roads, (air)ports and developing PPP structures, tender procedures and a legal framework. The Railway Restructuring component of SSATP exhibits some of the elements of this phase of PSP.



### **PSP in transport**

The provision of transport services shows a combination of both public as well as private involvement, with road freight transport being mostly the domain of private operators and urban passenger transport and rail transport being dominated by public companies / bodies.

Also this situation is changing. Currently, urban passenger transport is in most African cities provided both by big (municipal) public bus companies and a host of small private bus operators. In rail passenger and freight services a sweeping movement towards private involvement is ongoing as part of a widespread concession movement, which can at least in part be attributed to the success of the Railway Restructuring component of SSATP. Rail transport services however are mostly linked to the provision of infrastructure, whilst in the road sub-sector infrastructure and transport are strictly separated, also politically in terms of distinct roles for the Ministry of Public Works and Ministry of Transport respectively.

As PSP in transport is already widespread, certainly in the road sub-sector, policy issues take on a different form. Emphasis is on market regulation so as to assure quality of service, market entry conditions for private operators (licensing, concessioning) and quality of service levels.

### **PSP in SSATP countries visited**

	Private Sector Participation?
Mozambique	
Rail (passenger, freight, infrastructure)	Yes, in development
Road (infrastructure, passenger transport, freight transport)	Yes, in road maintenance, transport
Ports (terminal operation, infrastructure, marine services)	Yes, in development
Airports (infrastructure, passenger airtservice, land side service)	No, but airport and airline up for privatisation

### **PSP in SSATP components**

#### *Road Management Initiative*

PSP is at the core of the RMI with its focus on reform of road maintenance practices. Private sector involvement within the RMI perspective mainly concerns the development of a private construction sector that is step one in the development of PSP (see above). Full private finance of road maintenance has yet to develop.

Development of a private road maintenance / construction sector requires a repositioning of the Ministry of Public Works and the executive agencies involved in road maintenance. The success of RMI can be measured by the institutional reform in the road infrastructure sector, which in a number of countries has been material. Important to the private sector is certainty about the road maintenance policy. High level

commitment to private sector road maintenance is a solid basis for sound business decisions and investments.

The present policy issue is how to take PSP in road maintenance and management a step further, if at all necessary. Related questions / issues focus therefore on creating markets for infrastructure services, developing new contracts and redefining the role of public finance.

#### *Railway Restructuring*

Railway restructuring provides one of the most successful examples of PSP in both transport and infrastructure. PSP can be found on many different levels in the railway sector ranging from outsourcing in some countries to integrated privatisation of rail transport encompassing infrastructure and rail services. Although the latter is regarded the final objective in most SSATP countries, it appears a bridge too far in many occasions. Outsourcing and leasing can be more readily implemented.

Two main policy issues dominate the field of railway restructuring. First, the link between infrastructure and transport is of relevance to PSP and railway restructuring at large. Simple concepts of PSP do not touch on this issue as the infrastructure is left to the Government. Integrated privatisation as for example promoted in Tanzania however does require the need to solve the difficulty in privatising infrastructure.

A second issue is that of Public Service Obligations (PSO). PSP may result in termination of unprofitable railway services a practice that may run against the public interest. The development of Public Service Obligations can provide a middle way uniting the public interest with that of the private sector by defining the public value of such unprofitable services.

#### *Rural Travel & Transport Programme*

PSP has generally not played any role in the RTTP. This component relates to public-public relationships and issues of decentralisation rather than private sector participation. Still, some policy issues are there in relation to PSP in particular the development of local markets for construction works, which are viable in the long run and form therefore a contribution to the local economy.

#### *Urban Mobility*

This component has great potential for PSP. Private sector participation is already a widespread fact in the provision of urban transport services. However, this market for urban transport is not transparent and exhibits many problems in terms of pricing and quality. It is a challenge to transport policy to define a successful framework for the development of this booming transport sector. PSP related policy issues concentrate therefore mainly on market regulation and enforcement of policy.

*Trade & transport*

PSP has generally not been part of policy reform in the field of Trade & Transport. Still, the emphasis on a corridor approach and the role of transport corridors in the development of trade patterns in SSATP countries, introduces the need to develop supporting PSP policy. Not so much in terms of using PSP as a factor for success of the corridors, but rather in terms of ensuring an integrated approach towards PSP in the sub sectors in the corridor. As corridors are multi-modal co-ordination of PSP initiatives in the various modes becomes a requirement. Fragmented PSP, for example the separate privatisation of port and railway systems may in fact pose a danger to the development of transport corridors.

## **Annex 10**

### **Partnerships beyond Africa**

## **Partnerships beyond Africa**

### **Introduction**

In order to assess whether lessons can be learned from partnerships beyond Africa, it is important to select partnerships, which face similar problems as SSATP. This means the partnerships should aim at policy reform in least developed countries, there should be a clear transport component involved and finally poverty alleviation has to be of major importance.

Taken into account these conditions, it appeared SSATP is a quite unique program. No similar program exists in for instance Latin America and the Caribbean or the Asian and Pacific region. However, in the Asia and Pacific region, transport and poverty issues are addressed in the Economic and Social Commission for Asia and the Pacific (ESCAP). ESCAP is part of the United Nations and thus a similar organisation to United Nations Economic Commission for Africa (UNECA) and the Economic Commission for Latin America and the Caribbean (ECLAC).

Since the Asian and Pacific region has most similarities with Africa in terms of socio-economic development, ESCAP has been further analysed on its lessons for SSATP. This similarity is reinforced by the already existing exchange of experience between Africa and Asia, which is mainly based on bilateral exchanges.<sup>1</sup> A comparison between ESCAP and UNECA has also been made.

### **Mission statement**

ESCAP gives technical support to member Governments for socio-economic development. It aims to reduce poverty and promote social progress. The assistance comes through direct advisory services to Governments, training and sharing information through meetings, seminars, publications and inter-country networks.

### **Organisation**

ESCAP serves 52 member countries and 9 associated members. The only inter-governmental forum covering the entire Asia-Pacific region, ESCAP is also a channel for North-South dialogue because of the membership of four non-regional developed countries: the United States of America, France, the UK and the Netherlands.

The main legislative organ of ESCAP is the Commission, composed of ESCAP members and associate members. The Commission meets annually at the ministerial level to provide a forum for all the Governments in the region to review and discuss economic and social issues in order to promote and strengthen regional co-operation.

The Office of the Executive Secretary facilitates the exercise of supervisory responsibility by the Executive Secretary. The office co-ordinates the preparation of the

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<sup>1</sup> Form the Senegal mission, it appeared that Zambia exchanged its RMI experiences during the last 5 years to among others Papoea New Guinea, Philippines, Malesia, Nepal, Bangladesh and Thailand.

provisional agenda and documentation for the meetings of the Commission and its subsidiary bodies.

The Program Management Division provides substantive and secretariat services to the Commission, its subsidiary bodies and the monthly meetings of the Advisory Committee of Permanent Representatives and Other Representatives Designated by Members of the Commission. The latter committee advises and exchanges views with the Executive Secretary on the work of the Commission.

Five legislative and two special bodies guide the work of the Commission and make recommendations in accordance with seven subprograms:

- ▲ International trade and industry.
- ▲ Development research and policy analysis.
- ▲ Social development.
- ▲ Environmental and natural resources development.
- ▲ Population and rural and urban development.
- ▲ Transport, communications, tourism and infrastructure development.
- ▲ Statistics.

The two special bodies are:

- ▲ Least developed and landlocked countries.
- ▲ Pacific island developing countries.

Besides the Transport subprogram, the International trade and industry subprogram is of interest to SSATP and will be further discussed.

### **International Trade and Industry subprogram**

ESCAP undertakes trade promotion activities to improve trade performance, with special attention given to the needs of the economies in transition. Least developed and island developing countries of the region. It promotes exports and trade related investments and it assists countries in adopting trade facilitation measures and internationally accepted 'best practices' to improve efficiency in the conduct of international trade.

The agenda<sup>2</sup> shows clear linkages to the Trade and Transport component of SSATP. Two clear agenda point: facilitate exchanges of experiences through dissemination of research and the provision of technical assistance and advisory services and enhance institutional capacity building and strengthen regional networks of institutions.

### **Transport, communications, tourism and infrastructure development (TCTID)**

ESCAP helps the countries to realise an integrated economic region by developing transport networks of regional and interregional importance and improving transport and communication services. The mission of TCTID is assisting countries in improving

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<sup>2</sup> Taken from ESCAP in the new millenium, UN

the development, management, operation, maintenance, and pricing of environmentally sound, efficient, and safe transport and communications facilities and services.

The activities for the years 2000-2001 are aimed at formulating and formalising regional rail, road and inland waterway routes and at establishing a legal basis for international traffic to move on those routes. Activities will be undertaken to increase the awareness of the public and private sectors of the various options available for improving the efficiency of transport facilities, logistics and services in the region as well as for strengthening their capabilities in adopting commercially oriented policies and practices.

Users will be reached through participation in intergovernmental and expert group meetings and study tours; dissemination of information via technical publications, guidelines, newsletters and the internet; networking of institutions; conduct of group training activities and provision of advisory services.

The focus of the work will be in line with the regional action program of the New Delhi Action Plan on Infrastructure Development.

#### **New Delhi Declaration on Infrastructure Development**

In 1996 an important Ministerial Conference on Infrastructure was held in New Delhi. The ministers of members and associate members of ESCAP recognised the crucial role of infrastructure in sustaining and promoting the economic and social development of their economies and in poverty alleviation. They committed themselves to the implementation of the New Delhi Action Plan on Infrastructure, which covers the period 1997-2006.

To provide a logical framework for the action proposed at the national level and the supporting actions at the regional level, they have been grouped under eight theme areas. The main headings are listed below:

- ▲ Infrastructure planning and policy.
- ▲ Administration and management.
- ▲ Private sector participation.
- ▲ Logistics and facilitation.
- ▲ Environment and safety.
- ▲ Human resources development capabilities.
- ▲ Poverty alleviation, rural areas and disadvantaged population groups.
- ▲ Infrastructure needs of the least developed, land-locked, and island developing countries and the disadvantaged economies in transition.

The New Delhi Action Plan has been translated in 'Indicative projects' with high priority as indicated by the member countries. The most important projects with regard to SSATP are given below.

#### *Infrastructure planning and policy*

Comprehensive and integrated approach to policy development in the field of infrastructure, traffic and transport. This issue is clearly linked to SSATP since such an integrated approach could be seen as the next step in maturity of the program. At first the different components develop at different speeds and they are at first quite fragmented. When different components (RMI, RTTP) have matured to some extent, the way to lift the program to a higher level is to have an integrated transport approach, in which specific RMI and RTTP issues are addressed in the national Ministry of Transport.

#### *Private sector participation*

Promotion of appropriate private sector participation in infrastructure development and operations. This issue should be dealt with in the T&T en RR components of SSATP.

#### *Logistics and facilitation*

Facilitation of land transport in general. This issue should also be dealt with in the RMI, UM, T&T en RR components of SSATP.

#### *Environment and safety*

Study of alternative environmentally friendly fuels for the transport and power sectors and environmental impact assessment of infrastructure development. Enhancing safety in the utilisation of infrastructure facilities and services. The environment issues are dealt with in the clear air initiative of the UM component and the road safety is generally seen as a cross-cutting theme within SSATP.

#### *Human resources development capabilities*

Regional linkages between institutions active in education, training, research and policy formulation. These linkages are for SSATP generally seen as too weak, the position both SSATP management and institutions should be more pro-active.

#### *Poverty alleviation, rural areas and disadvantaged population groups*

Integration of non-motorised transport modes in urban transport systems. Employment-intensive local resource-based rural roads construction and maintenance. Both issues are addressed in SSATP within the RTTP component.

Beside this action plan, another important result of the New Delhi Plan, has been the establishment of the Asia Infrastructure Development Alliance (AIDA). AIDA is a tripartite alliance of governments, the private sector and international and multinational agencies established to facilitate infrastructure development in Asia and the Pacific. The member countries were invited to prepare country reports on infrastructure and tourism development to provide the opportunity to showcase priority infrastructure development projects in the respective countries and to present senior executive officers of private sector companies the policy environment and procedures to facilitate private investment.



Since the New Delhi Action Plan has only been running for the period 1997-2000 yet, the actual achievements of the plan need further investigation. So far, the achievements in poverty alleviation, rural areas and disadvantaged population groups remain unclear.

### **Past achievements**

The past achievements of ESCAP in the transport sector are mainly given by projects carried out in the field of land transport (Asian highways, Trans-Asia railways, Sustainable road maintenance, Road transport and the environment, Road safety, Restructuring of railways).

It should be mentioned that the actual achievements of ESCAP during its existence are hard to measure. Of course the same holds for SSATP.

### **Comparison with UNECA**

Since both ESCAP and UNECA are United Nation's regional commissions, the differences between both are important, especially because UNECA is co-founder of SSATP.

Since July 1995 UNECA has embarked on major institutional and managerial reforms. This renewal process has resulted in a new strategic focus defined by five core programmes and two cross-cutting themes:

- ▲ Facilitating economic and social policy analysis.
- ▲ Ensuring food security and sustainable development.
- ▲ Strengthening development management.
- ▲ Harnessing information for development.
- ▲ Promoting regional co-operation and integration.

The cross-cutting themes are:

- ▲ Fostering leadership and empowerment for women in Africa.
- ▲ Enhancement of ECA capacities.

One of the interesting sub-programs for SSATP is the UNECA Regional Co-operation and Integration Division. This sub-program is composed of four major components; Transport and Communications is one of them. The areas of concentration are (i) integration and co-ordination of various modes, (ii) improvements of facilitation for promotion of trade and (iii) creation of awareness and conducive environment especially for the participation of the private sector and globalisation of competition.

The main differences between UNECA and ESCAP are therefore: (i) transport in UNECA is not that prominent placed in the organisation, (ii) in UNECA there is no link between transport and poverty alleviation, (iii) In UNECA no attention is paid on the comprehensive integrated transport policy.

## **Conclusion**

In general the ESCAP activities related to the transport sector are the same as for SSATP and exist of meetings, seminars, publications and inter-country networks. It is not possible (at least not within this study) to assess the differences between the achievements of both programs.

Concerning the ESCAP activities, two important conclusions can be drawn:

- ▲ SSATP management should consider adapting the Comprehensive and Integrated approach to policy development in the field of infrastructure, traffic and transport, mentioned in the New Delhi Action Plan on Infrastructure development. Therefore both organisations should have a dialogue on the establishment and achievements, possibly also attended by UNECA.
- ▲ The ESCAP Commission meeting with Ministers is important for the development of the integrated transport policy approach. SSATP should also aim such high level meetings to carry out the message of SSATP. UNECA should consider playing a more active role with regard to these meeting and should address transport policy more prominent.

Concerning the dissemination of experiences between ESCAP and SSATP it should be mentioned that this should reinforced, especially on issues concerning poverty and integrated transport policy (e.g. website links, attending workshops, attending World Infrastructure Forum). This also holds for UNECA as there id for instance no website link from the Transport and Communications site to SSATP.

## **Annex 11**

### **Review Framework SSATP**

## Review Framework SSATP (based on terms of Reference)

	<b>Response</b>
<p><b>Program</b></p> <p>assessment Program added value, comparative advantage for translating policy reform into sustainable practices</p>	<p>Intellectual environment of World Bank and its leverage in recipient SSA countries offers the best potential for integration of policy reform in design of medium-to-long-term transport (sub) sector development program, the main engine for implementation of sustainable practices, but it requires more concerted efforts of pro-active donor co-ordination at all sub-sector levels, i.e. federal, regional/rural and urban transport systems</p>
<p>gain comparative indication, the review will assess standing of transport policies in a Sub-Saharan country that has had minimal exposure to SSATP.</p>	<p>SSA countries such as Niger, Nigeria and Mauritania have had minimal exposure to SSATP, but there are too many distorting factors playing—both in these countries and in the SSATP-exposed countries—to undertake a useful comparison. In the Inception phase, it was therefore decided to consider instead a country—Mozambique—that might have a great potential for applying SSATP principles.</p>
<p>an assessment of the way in which the program and its components respond to stakeholders' demands at the regional, sub-regional and country levels, and recommendations for improving SSATP's role in facilitating reform at these levels and responding to post reform issues</p>	<p>The program has responded relatively best to stakeholders' demands at the country level, notably at the component level, with the following, indicative ranking: (i) RMI, (ii) RTTP, (iii) RR, (iv) UM and (v) TT. At the sub-regional level, SADC/SATCC has been inspired more than the other organisations (COMESA, ECOWAS, UDEAC) by SSATP, but generally SSATP has done little in helping building capacity at the sub-regional level. At the regional level, UNECA, the 'joint leader' of SSATP (together with the World Bank), suffered from 1995/96 onwards under its preference for a different approach (SSATP in service of UNCTADA II and focusing on policy implementation and capacity building) which was not supported by the SSATP donor community. Thus, SSATP continued as a 'donors priorities' program. The question now is, again, can SSATP be made to respond to (country level) demands to focus on support for policy implementation and capacity building program (design) and convince the donor community to support such activities vigorously? And also, will SSATP be given the means to 'Africanise' its program management, e.g. by posting Regional SSATP managers/ co-ordinators in selected (sub-) regional organisations (ECA, SADC/COMESA, ECOWAS)?</p>

<p>assess whether new and recently emerging subject areas should be advanced by SSATP, such as road safety, gender, environment and HIV-Aids issues (relationship between transmission patterns and transport corridors) – if so recommended, how these issues can be accommodated by the program and how should SSATP involvement be harmonised with existing efforts.</p>	<p>Recently emerged issues such as road safety, gender and environment, need to be advanced by SSATP, preferably not as ‘isolated initiatives’ but rather in an integrated approach at the (sub-) sector level, e.g. traffic safety, gender and environmental requirements should be ‘build in’ in facilities design as well as in (traffic) management structures. This requires a general SSATP overview providing the framework for priority choices for certain sub-sectors to address certain cross-cutting issues, e.g. gender primarily at the RTT-level, traffic safety at the urban (pedestrian fatalities) and federal (rehabilitated, high-speed roads with right-of-way encroachment). HIV-AIDS seems to be best addressed by—already ongoing—wide-ranging programs, and can probably do well enough without SSATP focus.</p> <p>At another, general development objective level there is a need to put the program in service of the SSA countries Poverty Reduction Strategies (PRS), once the country’s government has positioned transport sector development unambiguously in its PRS</p>
<p>an assessment of how SSATP components can improve their interface between country and sub-regional transport programs</p>	<p>TT and RR (components) are clearly the prime issues that should be addressed at the interface of (landlocked) countries (and their neighbours with the seaports) and the sub-regional organisations fostering regional economic development. Trade and (multi-modal) transport facilitation in selected international corridors is the subject area most suitable for SSATP to respond to sub-regional demand and to help improve the reputation of the sub-regional stakeholders in their client SSA countries.</p>
<p>analyse the value added of a program approach vis-a-vis component approach; develop proposals for ways in which SSATP can move from a program of discrete components to developing an SSATP program approach at regional, sub-regional and country level</p>	<p>The program approach will ensure a more balanced approach to address the sub-sector problems at the federal (i.e. national and international), regional/rural and urban level respectively within a common framework. The bottom line is the distribution of scarce financing means from the Road Fund, from the national development budget and from donor contributions (including HIPC funds) in response to the entire transport network/system needs harmonising the interrelated needs at the sub-sector level. The umbrella of a medium-to-long term transport sector development program (TSDP)—or a set of coherent, sub-sector programs—is a pre-requisite for transport policy implementation. The SSATP approach could then focus on TSDP design, re-visiting transport policy development from time to time, and on design of a long-term capacity building framework or strategy for the transport sector.</p>

<p>an assessment of the impact of the annual co-ordinating meetings of RMI, RTTP and UM, and identification of ways for improving how such meetings could, firstly, strengthen the focus of these components and improve their interfaces with and support to country and sub-regional level transport programs</p>	<p>Lately, in particular the RMI- and RTTP National co-ordinators have been rather disappointed by the impact of the annual co-ordination meetings on the country programs. This is mainly due to the absence of substantial funding for in-country activities UM has a much smaller constituency (than RMI and RTTP), and currently jumps largely on opportunities provided by the Clean Air Initiative and the Traffic Safety Global Partnership ('donors priorities' approach). The impact of the annual co-ordinating meetings on the sub-regional level transport programs seems particularly marginal. In their present form, the annual meetings seem to be of little (added) value. The best way to strengthen the focus of a component—or rather sub-sector—seems to identify SSA country delegations with common problems in certain areas (in a sub-sector) and assist these with a tailor-made forum addressing the concerned problem(s). Co-ordination—between 'new style' SSATP National Co-ordinators in the first place—does not necessarily call for the 'old style' annual co-ordinating meetings. A smaller forum, meeting more frequently (e.g. twice a year) will have greater chances of achieving an African Network.</p>
<p><b>Governance</b></p>	<p><b>Response</b></p>
<p>proposals for increasing African participation in setting priorities and delivering Program and component results at regional, sub-regional and at country levels</p>	<p>Needed is a dialogue with UNECA and African Development Bank (regional level) in the first place, and with the sub-regional organisations (SADC/SATCC, ECOWAS/UEMOA; COMESA; UDEAC). The latter's 'core business' is economic co-operation and integration, and it is recommended to prioritise Trade and (multi-modal) Transport Facilitation focused on selected international corridors—as the focal point of close co-operation with SSATP. This will imply pro-active SSATP assistance for capacity building at these institutions in the subject area of Trade and (multi-modal) Transport Facilitation in international SSA corridors.</p>
<p>assessing the working practices of SSATP's new management structure for ensuring these practices improve accountability to stakeholders</p>	<p>SSATP management structure needs to be adapted for increasing African participation in the way suggested in the previous point, e.g. by posting of SSATP managers/ co-ordinators in strategic African institutions/ offices while assuming responsibility (accountability) for their optimal functioning. Their interaction with (new, high level) SSATP National Co-ordinators will be instrumental for finally creating an effective African (Transport Forum) Network. At the same time, the way of facilitation of (new style) Regional workshops (for selected SSA country delegations led by the National Co-ordinators) and In-country Workshops (addressing identified sector priority 'of the day' issues), needs to be professionalised, particularly as regards concise reporting (i.e. a professional facilitator's job).</p>

<p>proposals for ways of learning lessons of similar policy initiatives of partners beyond Africa</p>	<p>There are few ‘ready made’ lessons to be learned from SSATP-similar policy initiatives although e.g. ESCAP and the Asian Development Bank clearly have a better record in the transport (policy development) field than UNECA and the African Development Bank. But the former benefited from more international (donor community) support than the latter were able to mobilise. As a result of—inter alia—earlier ESCAP technical assistance (often donor-supported), transport sector capacity building in Asian countries has made significant progress, but—also—the starting position was better in most countries. At the sub-sector level, more valuable lessons are perhaps to be learned from other, international partners such as ILO/ASIST and International Forum for Rural Transport Development. Moreover, in the present world wide web age, efficient referencing to good practices—with good professional judgement on ‘transferability’—seems the most powerful tool of helping (African stakeholders) in learning lessons from elsewhere (anywhere).</p>
<p><b>Resources</b></p>	<p><b>Response</b></p>
<p>An assessment of the application of financial resources since 1995, to (a) studies, dissemination (publications, seminars), capacity building, evaluation (b) regional, sub-regional and country programs, and (c) financial resources used in each country by each SSATP component</p>	<p>A concerned database (spreadsheet) has been compiled (see files: Assessment Expenditures 1.xls and expenses97-00.doc), unit costs for specific activities have been derived from this—to the extent possible—and been used for roughly estimating annual cost levels of a future, recommended SSATP approach.</p>
<p>an assessment of the resources, financial and human, required for managing, administering and implementing SSATP and its components and the flexible management of these resources to meet the Program and component needs. Such assessments should include resource forecasts based on low and high funding scenarios. Existing funding level can be assumed to be a low case scenario</p>	<p>A recommended strategy, revised approach, organisation and level(s) of annual activities incorporating Regional Forums, and In-country Workshops, supporting studies, and an Africanised management structure aimed at creating both an effective African network of National (SSATP) Co-ordinators and supporting (sub-) regional organisations in their (recommended) core business, has been described (in chapters 7-9 of the report) with roughly estimated costs between USD 2.7 and 4.2 million per annum. The donor community now needs to be convinced that its worthwhile supporting SSATP by providing ‘bulk’ funding for this approach which can only succeed when the SSATP management is trusted with the freedom of allocating necessary funds with great flexibility—and at short notice—within a framework of commonly agreed criteria and accountability (at the end of the reporting year).</p>

1) **Relevance**

<b>Program level</b>	<b>Response</b>
<p>SSATP has to find its position at a sub-regional and country level to facilitate transport sector-wide policy reform. What is the entry point for SSATP at these levels and what obstacles have blocked or could block SSATP developing a transport program approach</p>	<p>The entry point for SSATP to facilitate transport sector-wide policy reform (at country level) is a high level National (SSATP) Co-ordinator representing the transport sector wide constituency (including proper RTT and UM representation, as well as RR and TT coverage at the federal level of representation). The National (SSATP) Co-ordinators shall become an African (Transport Forum) Network—stimulated by the Regional SSATP management/co-ordination presence, for the duration of SSATP (say until 2008). The entry points at the sub-regional level are selected (sub-) regional organisations to be supported by SSATP in their core business of Trade and (multi-modal) Transport Facilitation in international SSA corridors. The transport sector program approach could be blocked by lack of unified donor support.</p>
<p>What opportunities exist for SSATP for ensuring transport plays its proper role in country poverty reduction strategy papers (PRSP)</p>	<p>SSATP can mobilise the intellectual capacity to make relationships between transport sector interventions and poverty reduction (as indicated in the the PRSP-Resource Book) work in appropriate transport sector program design—and by keeping in touch with this process—supposing that the country has identified the transport sector—or certain sub-sectors—for priority treatment in its PRSP</p>
<p>Extent of any duplication of efforts between SSATP and sub-regional organisations such as ECOWAS, COMESA, SADC (SATCC-TU) and whether any SSATP activities could be done better by others</p>	<p>Efforts depended largely on availability of concerned funding, and—lately—SSATP funding has been far from abundant. If sub-regional organisations such as ECOWAS, COMESA, SADC/SATCC could agree on sustained priority for a common core business, e.g. Trade and (multi-modal) Transport Facilitation in international SSA corridors, then such activities should be done by them—with dedicated support from SSATP. As soon as they ‘score’ in this area, their core business could be extended e.g. with the area of National integrated transport policy guidance provision.</p>
<p>SSATP has been innovative, particularly at component level. Such an unique quality should be encouraged and developed also at the program, sub-regional and country level</p>	<p>Innovation comes from inspiration. Well-facilitated forums, bringing the right stakeholders together to discuss the right issues, will almost by definition bring innovations. The main challenge is for the SSATP management to succeed in identifying the right stakeholders for the right issues, and a continuous dialogue with the intended, earlier mentioned National (SSATP) Co-ordinators African (Transport Forum) Network seems the main instrument for this.</p>



<p>What are the objectives of "membership" of the components; what should be the obligations of the countries as members, what expectations are of the benefits of membership or association. Are the right countries in the programs, do the components role wise have the right people as co-ordinators?</p>	<p>It is recommended that SSA countries (in the future) subscribe to joining SSATP-in-general, with three, fairly simple—albeit strict—conditions:</p> <ul style="list-style-type: none"> <li>• Nominating a high level National (SSATP) Co-ordinator who is considered a respected transport sector co-ordinator in the country with easy access to all concerned stakeholders—and who will be empowered to dedicate the necessary efforts to the country’s partnership with the SSATP;</li> <li>• Demonstrating that the transport sector is clearly considered one of the priority sectors in the envisaged national development process as presented in the country’s Poverty Reduction Strategy (Paper);</li> <li>• Addressing the country’s transport sector problems in an integrated way, e.g. in an ongoing or planned transport (sub-) sector development programme aimed at attracting co-ordinated multi-donor support for a single, comprehensive staged implementation programme.</li> </ul>
<p>The program and its components have sometimes suffered criticism from donors and beneficiaries for being supply driven. If correct, how can enhanced demand orientation be introduced</p>	<p>Enhanced demand orientation can be introduced by a round of orientations on ‘state of the art’ of current policy (sub-sector policies) and concerned implementation status, current key problem areas and sort of assistance desired, in other words a ‘current needs assessment’. At the same time, the country’s willingness to subscribe to the conditions mentioned in the previous point would need to be investigated. Common issues—found in several, interested countries—should be treated with priority for determining both the Regional Forums, and In-Country Workshops that would then be prepared in close consultation with the earmarked recipients.</p>
<p>To what extent is SSATP sufficiently integrated into donor policies and interventions in the transport sector and related sectors as well as trade development.</p>	<p>This depends largely on the presence of a longer term (road) transport sector development program and the degree of donor-co-ordination (which is usually much better when a sector development program is in place already). Lack of donor co-ordination should be an incentive for SSATP to advocate a medium to long term transport sector development program.</p>
<p>How can SSATP support or complement sub-regional initiatives such as the implementation of SADC’s Transport and Communications Protocol and similar initiatives of ECOWAS and COMESA?</p>	<p>By encouraging close co-operation—offering support for getting the right Forum(s) together, by personal management-to-management communication and eventually, possibly by delegating concerned SSATP management capacity to that organisation.</p>
<p><i>Governance</i></p>	<p><i>Response</i></p>
<p>Few African institutions, regional or national, have been identified as suitable partners to promote or facilitate or support implementation of reform. What opportunities are emerging to address this situation?</p>	<p>Several organisations (SADC/SATCC, COMESA) have undertaken useful interventions at the sub-regional level. This offers good opportunities to address/strengthen those organisations’ current core business, and take that as the starting point for developing a closer relationship, aimed at Africanisation of (more and more) SSATP management functions</p>

SSATP is regarded by many African stakeholders as a program that must retain a considerable degree of external identity for it to influence sub-regional and national political and technical attitudes. What is the best way of maintaining the influence of this externality.	The external identity shall be maintained (because the SSA countries continue to need solid, external references to overcome internal, political hurdles), and the Board composition, and its recommended, regular voicing of main policy and program issues (contribution to Newsletter) as well as its appearance at Regional Forums is perhaps the best way of demonstrating the multi- and bilateral interest in a demand-responsive program.
To what extent can the present low level of African ownership, in comparison to other stakeholders, in SSATP at a conceptual and planning level be improved?	By the creation of—and sustained support for—the intended National (SSATP) Co-ordinators African (Transport Forum) Network, and ensuring its ‘continuous’ dialogue with SSATP management.
<b>Component level</b>	
<i>RMI Focus<sup>1</sup></i>	<b>Response</b>
The Yaoundé goal of “Sustainable Maintenance by 2000” has not been achieved. What are the issues that RMI or SSATP has failed to overcome and what new issues have arisen that RMI has not tackled or has not identified a viable solution for	SSATP/RMI has often failed to mobilise sufficient commitment at the highest political level. Perhaps donor co-ordination—i.e. concerted donor action emphasising sustained consistency in focus on maintenance (instead of on re-construction) works—could have achieved more. Viable solutions for early implementation of policy reform and associated capacity building still remain to be found.
This component is moving forward at different speeds in many countries. Where countries have implemented all four building blocks new post-reform issues are emerging, for example, insufficient domestic capacity in the consulting and contracting sectors, reluctance of Ministries of Finance to pass on in full and in a timely fashion to the Road Fund the revenue generated by road user charges, primarily the fuel maintenance levy	This seems quite natural. Political processes, and influences of pressure groups are seldom identical in different countries. Most of the emerged post reform problems are related with lack of interest and/or attention for the in-country capacity building process for the transport sector.
RMI has enjoyed many successes and attracted support. To what extent has its success discouraged this component from becoming more integrated with RTTP, UM and T&T	Single issues (such as RMI or RTT) tend to be able to attract support and generate success for a while (only) until it appears that they are part of a greater complex that needs to be considered. RMI, RTT and UM happen to all part of that greater complex: The bottom line is the distribution of scarce financing means from the Road Fund, from the national development budget and from donor contributions (including HIPC funds) in response to the entire transport network/system needs harmonising the interrelated needs of the various sub-sectors.

<sup>1</sup> A pilot survey to review the RMI vision, goal and strategic program is underway, with a draft report expected to be completed by early April, 2001. The Review will assess its output and where deemed applicable incorporate its results.

<i>RMI Governance</i>	<i>Response</i>
<p>What mechanisms could be introduced to correct the perceived supply-led nature of RMI without inhibiting its freedom for innovative actions?</p> <p>In what way could stakeholders be given more ownership in the thematic studies launched by RMI, which can last two to three years.</p>	<p>By the creation of—and sustained support for—the intended National (SSATP) Co-ordinators African (Transport Forum) Network, and ensuring its ‘continuous’ dialogue with SSATP management.</p>
<p>The impact of the country national coordinator (RMI and RTTP) depends largely on his/her position in their respective transport agency. Their enthusiasm and drive is also important. What are the options for harmonising the position of the country co-ordinator within administrations to improve sub-regional networking and the closer working of RMI and RTTP within the holistic approach adopted during the Business Meeting 2000? Is there an issue of incentives or resources with regard to the performance and status of national coordinators?</p>	<p>By the creation of—and sustained support for—the intended National (SSATP) Co-ordinators African (Transport Forum) Network, and ensuring its ‘continuous’ dialogue with SSATP management. And also by fairly simple—albeit strict—conditions for participation of SSA countries in the program, such as:</p> <ul style="list-style-type: none"> <li>• Nominating a high level National (SSATP) Co-ordinator who is considered a respected transport sector co-ordinator in the country with easy access to all concerned stakeholders—and who will be empowered to dedicate the necessary efforts to the country’s partnership with the SSATP;</li> <li>• Demonstrating that the transport sector is clearly considered one of the priority sectors in the envisaged national development process as presented in the country’s Poverty Reduction Strategy (Paper);</li> <li>• Addressing the country’s transport sector problems in an integrated way, e.g. in an ongoing or planned transport (sub-) sector development programme aimed at attracting co-ordinated multi-donor support for a single, comprehensive staged implementation programme.</li> </ul>
<i>RTTP Focus</i>	<i>Response</i>
<p>RTTP has moved successfully from a conceptual stage to country-focused actions through a strong network of professionals working mainly in the field. Drawing from the main lessons and successes, to what extent is there a danger of these actions becoming too fragmented. Could such a fragmentation cause RTTP to lose its focus and not achieve a sufficient “critical mass” of success for it to be replicated at a country or sub-regional level.</p>	<p>RTTP is largely in the phase of pilot or demonstration projects of small-scale field interventions. The “critical mass” of success for replication at large (country) scale depends heavily on the decentralisation and associated (planning and management) capacity building processes in the concerned country. These decentralisation and associated (planning and management) capacity building processes—for RTT and UM implementation in particular—are considered present, main areas of interest where SSATP could provide useful assistance, in the design of a systematic approach of such processes</p>

RTTP appears the component most sensitive to the different transport needs of men of women. What are the lessons that can be learnt from RTTP's gender approach and how should they be adapted and applied to other components and SSATP itself.	There is perhaps not a single (successful) RTTP gender approach since many interventions are undertaken with international partners (that probably deserve to be acknowledged more than in the past). Appropriate stakeholders' identification and representation—right from the problem analysis starting phase—seems to be the key requirement for (any) gender sensitive problem solving approach.
On-going decentralisation in many of RTTP client countries and the donor's drive to community driven development (CDD) are issues which RTTP needs to come to grasp with.	Yes. These decentralisation and associated (planning and management) capacity building processes—for RTT and UM implementation in particular—are considered present, main areas of interest where SSATP could provide useful assistance, in the design of a systematic approach of such processes, including ample attention for donor co-ordination 'in the field'.
How can mainstreaming of RTTP into planned and on-going rural roads projects or other projects with rural roads components in the various countries be enhanced.	In the first place, by putting a donor co-ordinated approach and methodology—throughout the project cycle—perhaps achievable within the PRSP framework—at the forefront.
How is RTTP's sectoral approach to rural travel and transport being facilitated by RTTP and implemented by national bodies at a country level?	RTTP is moving forward at different speeds in various countries. Much depends on the intensity of contacts between RTTP co-ordinators and National RTTP (steering committee) actors. As regards implementation at country level, large scale and long term donor support seems the most important requisite at this point in time.
<i>RTTP Governance</i>	<i>Response</i>
RTTP has a broad constituency at a community and district level. How can this success be replicated at a national level and help integrate RMI and RTTP in its working to create a road transport network and systems.	By sensibilisation of (mostly) central government to accelerate and vigorously support decentralisation and associated (planning and management) capacity building processes.
The impact of the country national co-ordinator (RMI and RTTP) depends largely on his/her position in their respective transport agency. Their enthusiasm and drive is also important. What are the options for harmonising the position of the country co-ordinator within administrations to improve sub-regional networking and the closer working of RMI and RTTP within the holistic approach adopted during the Business Meeting 2000? Is there an issue of incentives or resources with regard to the performance and status of national co-ordinators?	By the creation of—and sustained support for—the intended National (SSATP) Co-ordinators African (Transport Forum) Network, and ensuring its 'continuous' dialogue with SSATP management. And also by fairly simple—albeit strict—conditions for participation of SSA countries in the program, such as: <ul style="list-style-type: none"> <li>• Nominating a high level National (SSATP) Co-ordinator who is considered a respected transport sector co-ordinator in the country with easy access to all concerned stakeholders—and who will be empowered to dedicate the necessary efforts to the country's partnership with the SSATP;</li> <li>• Demonstrating that the transport sector is clearly considered one of the priority sectors in the envisaged national development process as presented in the country's Poverty Reduction Strategy (Paper);</li> <li>• Addressing the country's transport sector problems in an integrated way, e.g. in an ongoing or planned transport (sub-) sector development programme aimed at attracting co-ordinated multi-donor support for a single, comprehensive staged implementation programme.</li> </ul>

<i>UM Focus</i>	<i>Response</i>
This component has successfully progressed for the last years in terms of partnership, work program and new thematic issues. Complementary to the historic approach based on the institutional reform, the UM has also developed a thematic approach which takes into account the main issues affecting mobility in African metropolitan areas: safety, provision of public transport services by the private sector, air pollution. Hence its most active themes, endorsed by the component's constituencies are: (a) institutional reform; (b) road safety (protection of safe movement for pedestrians), (c) micro enterprises; (d) urban air pollution and (e) capacity building, forming five "building blocks. Many good lessons have emerged from this work and with an increased understanding of urban mobility the next move should be to develop a wider sectoral approach to urban mobility. What needs to be done?	What has been achieved until today—the various lessons learned and good practices developed—need to be placed in the wider context of the approach advocated in "Cities on the Move". When this will be done, UM will almost automatically be better positioned within the poverty reduction strategy. Countries that do not wish to subscribe to the "Cities on the Move" principles would probably find it difficult to pass the SSATP general participation criteria.
Who are the essential partners at a sub-regional and country level necessary to pursue a sectoral policy reform approach?	As far as UM is concerned, the Ministry of Transport (supported by the cabinet in general, and the Ministry of Finance in particular) and the Municipalities concerned
Which practices can be adopted and adapted from other components to facilitate a sectoral policy approach	The common cycle of Awareness raising – Policy formulation – Implementation try-outs – further policy development (and integration in national policy) – Capacity building at municipal level (right from the start, in fact) – larger scale implementation – etc.
UM has led the work on the three issues: micro enterprises, environment and road safety, complementary to institutional reform and capacity building. What lessons can be passed on to other components for tackling these important cross-cutting issues	Institutional reform and capacity building needs to be put more at the forefront—within a wider context as provided by "Cities on the Move". There are not many lessons from UM suitable to be passed on to other components (or rather sub-sectors)—other than 'jumping on the bandwagon' of a fund-rich Initiative that may provide (temporary) prospects to develop a certain aspect (e.g. clean air or traffic safety) disproportional and perhaps at the cost of the holistic approach
<i>UM Governance</i>	<i>Response</i>
To what extent is there a greater opportunity for involving the private sector in this component, as urban areas are likely to be the source of future economic growth in many SSA countries?	The start—to get a range of private sector stakeholders interested and involved—is probably much more difficult than in rural areas for RTT, but the reward in case of successful mobilisation of target stakeholders groups, is expected to have also a more widespread and intense impact.

<p>To what extent should the component reinforce the emphasis on the increasing role of the local authorities as key actors in the sustainable economic and social development of African cities</p>	<p>Municipal authorities are among the key actors and (planning and management) capacity building at this level is largely neglected so far in many SSA countries</p>
<p><i>T&amp;T Focus</i></p>	<p><i>Response</i></p>
<p>This component's focus so far has been maritime trade and its sole partner MINCOMAR, which has resulted in a West and Central African coverage. For some time there has been a call for the inclusion of East and Southern Africa. Recently, T&amp;T's narrow focus has been questioned and suggestions made that this components also cover land-based trade, so as to address trade-related transport issues on a more comprehensive fashion. Such trade has historically been export/import but intra-regional trade is increasing. The transport issues associated with international, inter- and intra-regional trade also need addressing. What lessons can be learned from the experience of regional economic groupings in attempting to facilitate trade based on clearly defined intra-regional transport corridors?</p>	<p>As raised in earlier points, it is recommended to make or re-confirm Trade and (multi-modal) Transport Facilitation in specified, international SSA corridors as the core business of dedicated sub-regional organisations/economic groupings. SSATP should pro-actively support the selected organisations in this field—and later perhaps in other fields as well—transferring SSATP management more and more to Africans institutions. However, this will require support from the donor community—without the latter support, there will be no (new style) SSATP.</p>
<p>Transport operations cost is of grave concern in many countries of Sub-Saharan Africa, in particular landlocked economies. Should this issue be accommodated within T&amp;T?</p>	<p>Certainly within confirm Trade and (multi-modal) Transport Facilitation in specified, international SSA corridors; please refer to the previous point.</p>
<p>This component has an opportunity of addressing the many issues of globalisation, and competition as well as facilitating regional integration. What are the opportunities for T&amp;T building closer links with RMI, RTTP and UM in tackling many of these issues, for example, cost recovery and transport costs and tariffs etc.</p>	<p>T&amp;T, as well as R&amp;R are part and parcel of the national transport policy and of the federal transport system. Wherever it is a significant issue, it needs to—and would be—addressed in any holistic approach. It appears at the interface of the country and the sub-regional level of international corridors. SSATP (management and co-ordination) support positioned at the sub-regional level and in communication with the National SSATP Co-ordinator could provide the best possible facilitation to this interface.</p>
<p><i>T&amp;T Governance</i></p>	<p><i>Response</i></p>
<p>The private sector is potentially the most direct beneficiaries – freight forwarders, road transport companies and shippers. To what extent and how can they play a more active role?</p>	<p>By assisting (at the sub-regional level and in communication with the National SSATP Co-ordinators) in identifying and mobilising the concerned private sector stakeholders, and confront all stakeholders that need to be involved with good practices and lessons learned, followed by assistance for establishing their own development agenda.</p>

This component lends itself to a sub-regional and regional approach. What private and public sector bodies in Africa, Europe and elsewhere could potentially be involved?	The most active economic groupings in this field (SADC/SATCC and COMESA), and private sector umbrella organisations such as railway concessionaires, freight forwarders associations, prospective toll road enterprise, etc.
<i>RR</i> <sup>2</sup>	<i>Response</i>
To what extent has the SSATP support to the concessioning process built local capacity to conceive and operate policy reform and the concessions?	To some extent, but certainly not enough in most of the countries concerned.
The current challenge is how can SSATP assist railways corporations tackle post-concession issues for sustainable railway operations, for example, by providing examples of good practice or by providing such support through other country transport programs,	It is recommended to focus first on optimisation of Trade and (multi-modal) Transport Facilitation in specified, international SSA corridors—and put the Railway (concessioning) issues in that national-economic context, unless other, domestic railway issues represent a higher priority problem. The latter would need to be addressed in a national (or perhaps a sub-urban) transport system or policy context.
Lastly, to what extent does this component still have a role under SSATP? If none, what should be the steps to taken for it to “graduate” from the Program?	It is rather a matter of putting prevailing railway problems in the right (national or sub-urban or international) perspective than “to graduate” it from the program. Consideration of the nature and urgency of the (railway) problem ought to determine its place in a (holistic) SSATP.

#### Cross-cutting issues

	<b>Response</b>
A systematic approach needs defining at a program and component level for integrating safety issues, the environment and gender. What are the possible options?	What are called cross-cutting issues such as road safety, gender and environment, need to be advanced by SSATP, preferably not as ‘isolated initiatives’ but rather in an integrated approach at the (sub-) sector level, e.g. traffic safety, gender and environmental requirements should be ‘build in’ in facilities’ design as well as in (traffic) management structures. This requires a general SSATP overview providing the framework for priority choices for certain sub-sectors to address certain cross-cutting issues, e.g. gender primarily at the RTT-level, traffic safety at the urban (pedestrian fatalities) and federal (rehabilitated, high-speed roads with right-of-way encroachment). There is no single blue print for adoption in all countries (in spite of ‘globalisation’)
Although the issues and costs of road accidents are well understood they are insufficiently tackled at any regional or country level in SSATP. How can this situation be reversed?	By awareness raising perhaps, and by putting it in comparison with HIV/AIDS perception strategies possibly.

<sup>2</sup> No distinction made between ‘Focus’ and ‘Governance’. Railway Restructuring successfully promoted and introduced concessioning of railway operations and the associated restructuring of railways corporations. Almost all the railways of SSA are implementing concessions. Since the Railway Concessioning Seminar of October 1997 the component has been a sleeping partner within SSATP.

Transport operations costs are significantly higher in many Sub-Saharan countries than they are in South and south-east Asian countries with similar developmental profiles. This is believed to result in very high levels of suppressed transport demand, which if released would have dramatic development impacts. How can SSATP address this issue.	First, by putting the (verified) evidence in the domestic or local perspective of demand and supply, and in relation with settlement patterns and densities. Performance indicators development based on manageable data collection routines is one of the recommended (SSATP) priority actions in a holistic approach.
The 1995 Prospective Review recommended that capacity building and institutional development be integrated into each component. To what extent has this been implemented? And, to what extent is the methodology used satisfactorily facilitating the implementation of capacity building and institutional development.	SSATP has hardly addressed capacity building otherwise than by the direct exposure of all participants in any of its component activities over the past decade. One of the SSA countries most pressing needs remains methodology for (design of) the implementation of in-country capacity building and institutional development for the transport sector, and more so at decentralised level.
Should SSATP enhance its capabilities as a knowledge network where information flows not just top down as it does now, but laterally also and where more south-south exchange takes place with other developing countries in Asia and South America.	In the present world wide web age, efficient referencing to good practices—with good professional judgement on ‘transferability’—seems the most powerful tool of helping African stakeholders in learning lessons from anywhere. The main problem—among those already equipped with the necessary hard- and software—often seems to be to transfer the will to be informed and to help oneself to become a skilful ‘surfer’ (a fact of life?)

### Partnerships beyond Africa

	<b>Response</b>
How can SSATP learn from the application of its own reform policy in other regions?	By highlighting selected, relevant publications that would otherwise escape attention of possible practitioners in SSA—a sort of bibliography service perhaps
How can SSATP learn from other policy reform programs in the developing and developed regions and countries?	
To what extent can the proposed Advisory Group contribute to forging global partnerships?	Beyond the collected knowledge at the SSATP management, Board, World Bank, EU, .. task managers pools and their networks, there seems no pressing need for the proposed Advisory Group as a ‘standing’ organisational unit. Wouldn’t there be sufficient, less formal opportunities to obtain tailor-made advice, whenever needed?
Can any lessons be drawn from the donor partnership developed under SSATP and how could it be strengthened?	‘Like minded’ bilateral donors seem to be more or less like-minded in their expectations (and disappointments) concerning SSATP. EU and World Bank appear to be/remain the main players in (road) transport sector development programs in SSA—at the time—and therefore in de facto transport policy implementation. In principle, these two multi-laterals would be in a position to provide all needed funding for a new style SSATP (what percentage is USD 3-4 million per annum of their combined, total annual portfolio in SSA?)



## Sustainability

Country level	Response	
<p>Ownership of SSATP varies at a country level and thus sustainability is uncertain. Countries have generally a strong ownership in one or more components but insufficient identification with a transport reform program SSATP is promoting. What form of commitment is necessary for a country to take ownership? What qualitative and quantitative indicators need to be defined to assess such a commitment?</p>	<p>SSA countries wishing to (continue to) participate in the SSATP (new style) could be requested to demonstrate their commitment to the SSATP principles of partnership by:</p> <ul style="list-style-type: none"> <li>• Nominating a high level National (SSATP) Co-ordinator who is considered a respected transport sector co-ordinator in the country with easy access to all concerned stakeholders—and who will be empowered to dedicate the necessary efforts to the country’s partnership with the SSATP;</li> <li>• Demonstrating that the transport sector is clearly considered one of the priority sectors in the envisaged national development process as presented in the country’s Poverty Reduction Strategy (Paper);</li> <li>• Addressing the country’s transport sector problems in an integrated way, e.g. in an ongoing or planned transport (sub-) sector development programme aimed at attracting co-ordinated multi-donor support for a single, comprehensive staged implementation programme.</li> </ul>	
Sub-regional level		
<p>All African regional institutions subscribe to the SSATP principles but few actively encourage their adoption at a sub-regional level or require their member countries to update national regulations to facilitate SSATP reform. Such mixed performance can stifle regional integration. What new approach should SSATP toward the sub-regional organisations.</p>	<p>Needed is a dialogue with the sub-regional organisations (SADC/ SATCC, ECOWAS/ UEMOA; COMESA; UDEAC). The latter’s ‘core business’ is economic co-operation and integration, and it is recommended to prioritise Trade and (multi-modal) Transport Facilitation focused on selected international corridors—as the focal point of close co-operation with SSATP. This will imply pro-active SSATP assistance for capacity building at (some of) these institutions in the subject area of Trade and (multi-modal) Transport Facilitation in international SSA corridors. This could then be continued later with delegation of SSATP management in other subject areas.</p>	
Regional level		
<p>SSATP has had limited visibility at a regional level. Is there an opportunity for SSATP to address transport policy reform or to be facilitator for such reforms at regional level</p>	<p>Needed is a dialogue with UNECA and African Development Bank (East African Development Bank perhaps also) on the type of guidance and/or supervision, and/or effective management co-operation that could be developed within a (management) “triangle” Washington-West &amp; Central Africa-Southern &amp; Eastern Africa.</p>	

## **Annex 12**

### **Expenditures and Budget Assessment**

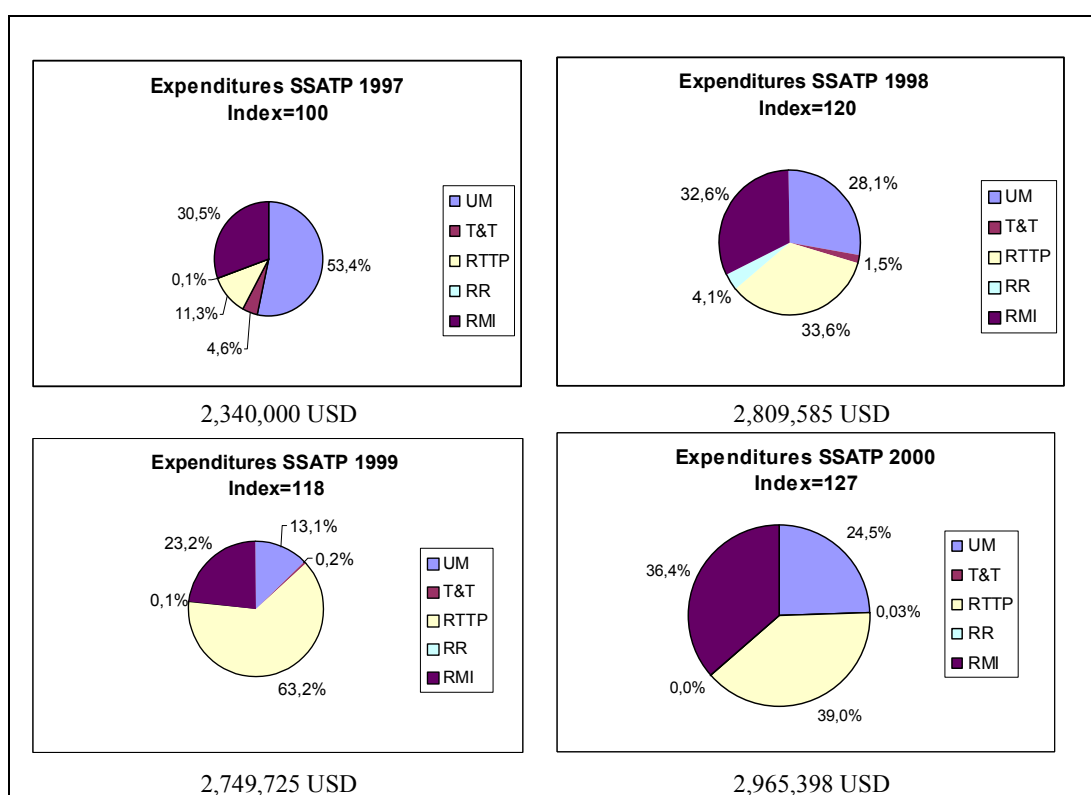
## Expenditures and Budget assessment

### 1. Expenditures

#### *SSATP at large*

The assessment of expenditures is done on the basis of only one World Bank document, prepared for internal use. This document covers the period 1997-2000<sup>1</sup>, consultants therefore only could assess the expenditures in more detail for this short period, no such overview is available for the period before 1997.

Figure 1: Total expenditures SSATP period 1997-2000 by component.



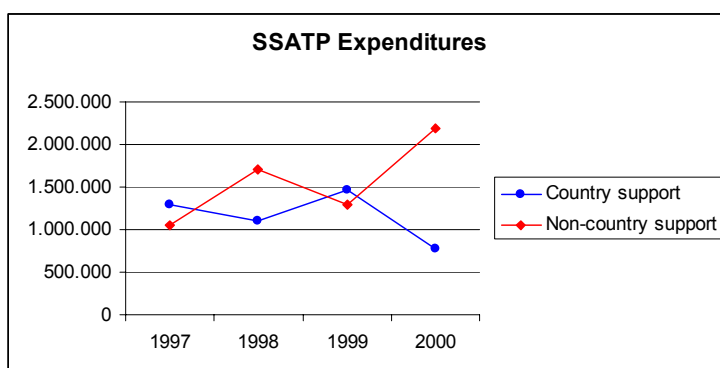
The size of the circles represents the total expenditure. Since 1997 the total expenditure steadily increased to approximately US\$ 2.9 million in 2000. It appeared that in 2000 in the first six months 2.0 million has been spent and only US\$ 0.9 million in the latter part of the year. The reason for the rapid reduction in expenditure rate in the latter part of 2000 has been that the trust funds were getting exhausted and the programme has been cut temporarily to bare bones by cancelling or postponing most activities.

<sup>1</sup> For the year 2000, information has been provided by the SSATP management 'SSATP un-audited Statement of Expenses' since no progress report for 2000 has been available.

The distribution between the components shows no clear trend. It is clear that T&T and RR are of minor importance in terms of expenditures, all other components fluctuate in terms of share over the years, whereas fluctuations of 20% or more (e.g. RTTP) are noticed.

Besides the distribution between components, another assessment has been carried out in order to find trends in the expenditures of SSATP. This includes the distribution between country specific support and non-country support.

Figure 2 Distribution SSATP expenditures by country and non-country support



This figure indicates that non-country expenditures are gradually increasing over the years from US\$ 1.04 million in 1997 up to US\$ 2.19 million in the year 2000 despite the fluctuations in total SSATP expenditure. As a consequence, the total specific country support has decreased (except for 1999) constantly. Therefore it could be stated that there is a trend to minimise the country support in favour of the non-country support. Nevertheless, since this is an assessment, which only covers four years, there is no strong evidence for this preliminary statement.

In order to have a better view of the actual activities of SSATP, the total expenditures are divided into several categories. Within the country support the following categories subjects have been identified:

- ▲ Workshops;
- ▲ studies;
- ▲ co-ordinator costs;
- ▲ other expenses.

From the four mentioned, only two, namely workshops and studies, could be directly related to SSATP activities<sup>2</sup>. The co-ordinator costs as well as the other expenses could not be transferred into activities without knowing exactly the definition of these categories: several activities and combinations of activities are possible. It could be for instance that the co-ordinator costs fully exist of cost for co-ordinators to attend a

<sup>2</sup> SSATP activities are defined as activities which contribute to the mission statement of SSATP.

country workshop on road maintenance (RMI). Or that the co-ordinators (and/or their Ministry) are supported to prepare a program document especially addressing rural transport services (RTTP).

There is no transparency, which is reinforced by the high share (60%) of the category 'other expenses' in the total country support for the period 1997-2000. The co-ordinator costs are responsible for 35% of total country support and workshops (3%) and studies (2%) are only responsible for a fraction of total expenditures. Therefore it can be stated that further clarification with respect to the categories is needed.

For the non-country support, the following categories are distinguished:

- ▲ head quarters consultants;
- ▲ studies;
- ▲ workshops;
- ▲ co-ordinating meetings;
- ▲ administrative costs;
- ▲ non-specific consultant costs;
- ▲ other;
- ▲ travel;
- ▲ to be asked;
- ▲ unassignable.

Unfortunately most of these categories are not well defined. The workshops, studies and co-ordinating meetings are directly related to SSATP activities. For all other categories the SSATP activities remain unclear. Nevertheless, it could be stated that there is a contribution of for instance the head quarter consultants and non-specific consultants to the objectives of SSATP. It is however necessary to make this contribution 'explicit' in terms of assistance in workshops, studies, co-ordinating meetings etc.

The category 'to be asked' with 29% of total non-country expenditures for the period 1997-2000 is the largest category, followed by 'head quarter consultants' with 24%. Studies (8%) and workshops (9%) follow on a distance and all other categories are responsible for 5% or less of total non-country expenditures.

In order to assess the application of financial resources, all the above mentioned categories should be related to actual SSATP activities which are described in the SSATP Progress reports.

Unfortunately no distinction is made in the country and non-country specific expenditures between the different donors. Therefore no overview of actual contributions of World Bank, European Union, UK etc. is available. For the World Bank contributions, some effort has been done analysing the Bank allocation for the fiscal years 1998-01 (running from July 1<sup>st</sup>- June 30<sup>th</sup>). The range has been USD 420,000-420,000 per year, for 2001 (just ended) the allocated budget has been USD

425,000<sup>3</sup>. For the European Union effort has been undertaken to find out the actual country specific RMI contribution through a request to the different EU delegations in Africa. This has led to the following summary (all figures in USD)<sup>4</sup>:

(i)	EC-EDF support to the Programme at the “Centre” (3 <sup>rd</sup> RMI dissemination for ECOWAS countries)	450,000
(ii)	EC-EDF support to SSATP activities at the Regional level (SADC Transport and Communications Integration Study and start-up for West Africa Regional Transport Study)	5,880,000
(iii)	EC-EDF support to SSATP activities at a country level (TA for capacity building in the transport sector in Ministries of Works etc is not included)	9,381,000
(iv)	EC-EDF support to SSATP activities in non-SSA countries	869,000

### *Component level*

The above analysis (contribution country and non-country support, contribution of different categories) has also been carried out on the component level. See figures 3,4.

Components RMI, RTTP and UM all show a decrease of the *share* of country support, whereas T&T and RR no specific country support is given. This observation reinforced the ‘SSATP at large’ trend to reduce country support in favour of the non-country support.

The second observation is that the category ‘other expenses’ for RMI and UM forms the majority of the country support. For RTTP the highest share of total expenditures are the co-ordinator costs. In RMI relatively most expenditure went to studies compared to the other components.

Third observation is that for each component, the categories ‘head quarters consultants’ and ‘to be asked’ together are responsible for the majority of non-country support. This is also seen for SSATP at large. Nevertheless there are some differences e.g. RTTP for which the head quarter consultants already form 43% of total in comparison to 24% on average for total SSATP expenditures.

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<sup>3</sup> This information has been made available by Mr. Gylfi Palsson, SSATP administration manager

<sup>4</sup> This effort has been undertaken by Mr. Bruce Thompson, SSATP Board member representing EU donors.

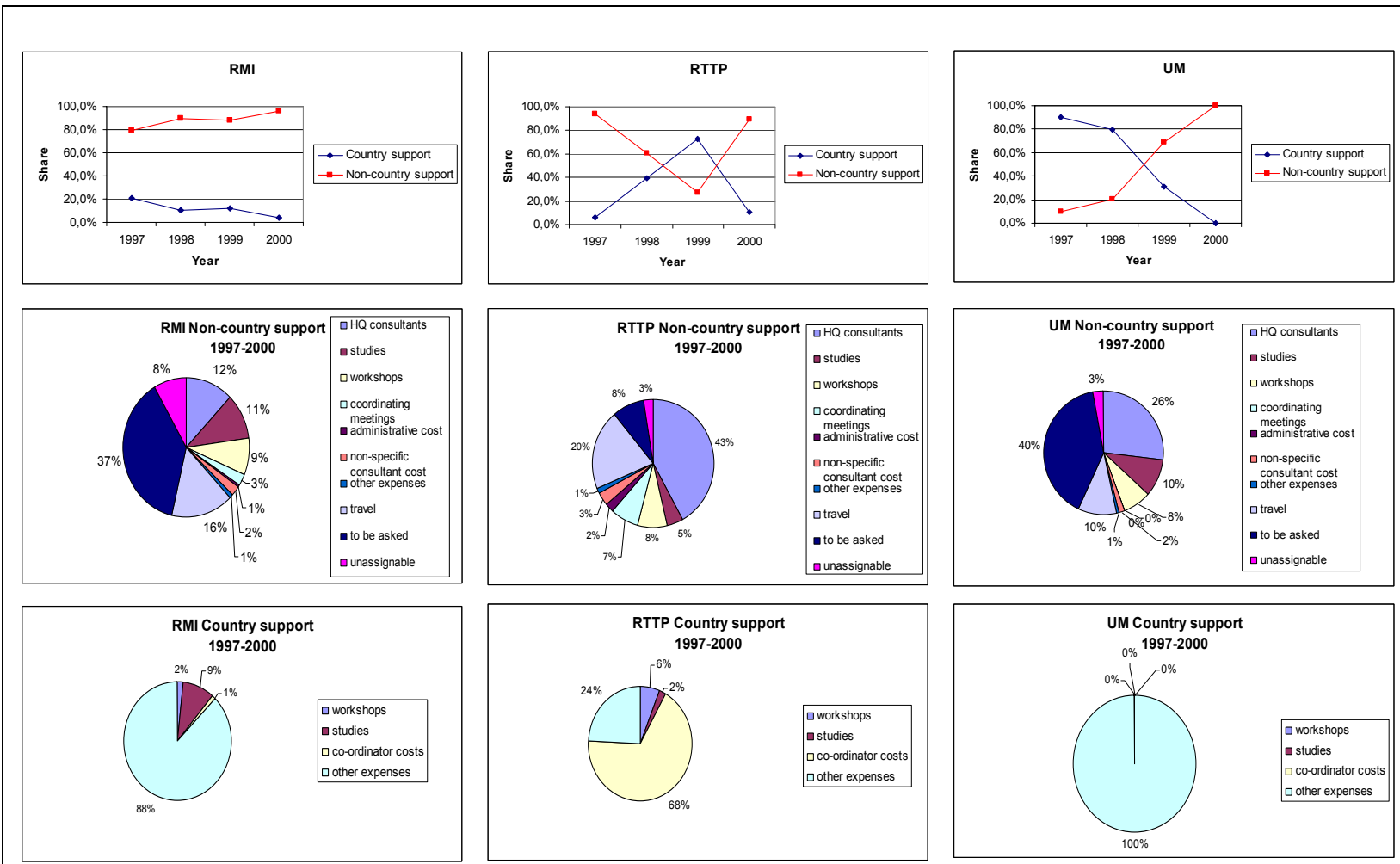
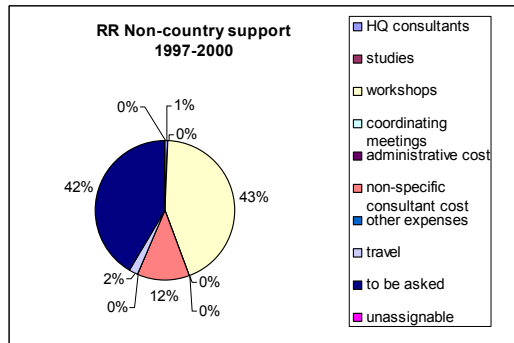
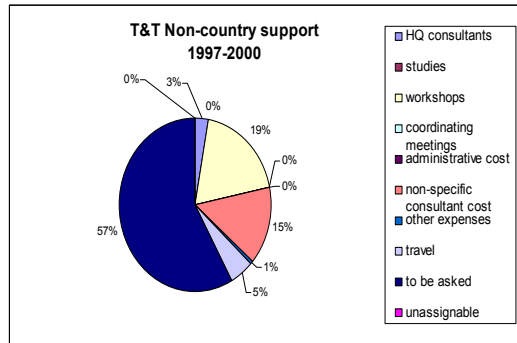
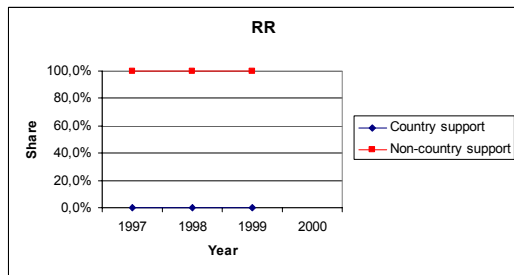
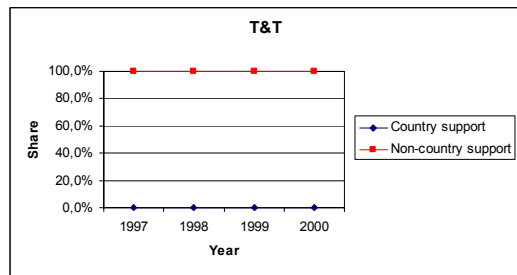


Figure 3 Expenditures RMI, RTPP 1997-2000



Country support for T&T and RR is not relevant.

Figure 4: Expenditures T&T, RR 1997-2000



### *In-complete picture of expenditures*

One of the reasons for the rather in-complete information on expenditures is due to the 'Bank specific procedures on Finances'. For collection and disbursing of external funding, SSATP relies on Bank Trust Fund systems and management. SSATP has to rely on Bank systems for data and reporting of both the Bank budget and Trust Funds use. The form of these, however, is not conducive to SSATP management, sponsor or donor information needs. The apparent solution to the absence of full separation of external funding from Bank systems is to enhance and strengthen the 'shadow accounting' of SSATP.

Issues which clarify the difficulties for SSATP management in financial management and solutions proposed<sup>5</sup>:

- 1) Ensuring (i) adherence to Bank policies and procedures in establishment of Trust Funds and use of both Bank budget and Trust Funds, and (ii) use of Trust Funds in accordance with Donor Agreements.  
*Solutions/options:* On this fiduciary issue, SSATP is adhering fully with Bank policies.
- 2) Monitoring of Trust Fund use.  
*Solutions/options:* SSATP is carrying out a centralised on-going monitoring of all expenditures transactions.
- 3) Monitoring of Bank budget and Trust Funds against agreed budgets  
*Solutions/options:* SSATP is lacking in this area and essentially has no means to track expenditures against agreed budgets. No linkages between budgets and expenditures.
- 4) Appropriate and timely Financial Reports for (i) SSATP management, (ii) SSATP Sponsor (external distribution-collectively), and (iii) SSATP donors (individually).  
*Solutions/options:* On item (iii) SSATP responds to individual donor requests. On item (i) some reports are generated, but these are more geared towards monitoring of trust funds rather than reports that adequately link financial expenditures to the program's mission and activities. On item (ii) SSATP inadequately addresses donors reasonable requirements.

## **2. Donor financial commitments**

The assessment of donor financial commitments is based on the 1995 Prospective Review, the SSATP Progress Reports (1997-1999<sup>6</sup>) and additional information for the year 2000 made available to the review team. Beside the different program components, four other categories are distinguished in these reports: Human Resource and Institutional Development, Transport Data, Surveys & Initial Contribution and SSATP management.

In table 1 the cumulative development of total donor financial commitments is given since the program started in 1987.

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<sup>5</sup> These issues were stated by Mr. Gylfi Palsson administration manager SSATP

<sup>6</sup> Progress report 2000 not yet available

Table 1 Total SSATP Financial commitments from 1987 in million USD (cumulative)

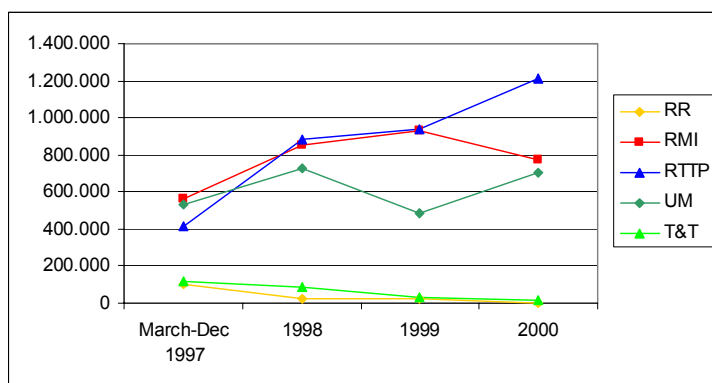
	RR	RMI	RTTP	UM	T&T	HRID	Transport Data	Surveys & Initial Cont.	SSATP Mgmt	Total
Dec-1994	0.78	3.60	1.29	1.37	0.33	1.64	0.74	0.99	1.32	12.05
March-97	0.76	9.63	3.04	5.11	0.77	1.78	0.79	0.99	0.59	23.44
Dec-97	0.86	10.19	3.46	5.64	0.89	1.78	0.79	0.99	0.62	25.20
Dec-98	0.88	11.04	4.34	6.37	0.98	1.78	0.79	0.99	0.85	28.01
Dec-99	0.90	11.97	5.28	6.85	1.01	1.78	0.79	0.99	1.10	30.67
Dec-2000	0.90	12.75	6.49	7.56	1.03	1.78	0.79	0.99	1.35	33.64

Note: HRID, TD and survey & initial contribution were dropped after the 1995 Review.

This table shows the growth in financial resources since December 1994 is for UM the highest (almost 400%) and RTTP is second with over 300%. Furthermore the figures for SSATP management show a decline from December 1994 to March 1997. The reason for this could be a possible difference in the definition of SSATP Management between the 1995 Review and the Progress reports 1997-99.

When focussing on the last four years, it appears that some components gain financial resources and as a consequence others lose.

Figure 4: Total donor support per component per year for the period March 1997-December 2000



RTTP shows a steady growth, RMI shows a slightly decrease, UM shows a clear decline in 1999 and increases in 2000 to the level of 1998. Both RR and T&T are more or less stable (at a low level) in terms of financial resources.

Confronting the expenditures with the financial commitments gives a mixed picture<sup>7</sup>. For the year 1998 total commitments were 20 percent more than total expenditures, but for the year 1999 commitments were 22 percent less than expenditures. Unfortunately

<sup>7</sup> Since the World Bank's fiscal year (FY) runs from July 1<sup>st</sup> to June 30<sup>th</sup> and the financial commitments run from January 1<sup>st</sup> to December 31<sup>st</sup>, a fair confrontation of expenditures with financial commitments is not possible.

for 1997 this confrontation is not reliable since the commitments are only given for the period March-December 1997. The confrontation for the year 2000 shows an (ideal) one-to-one relation between financial commitments and expenditures. It has to be noted that this has been the only year for which SSATP management has provided a complete set of data to the review team.

When focussing on the individual donors, it appears donors often commit themselves to only one or maximum two components. Throughout the years, some donors also tend to change their focus e.g. France which changed its focus from UM in 1997 to RMI in 1998 and back to UM in 1999 (see table 2).

Table 2 Contributions of donors to SSATP (in rounded % of total financial commitments) and most important component per donor

Partner	1987-March 1997		March-Dec 1997		1998		1999	
	Share	Comp.	Share	Comp.	Share	Comp.	Share	Comp.
Belgium	5	UM	1	UM	4	UM	2	UM
Canada	2	RR	1	T&T	0	T&T	-	-
Denmark	7	RMI	10	RMI/RTTP	13	RMI	12	RMI
EU	2	T&T	4	T&T	1	T&T	-	T&T/RTTP
Finland	1	RMI	-	-	-	-	-	-
France	8	RMI	7	UM	9	RMI	14	UM
Germany	1	RMI	1	RR	-	-	-	-
Iceland	0.2	T&T	1	T&T	0.1	T&T	-	-
Italy	1	HRID	-	-	-	-	-	-
Japan	1	RMI	1	RMI	-	-	-	-
Netherlands	16	UM	21	UM	19	UM	9	UM
Norway	11	RMI	20	RMI/RTTP	17	RTTP	12	RMI/RTTP
Sweden	6	RMI/RTTP	12	RMI	1	RMI/RTTP	6	RTTP
Switzerland	16	RMI	7	RMI/RTTP	20	RTTP	23	RTTP
UK	0.04	RMI	2	MGMT	-	-	8	MGMT
UNDP	7	TD	-	-	-	-	-	-
USAID	5	HRID	-	-	-	-	-	-
World Bank	12	RMI	10	RMI	17	MGMT	16	RMI/RTTP
Total	100		100		100		100	

Note: TD = Transport Data, MGMT = SSATP management

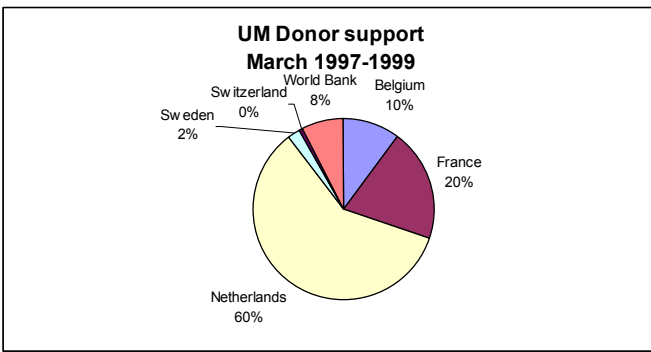
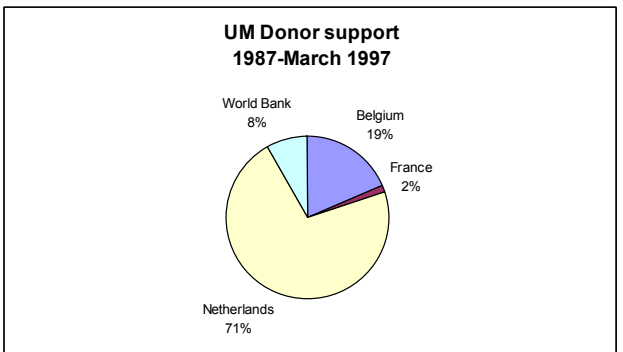
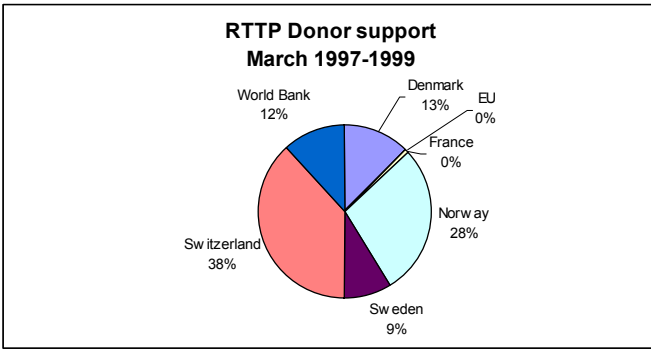
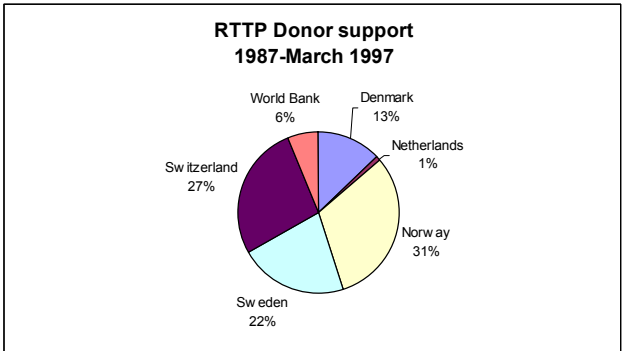
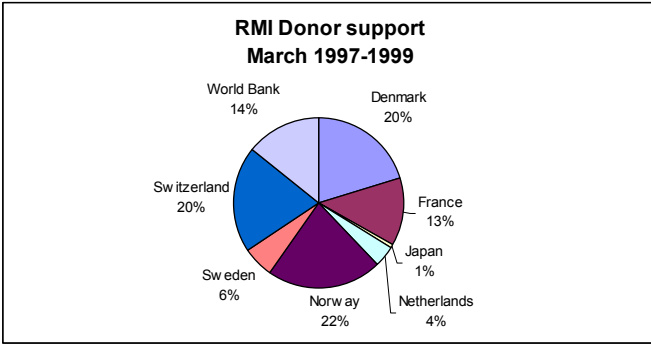
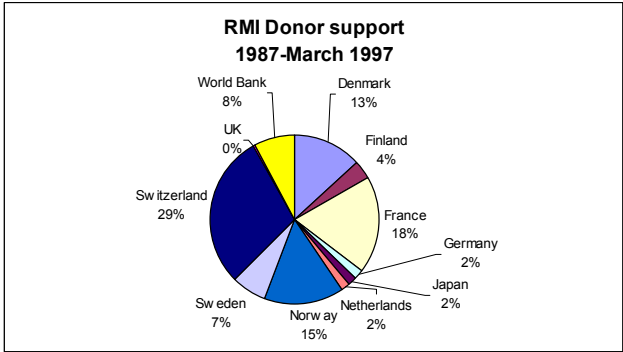
The table shows that the Swiss contribute the highest amount in the total budget in 1999. Their relative contribution has strongly grown between 1997 and 1999. Another observation is the heavily declined contribution of the Netherlands since 1997 (12 percent-point). Furthermore it should be noted that the relative commitment of the World Bank to the Management of the program in 1998 has been its most important 'component' that year with USD 147,000 (30% of total Bank contribution). Both RMI and RTTP follow with USD 98,000 (20%)<sup>8</sup>.

<sup>8</sup> It should be noted that the distribution among all components for the World Bank is an estimate according to the Progress reports.

Finally another assessment has been made, focussing on the component level donor contributions. Since limited data is available, there are two different periods given: 1987-March 1997 and March 1997-1999.

Figure 5 shows the shift in donor support per component. In the period 1987-March 1997 there were 11 different donors whereas for the period March 1997-Dec. 1997 only 8 are still funding RMI: Finland, Germany and UK dropped out. On the other hand UM gained donors, from 4 to 6 in the last period.

Most striking observation is the increase of the World Bank's share in donor funding. For all components the share increased except for UM where the share remained at 8%. Especially RR and T&T both with over 30 percent point growth, depend more and more on the support of the World Bank.



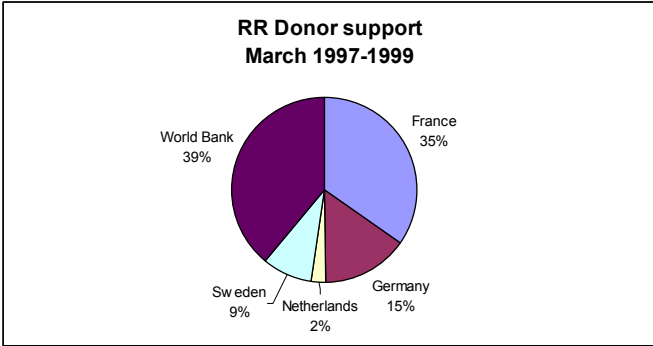
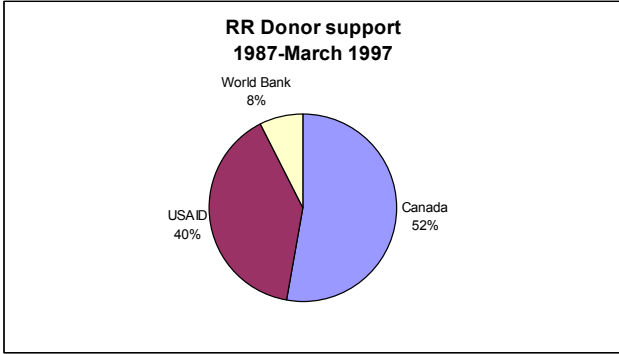
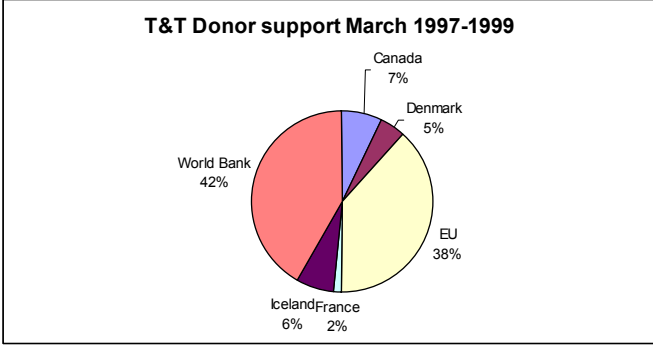
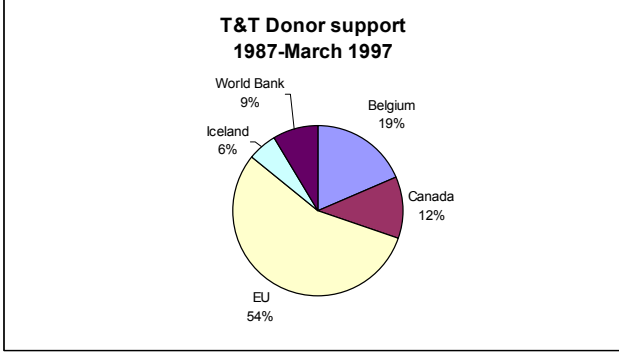


Figure 5: Composition of donor support per component for the period 1987-March 1997 and March 1997-Dec 1999

## **Annex 13**

### **SSATP Framework**

February 28, 2001

**SUB-SAHARAN AFRICA TRANSPORT POLICY PROGRAM  
SSATP**

**FRAMEWORK**

**(as amended by decisions made by the Initial General Assembly November 20-22,  
2000, in Copenhagen)**

The SSATP Business Meeting in Washington, D.C. on May 31 – June 1, 2000 resolved the outline of a new framework for continued work of the SSATP. The present note –taking account of decisions made by the Initial General Assembly in November, 2000 in Copenhagen - elaborates this resolution and proposes further details of the organizational structure, funding arrangements and operational practices of the program for the years to come.

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B. Definition of policy reform impact on sector and sub-sector performance; definition to be derived and validated through user consultations and stakeholder inputs;

C. Design of strategies to implement policy reforms



D. Assistance in capacity building for A, B and C above

E. Dissemination of results and stimulation of public debate and consciousness on the mission statement through conferences, publications and media at all levels (international, national and local; TV, radio and websites).

The elements of the organizational structure are proposed as follows:

***Constituent Assembly (CA):***

Each annual CA is composed of one representative of each of those donors from whom SSATP has accepted and is using a contribution, and a representative of the recipient governments (ECA). The CA determines who should be the members of the Annual General Meetings. The Board will annually propose to the CA the optional members for that year's AGM. The CA selects the members of the SSATP Board. As the case may be each year, the assembly can meet in person or discharge its responsibilities through virtual consultations.

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- ▲ The AGM is the link between program management and the Board on one hand, and the close program partners, including the providers of funds, on the other.
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- ▲ The AGM comments on the annual reports and the 3-year rolling work plan. Decisions by the AGM are by consensus. If unanimous decisions cannot be obtained, the issue will be referred to and resolved by CA.
- ▲ Specific TOR have been approved.

***The Board:***

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- One representative from private sector, users and civil society
- One representative from the donor community

The Board will meet twice a year, immediately before the AGM and about 6 months thereafter. Additional meetings can be called by the Chairman. Chairman of the Board is elected by members of the Board. Program Manager will attend meetings of the Board as a non-voting member. Board approves work plans and progress reports, and submits them to the AGM.

Specific TOR have been approved.

### ***The Advisory Group:***

The Program Manager identifies in consultation with the Board issues requiring advice. AGM proposes names of advisors and the PM selects up to 6 of them. The financing of the Advisory Group will be made explicit in the work program.

### ***Program Staffing:***

#### Management:

- 1 Program manager (full time)
- 5 Component team leaders (part time)
- 3 Thematic team leaders (part time)

#### Administration:

- 1 Program administrator (full time)
- 1 Accountant (part time)

#### Execution:

- 2 World Bank staff (full time)
- 16 World Bank staff (part-time)
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This is presented to give an idea of likely staffing requirements. Actual staffing composition, that will ensure SSATP dynamism, efficiency and responsiveness will be the responsibility of the Program Manager.

***Program Location:***

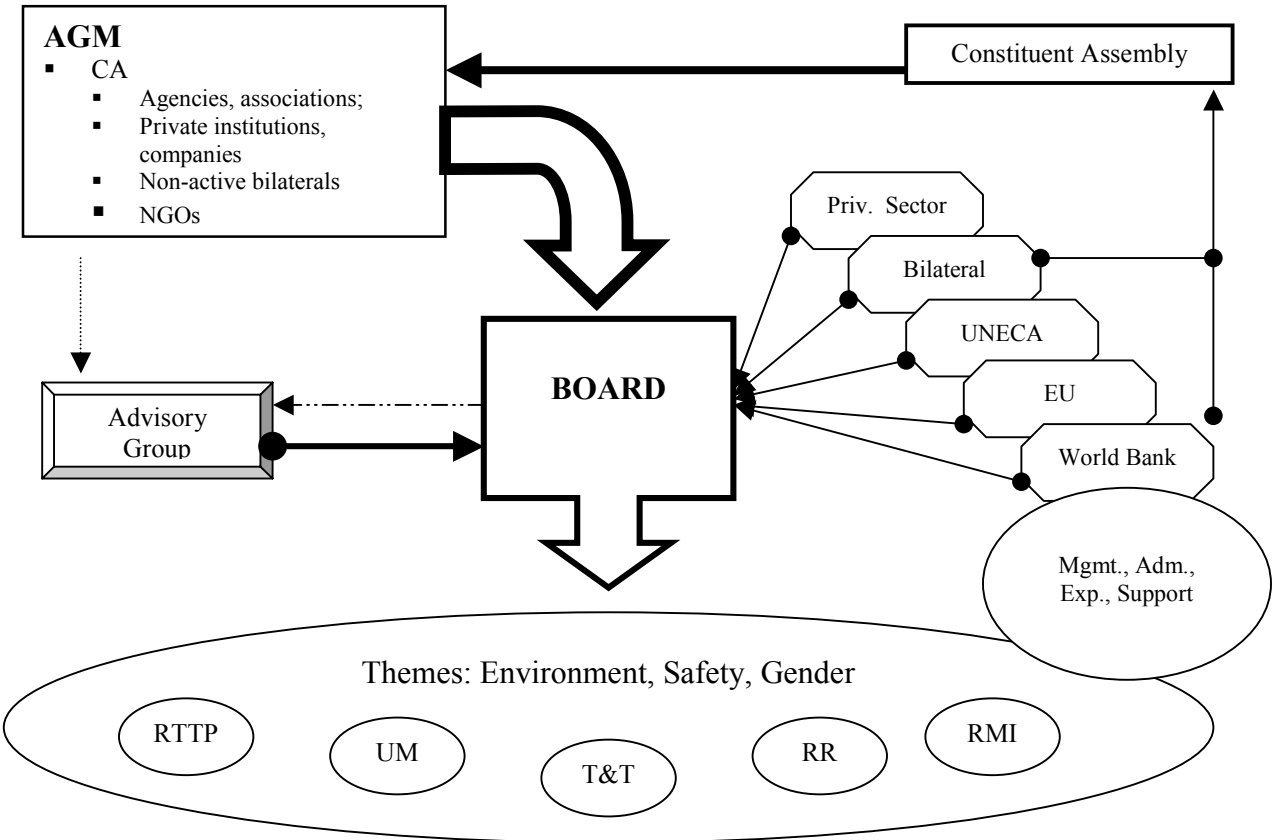
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- ▲ Component dedicated Field offices in Harare and Abidjan.
- ▲ World Bank field staff in their African locations (presently Accra and Pretoria).
- ▲ Associated staff in other locations.

***Program financing:***

- ▲ Bilateral donors and private foundations providing finances through Trust Fund arrangements to the World Bank; all funding under trust fund arrangements to be channeled through one common SSATP trust fund.
- ▲ World Bank administrative budget for supporting Bank staff expenditures to the program.
- ▲ World Bank Development Grant Facility funds, supporting other program activities than bank staff expenses;
- ▲ Bilateral donors and private foundations providing support to specific activities within the SSATP program, such support to be administered by the donor (foundation) concerned.

***Program work planning; Reporting on program progress and financial matters:***

- ▲ 3- year work plans to be prepared and renewed annually, by program manager, together with updated 3-year financial requirements; plans to be submitted by Board to AGM for financing packages to be arranged;
- ▲ progress reports with expenditure reports to be prepared annually; format of reports to form annex to Framework Agreement; progress reports to be issued by program manager, approved by the Board and submitted for endorsement/comment to the AGM;
- ▲ financial reports on individual contributions to be prepared in accordance with the requirements of each trust fund agreement.



**SUMMARY RESOLUTIONS OF THE SSATP BUSINESS MEETING MAY 31-  
JUNE 1, 2000**

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- ▲ Facilitation and implementation of policy reform within modes and across the transport sector.
- ▲ Facilitating and reviewing transport sector performance.
- ▲ Facilitate capacity building to deal with post-reform issues.
- ▲ Ensure program responds to wider issues of globalization.
- ▲ Sharing of experiences and good practices across Africa and exchanging lessons learnt with other regions.
- ▲ Ensure a proper interface between SSATP reform work and country programs.

**MODE OF WORKING**

- ▲ Work within a framework of clearly defined goals, outputs and indicators backed by a realistic resource budget.
- ▲ Ensure active exchange and collaboration between components.
- ▲ Make the best use of modern technology for efficient communication.
- ▲ Coordinate with other government and donor activities in transport sector.

**GOVERNANCE**

- ▲ Ensure African participation in setting and implementing program priorities.
- ▲ Formulate role of African institutions, countries, donors and other partners.
- ▲ Ensure form of governance provides for accountability to stakeholders.

**PARTNERSHIP AS PART OF GOVERNANCE**

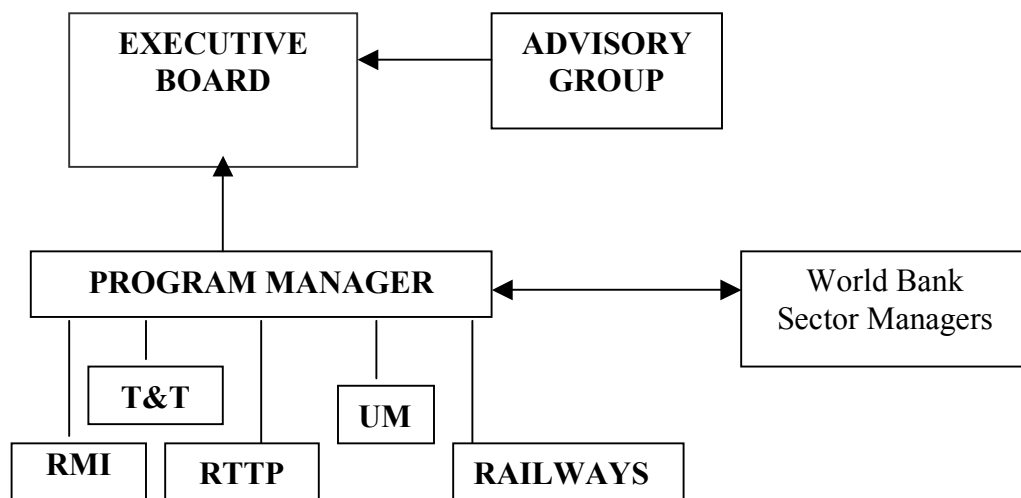
- ▲ Ensure coherence between SSATP and donor policy orientations.
- ▲ Ensure SSATP is responsive to national priorities.
- ▲ Seek involvement of partners beyond Africa.

## **STRUCTURE**

The concepts behind the proposed structure are:

- ▲ Desire to develop a program (sector wide) approach.
- ▲ To continue component development and increase collaboration across components.
- ▲ The participation of stakeholders.

The proposed structure of the future SSATP was the following:



Three other concepts were endorsed in this structure:

**COORDINATING MEETINGS**--For components

**ANNUAL GENERAL MEETING**--For stakeholders

**A COMMON OR SINGLE RESOURCE POOL**-

### **ROLE OF THE BOARD**

1. Custodian of program.
2. Supervisor of program execution.
3. Ensuring program quality and the outputs.

4. Reports to Annual Program Meeting.
5. Ensure partnership reflected in Board.
6. Consult as needed with advisory group.

### **ROLE OF ADVISORY GROUP**

1. Provides a wider view of worldwide transport issues.
2. Provides access to knowledge of how transport can respond to wider globalization and development issues.
3. Provides specialized advice at request of the Board.

### **PROGRAM MANAGER**

- ▲ A full time task responsible to the Board.
- ▲ High level professional recruited internationally.
- ▲ Position needs sufficient administrative support.
- ▲ Proven capacity to build relationships.
- ▲ Involved in team selection.

### **COMPONENT MANAGER**

- ▲ Full or part time depending on component work plan.
- ▲ Accountable to Program Manager.
- ▲ Not exclusively drawn from present Bank Staff.
- ▲ Participates in regional/operational work.
- ▲ Should not be Task Manager of Bank operational work.

### **ROLE OF BANK**

- ▲ Provides quality support systems and people to program manager.
- ▲ Provides internal audit function.
- ▲ Provide recruitment procedures, selection of staff etc..
- ▲ Provides support infrastructure and space.
- ▲ Sits on the Board.

### **FINANCIAL RESOURCES**

- ▲ Flexibility of financing to the Program is possible provided proper management practices and adequate reporting systems are in place.
- ▲ All donors, except one, are ready to provide non-earmarked finance to a Board approved work plan.
- ▲ Program should work towards a single consolidated Trust Fund.

### **STAFF RESOURCES**

- ▲ Program approach requires flexibility for staff to move between components (team approach).

### **ANNUAL COORDINATING MEETINGS**

- ▲ Desire to use annual coordinating meeting as a means of developing a program approach.
- ▲ Recognize that the coordinating meetings in 2000 will adhere to 'old' format but pave the way for a more integrated program format.



**DECISIONS MADE THE THE INITIAL GENERAL ASSEMBLY MEETING IN COPENHAGEN NOVEMBER 20-22, 2001**

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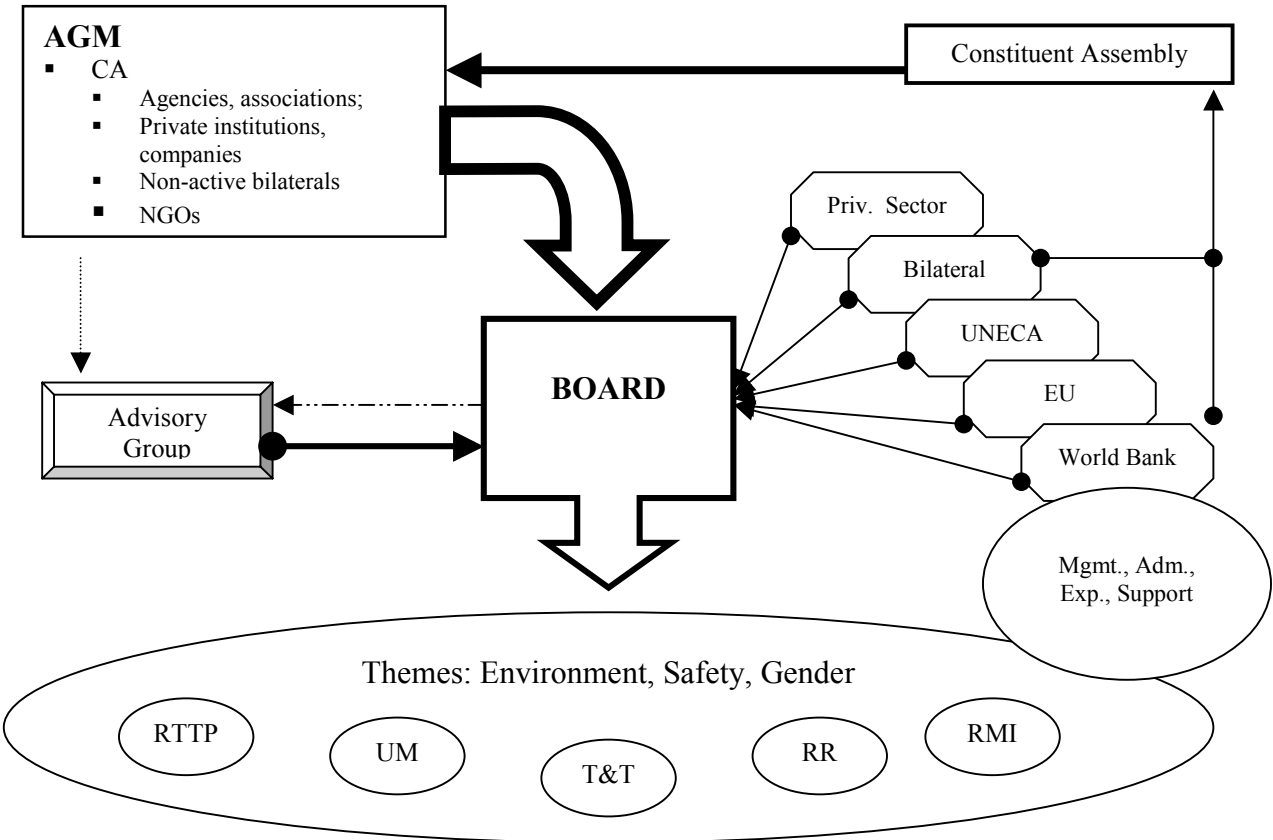
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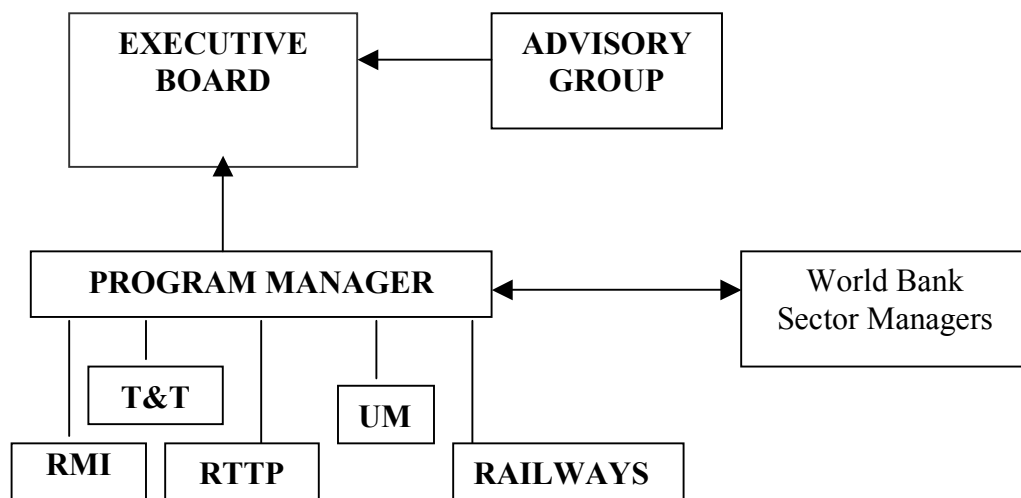
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- ▲ PM identifies in consultation with the Board issues requiring advice. AGM proposes names on advisors and the PM selects up to 6 of them. The financing of the Advisory Group will be made explicit in the work program.

**Annex 14**

**UNECA: Minutes of Meeting**

## **Introduction**

This documents presents the minutes of meeting of the RT with UNECA and a reaction of UNECA based on these minutes.

## **Minutes of meeting**

SSATP was considered—by ECA—as the ‘operational arm’ of the second transport decade for Africa. ECA’s perception was—and is—that a focus on transport policy *implementation* is the primary requirement. As concerns SSATP achievements on transport policy reform or development, it is recognized that ‘high quality stuff’ has been produced, but not been used optimally.

The capacity building needed for transport policy implementation, which was supposed to be guided by UNECA and implemented by UNDP, never took off (‘CBI died’). Neither the ECA nor UNDP were given the required (financial) means. Probably, not even the first step—i.e. developing appropriate ‘tools’ in the form of an agreed Capacity Building Strategy Framework design—has been completed. Therefore, in-country (as well as regional) capacity building remains today the major bottleneck.

According to ECA, it was marginalized<sup>1</sup>—not part of the actual management of the SSATP—after around 1995. Two meetings organized in Addis Ababa—in 1993 and 1995—addressed the issues of coverage of the SSATP and its harmonisation with UNCTADA II. ECA and the World Bank made an attempt for harmonisation, but—reportedly—(most of) the other donors did not agree on this, and SSATP continued as a ‘donors priorities’ program.

Thus, in spite of a perhaps other intention, SSATP was largely supply-driven with a ‘piecemeal’ approach taking the form of (5) sub-sector components responding to (bilateral) donors’ preference<sup>2</sup> to support rather project-like activities addressing their particular field of sub-sector or thematic interest than supporting a holistic approach with ‘bulk’ funding for an integrated program. So far, SSATP did not attempt to approach its (potential) supporters with such holistic vision and approach.

On the other hand, a beneficiary- or ‘owner’-driven approach requires that the needs (of the SSA beneficiaries) be well articulated, and this has been a problem throughout the 14 year old program—and it still is a problem to obtain well articulated proposals for transport sector related assistance for SSA country governments/Ministries of Transport/etc.

ECA’s present view remains anyhow that (i) a holistic approach should be applied, and (ii) transport sector capacity building for policy implementation across all sub-sectors should receive highest priority.

An ‘Africa Transport Forum’ meeting of African Ministers of Transport is scheduled to take place in Addis Ababa in December 2001 (the last one of this type was held in Cairo in 1997) to present an evaluation of UNCTADA II and to explore the way ahead. This meeting will offer a

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<sup>1</sup> Someone (from ERA) noted that the ECA involvement reduced (also) due to de-centralisation of ECA—including (part of) its transport sector expertise—to Lusaka, Rabat, Niamey, Kigali and Yaoundé branch offices.

<sup>2</sup> ECA notes that (during the last 5-6 years) WB officials were not too much involved in SSATP-assessment, that SSATP-meeting decisions were often not followed up, that the main objective of Business meetings was to mobilize donor resources to fill financial gaps—without hardly any beneficiaries consultation or association with management and guidance of the SSATP. As donors wanted to see some actual impacts of the SSATP, and failing that they started to withdraw their support.



new opportunity for the SSATP (new style) to articulate its mission (statement) translated into envisaged actions, and seek high-level partnership with interested SSA (or perhaps all African) countries.

### A holistic approach to transport sector policy, implementation and related capacity building

Responding to the ECA-view has some important consequences, notably:

- ▲ For SSATP management to articulate the new, holistic approach so that significant donor support will be mobilised for general (bulk) funding of the program.
- ▲ For SSA beneficiary countries to nominate a single national, high level (SSATP) co-ordinator (participating SSA country must be willing to make the 'ideal' representative available).
- ▲ For the regional SSATP management structure, now RRTP component-focused, to be adjusted to create a key network comprising the SSATP full time program manager (Washington), strengthened regional SSATP management/co-ordinators structure (SSA-based), and the national SSATP co-ordinators (in 15-30? SSA countries).

The recommended focus of the new, holistic SSATP approach would be as follows:

1. Facilitation of regional fora of *targeted* (small) delegations from interested SSA countries discussing *priority issues constraining (ongoing) transport policy implementation* in their countries;
2. Facilitation of (in-country) donor-coordinated transport sector *program design* and/or of design of (long-term) transport sector *capacity building strategy framework* ready for implementation by operational programs.

The first focus calls for a regular dialogue between SSATP management and national SSATP co-ordinators, requiring a strong enough regional presence of SSATP management in Anglophone and Francophone Africa respectively. This regional presence must guarantee visits of senior expert SSATP regional co-ordinators to concerned SSA countries with sufficient frequency. The visits<sup>3</sup> must be aimed at 'revisiting' the ongoing transport policy development and implementation process in order to identify the then-actual key problem issues that would require a regional forum context to assist the country overcome that particular hurdle in the process.

Typical issues requiring the regional forum context (regional Workshops) for inspiring the country's decision-makers to address a particular, sensitive problem, could—inter alia—be:

- ▲ Road fund operations modification/reconsideration (SSA country delegations from RF Board members with key Ministries' representatives);
- ▲ Transition process from government Force Account to private sector (small) contractor works (mixed delegations from Central Roads Agencies and representatives of e.g. Privatisation Board, private construction industry, community-based public works units, Civil Engineers Association);
- ▲ Decentralisation process with devolution of executive and financial-administrative authority to Regions and Municipalities (mixed delegations of Ministry of Transport, Ministry of Local Government, Central Roads Agency/ Road Fund, large city Mayor, locally elected District Administrators, etc.);

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<sup>3</sup> It is not possible to replace this type of consultative visits (of perhaps 2-4 days) by e-mail exchanges. Personal visits have also the function—must have the effect—of mutual confidence building between the regional SSATP coordinator and the in-country transport sector network led by the National SSATP coordinator.

- ▲ Putting Urban Mobility problems on the country-agenda (mixed delegations of large city Mayor(s), Urban planners, representatives of city area-based organizations, Ministry of Transport, Central Roads Agency/ Road Fund, etc.).

The way to work would be to (i) assess the issues of concern to participating SSA countries in a round of consultations, (ii) prepare the regional workshop program and submit it for endorsement to the concerned group of countries having the same problems, (iii) conduct the regional workshop with the help of a professional facilitator who will also have the responsibility to prepare a concise report of the workshop, and (iv) disseminate the workshop report as a reference for monitoring agreed initiatives (by some participating countries) and the possible, future use of recommendations and best practices (by other countries).

The second focus would be on *implementation* of adopted transport policy principles by providing service for optimal design of (donor-supported) programs.

This would be on the level of 5-10 year (sub-) sector development program (e.g. a Road Sector Development Program or a Sustainable Urban Livelihood Program).

It would also concern addressing a long-term capacity building strategy for the transport sector, i.e. a framework design covering all relevant components and elements—to be handed over to an implementing agency such as the African Capacity Building Foundation (supposing it is indeed equipped, if necessary donor-supported, for effective implementation over a longer period).

This type of facilitation would take the form of participatory, in-country Workshops, ensuring that all relevant stakeholders ‘voices will be heard’ and all pertinent issues be addressed in the sector development *program design*, and the capacity building strategy *process design*.

The concerned SSATP regional management/ coordinator jointly with the National SSATP coordinator would be instrumental in the organisation of this facilitation service. Preparation of the in-country Workshop would normally require a consultative visit of the SSATP regional management/ coordinator that would (i) confirm the issue(s) to be addressed and the range of stakeholders to be involved, (ii) prepare the in-country workshop program and submit it for endorsement to the concerned stakeholder groups sharing the sector program and/or capacity building process design—including prospective donors whose support will be required in the program/process implementation, (iii) conduct the in-country workshop with the help of a professional facilitator who will also have the responsibility to prepare a concise report of the workshop, and (iv) disseminate the workshop report to all stakeholders concerned as a major input and reference for the detailed sector program/ capacity building process design and related negotiations until an actual implementation program will be in place.

#### UNECA suggestions (and derivatives)

Focus on ... translate policy into practice.

Address previous shortcomings:

- ▲ Most governments lack the tools and capacity to monitor the performance of the transport sector (capacity building and establishment of database related to performance indicators should get priority).
- ▲ Help provide appropriate regulatory framework especially for public sector participation.
- ▲ Shift the focus of the program to poverty reduction.

It will be impossible to cover/involve all SSA countries, because:

- ▲ Funds will (always) be (too) limited.
- ▲ Existing organisations (offices) need to be incorporated/used most cost-effectively.
- ▲ More than anything else, ‘success stories’ are sought for dissemination / good practice examples.

As a consequence, priority in participation would be on ‘candidate champions’.

Time limit(s) should be set (to achieving goals – parameters needed).

Suggested lifespan of the SSATP (new style) six years—2003 until 2008—considering the rest of 2001 as well as 2002 a transition period needed to get the new program and organisational structure in place.

Sub-regional economic organisations (COMESA, ECOWAS/UEMOA, UDEAC, SADC/SATCC) have their responsibility (to develop policies).

However, these may (also) be more focused than in the past—and take into account time and resources needed to upgrade them. They might be supported with a focus on:

- ▲ Trade and transport facilitation (this is certainly their ‘core business’).
- ▲ Facilitating bilaterally co-ordinated transport planning in international, multi-/inter-modal transport-corridors (related with previous issue).

Beyond these issues, it might be unrealistic/ over-ambitious attempting to push a broader agenda, e.g. integrated regional network road/rail network development, etc.

Holistic approach calls—almost by definition—for Trust Funds availability without specific earmarking other than SSATP mission (statement) goals achievement.

Ref. mission statement (revision) as suggested by ECA:

- (i) “Facilitation of policy reforms and related capacity building” (unchanged)
- (ii) “Translation into practice of adopted policy” implies—under SSATP (constraints)—*facilitation of sector programme design*, to be actually implemented in operational, donor-supported programs [“ .. and institutional development” rather incorporated in the next point on capacity building]
- (iii) “Setting up sustainable capacity to manage and regulate transport institutions and organisations” implies—under SSATP (constraints)—*facilitation of capacity building framework or strategy design*, to be actually implemented in operational, human resources development programs.

In case of shortage of (SSATP) funding, one could be tempted to a choice between (ii) and (iii)—which would be very ineffective; one cannot succeed without the other. Then, it would be better to reduce the number of participating countries where such in-country activities could be supported.

#### Organisation

There is no suitable alternative, ready at hand, to change the SSAT-Programme leadership. The World Bank seems the best intellectual environment for the programme, and UNECA—if properly equipped—is believed to offer the best prospects to ensure a coordinated approach and leverage at the required high decision-making levels in Africa (SSA).

The main decision-making (management) bodies of the SSATP are proposed to be:

- ▲ An annual ‘shareholders-plus’ meeting that could be called either “Annual General Meeting” (AGM) to be attended by:
  - The shareholders, the donors funding the programme (say 4 – 9 different donors).
  - A representation from the Recipient countries (say 2-4 National SSATP Country Coordinators, nominated by the circle of all National SSATP Country Coordinators).
  - The SSATP Board (5 representatives—see below for suggested Board composition).
  - The SSATP management (say the ‘central’ PM and 2 ‘regional’ managers/coordinators—as rapporteurs and observers).

This meeting would be attended by a total of some 15-20 participants, a number suitable for the desired level of decision-making.

- ▲ The SSATP Board comprising (5) representatives from:
  - The World Bank—representing the multilateral donors (Bretton Woods institutions).
  - EU—representing the bilateral donor community.
  - UNECA—representing economic development and capacity building goals for Africa.
  - One SSATP National Coordinator nominated by the circle of all National SSATP Country Coordinators.
  - One representative from the African private sector business world (e.g. Association of Chambers of Commerce) or—in case it turns out to be too difficult to identify this representation—a second SSATP National Coordinator.
- ▲ The SSATP management comprising:
  - The full-time Program Manager, Washington (WB) based and—inter alia—responsible for the coordination/integration within the Bank.
  - An Africa-based SSATP management/coordination Unit—perhaps located best at UNECA (Addis Ababa)—with ideally four (4) but maybe starting with two (2) senior experts—responsible for the ‘network’ with the participating National SSATP coordinators and their ‘constituencies’ on the one side and a the range of other partners (e.g. Ecowas and alike, ILO and alike) on the other hand, and covering between them:
    - Integrated transport sector planning.
    - Rural travel and transport<sup>4</sup>.
    - Urban transport and mobility.
    - Trade and transport facilitation—the latter one with the special responsibility to help develop further the cooperation with the regional (economic) agencies (ECOWAS, etc.).

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<sup>4</sup> The present RTTP Regional -Coordinators (posted in Abidjan and Harare WB offices—and financed by DfID) would need to be accommodated in this new structure.

## **Reaction UNECA**

I have read your note and please find some comments:

1. The summary and your thinking are good.
2. The footnote 1 has relation with the issue indicated. The ECA decentralization has even increased our impact on the implementation of SSATP. Our involvement was reduced some time back due to the conflict of approach and some management issues of the SSATP. These have been solved now that is why we are more active.
3. On page 2, under the issue of regional forum context I would like to suggest that you add the corridor and spatial development issue which will link land locked countries and place of production to market place in the sub region.
4. On page 3 under ECA suggestions I don't understand the last sentence starting by Beyond these issues, it might be unrealistic/ over ambitious.....etc. You may need to explain.
5. As regard, the structure especially the Board, please note that we don't want to be designated obligatory as a member. We will play a role anywhere therefore you may need to reconsider the composition. You know it is too much time and funds consuming. I prefer that you leave it blank and not mention any ECA name.
6. Africa based management is a good idea but let me give you the following addition. The purpose of Africa based management should be to strengthen the implementation aspect and to avoid the duplication of effort. It should be to anchor the programme in regional economic grouping and multilateral donors programme. We should be able to have some roots of the programme at ADB as it is at the World Bank and in Regional economic groupings such as ECOWAS, COMESA. In doing so we will avoid parallelism and ensure the ownership of the programme. Therefore instead of having people at ECA it will be necessary to have one regional coordinator at ADB to cover also West and Central African countries and one at East African Development Bank or COMESA to cover Eastern and Southern countries. These coordinators will make sure that the SSATP concept is been incorporated in relevant banks operation and the regional economic grouping work programmes. They will assist the country to formulate policy and more important they will assess the impact of the programme through the indicators to be developed. The ECA could designate one of his staff member to be the focal point of the SSATP and he will work part for the SSATP instead to have additional people as proposed.

I am not still convinced of the participation of one SSATP national coordinator at the Board level. As I explain the function of the Board is to ensure the translation of the governance. If you suggest the participation of one National coordinator you need to think on the change of the mandate of the Board. The national coordinator can participate where the programme is being defined, but the management level will create a conflict since the Programme manager is part of the Board and also the national coordinator will not defend the interest of all the beneficiaries. Anyway this is my view you might be right and can see the relevance of having some body for the beneficiaries but it must be a true representative. It should be clear that being in the Board means that the representative of the national coordinator will have to pay from the country its participation in the activities of the Board.