



Module 3: Management and Financing

Issues of Local Level Management

Session: 3.1

Part 1

Presentation: 3.1a

The Training Modules

Module 1. Policies and Strategies

Module 2. Planning, Design, Appraisal and Implementation

This Module

Module 3. Management and Financing

Module 4. Rural Mobility

Module 5. Social and Environmental Issues

Module 3. Management and Financing

This session

Session 3.1 Issues of local level management

Session 3.2 General road management issues:
Managing roads like a business – not like a bureaucracy

Session 3.3 Financing Rural Transport Infrastructure

1. Introduction

Learning Objectives

By the end of the session participants will be able to:

- ③ Describe key challenges to effective rural transport management
- ③ Analyse possibilities for reform within the rural transport sector, with a focus on policy and strategy
- ③ Explain a framework for better management of local government roads and paths
- ③ Analyse the management and financial issues related to community roads and paths

Session Overview

- ④ Challenges of managing rural transport
- ④ Framework for reform
- ④ Framework for managing local government roads
- ④ Managing and financing community roads and paths

2. Challenges of managing rural transport

Background

- ⌚ Attempts to create and maintain a sustainable network of rural roads in many developing countries have failed
- ⌚ Often wrong facilities provided in wrong places using wrong technology

Key questions

- ④ Why has there been a failure to provide sustainable rural roads networks?
- ④ What can be done to improve the management and financing of rural roads?
- ④ What is the role of local government?
- ④ What is the role of local communities?

Key challenges

- ③ Unclear responsibilities
- ③ Disintegration of planning system
- ③ Inadequate local capacity
- ③ Inappropriate design standards and methods
- ③ Weak local government and community institutions

Unclear Responsibilities

- ⦿ Responsibilities for rural transport are **fragmented** at central government level
- ⦿ **Confusion** over who is in charge of rural roads
- ⦿ No legal framework for community **ownership** of roads and paths
- ⦿ **Ad hoc community contributions** to build or improve roads not the same as commitment to long term maintenance

Disintegration of planning system

- ⊙ Lack of consistent **national policy** or **strategy**



Needs of rural households addressed **peripherally** by the state **haphazardly** by others

- ⊙ Central government agencies **fail to coordinate**

- Planning **inconsistent** and **uncoordinated**
- Inability to assess clients' (rural households') demands
- Inability to address basic needs of rural households

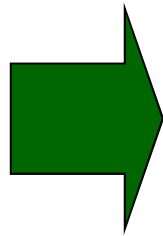
- ⊙ Roads constructed by non-state actors done in isolation from government agencies

- Who's responsible for their maintenance?

Inadequate local capacity

⊙ Lack of **incentives** for local level road staff

- Inadequate civil servant salaries
- Few opportunities for training & career advancement
- Living conditions at local level can be harsh



- High vacancy rates
- Under-qualified, poorly motivated and indifferent staff
- Moonlighting, daylighting, pilfering

Inadequate local capacity...

🎯 Little **private sector involvement** in rural roads

- Local governments seldom hire local consultants or contractors
- Local governments have little experience with private sector and formal contract management
- Small size of local contracts make it unattractive for experienced firms to mobilise in rural areas

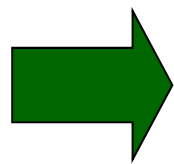
🎯 **Urban bias** in allocating human and financial resources

- Due to central administration and poor urban—rural communications

Inappropriate design standards and methods

© Rural transport policies and programs tend to focus on **conventional highways** for motorised vehicles

© Use of design standards suited to developed countries



- RTI **inappropriate** to rural household needs
- inefficient resource use

Weak local government and community institutions

- ③ Highly **centralised** character of many countries' governments leaves local governments institutionally weak
 - Central government representatives are at district, sub-district, and village levels (not just central level)
 - Ministries vertically structured with decision making and financial authority vested at centre

Addressing the challenges

③ **Decentralisation** requires building local capacity through:

- sound policies
- incentives
- effective management structures
- democratic control of local governments
- qualified, trained and motivated staff

③ To make **sustainable improvements** to RTI

- sound rural development framework
- coherent institutional and financial arrangements

3. A framework for reform

- ③ A rural transport policy and strategy
- ③ Ownership and responsibility
- ③ Local capacity



A rural transport policy & strategy

© Two important functions

1. Provides a conceptual framework for implementing reform agenda
2. Brings order and consistency to RTI
 - in consultation with key stakeholders

© Should not be a 'paper process' but a sustainable and participatory process (Module 2)

Ownership and responsibility

- © Widespread **confusion** over who owns roads and who is responsible for their maintenance
- © Need to clarify **who owns each asset** so that private-public partnerships can be fostered

Local Capacity

Building effective managerial control at local level requires:

- ③ **Training** both public and private sector
 - Need for government and donor support
- ③ **Developing economies of scale**
 - Contracts offered by many local RTI networks too small to attract the private sector
 - But ...joining up neighbouring local authorities they can attract competent consulting firms

4. A framework for managing local government roads

Clarify local and central government responsibilities

Better information on:

- ✓ designation
- ✓ condition
- ✓ usage of roads

- ⊙ Inventory and functional classification
- ⊙ Road inventories
- ⊙ Legal ownership
- ⊙ Generating management and local capacity

Inventory and functional classification

- ◎ Comprehensive **record** of:
 - current RTI responsibilities
 - network characteristics
- ◎ Should be placed in **public** records
- ◎ **Annual inspections** to assess:
 - changes to road condition
 - use
 - classification
 - ownership
- not just one-time exercise

Road inventories

© For **local government roads** inventories:

- surface type
- drainage structures
- volume and composition of traffic
- location of important services

© Inventory for **community roads and paths**:

- more challenging than local government inventory
- techniques must be **simple** and **inexpensive**

Legal ownership

- © Owner or primary entity responsible for individual roads and paths need to be named and legally recognised
- © Reviewed annually to assess changes in ownership and responsibility

Generating management and local capacity

Should local governments create in-house capacity or contract out to the private sector?

- ◎ Costly and difficult to develop
- ◎ Local road networks too small to justify
- ◎ To rationalise and reduce demands on in-house capacity:
 1. Contract out **physical works** to the private sector
 2. Contract out **key management functions** to local consultants

Establishing a planning framework and planning methods

- ◎ Local governments should assess priorities across sectors
- ◎ Planning processes should be
 - participatory
 - iterative
 - have performance incentives
 - good value for money

4. Managing and financing community roads

- ⦿ Governments often leave responsibility for access roads and paths to communities



Credit: TRL Limited

- ⦿ But communities rarely assume responsibility
- ⦿ **Why is this the case?**

Community failure to take
responsibility for access
roads and paths



Group Discussion

- A. Why do communities fail to take responsibility for access roads and paths?*
- B. What can be done to address this failure?*

5. Managing and financing community roads

- ③ Community ownership
- ③ Planning community roads and paths
- ③ Technical and managerial advice

Community ownership

- ③ Without **ownership** of roads and paths, communities have little **incentive** to manage them responsibly
- ③ **Legal framework** must recognise community and non-government ownership
- ③ **Prompt procedures** required for changing the designation of roads
 - fate of unclaimed (undesignated) roads must be decided
- ③ **But...** community must **consent** and show active interest in the road or path

Planning community roads and paths

- ◎ Transport planning focused on providing roads
 - Yet... **non-transport solutions** may solve access problems more effectively and at a lower cost
 - Government road standards often too high and simple improvements to existing paths might suffice
- ◎ Planning procedures should not be considered a substitute for local **participation** in decision-making processes (Module 2)

Technical and managerial advice

- ◎ To manage RTI communities need
 - **Technical advice:** road design and standards, appropriate materials, work planning
 - **Managerial advice:** financial accounting, contract management, procurement
- ◎ The **transfer** of road maintenance know-how
 - from foreman through village level training
- ◎ Villages can form **road associations** to manage local roads and paths
 - Based on traditional leadership structures, groups of villages, extended families, groups of commercial farmers, transporters, or other groups that share a common interest

Conclusions

- ◎ A practical menu of **institutional options**
- ◎ Central governments should concentrate on **catalytic policy interventions** to promote rural development and sector reform
- ◎ **Donors** should
 - support domestic reform efforts
 - facilitate the sharing of international experience
 - provide the initial capital to implement the reform programs

Conclusions

Private ownership can...

- significantly increase the kilometers of roads receiving regular maintenance
- reduce the cost of maintenance

To build an institutional framework to manage and finance the lowest level of the network

- need to create appropriate incentives to engender community ownership and empowerment