



**South East Asian Commune Access Programme  
SEACAP 15**

# **Community Participation in Rural Transport**

*Contribution and Participation Issues in Vietnam*

## **Final Report**

**Submitted by:**

**Mekong Economics Ltd.**



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## Acronyms and Abbreviations

ADB	Asian Development Bank
CDD	Community Driven Development
CDF	Commune Development Fund
CPC	Commune People's Committee
DDOT	District Department of Transport
Decree 29	Government decision No 29/1998/ND-CP "Grassroots Democracy Decree"
Decision 585	Vinh Long Provincial decision on rural transport development fees
DFID	Department for International Development
DOC	Department of Construction
DPC	District People's Committee
GOV	Government of Vietnam
FA	Farmers' Association
FF	Fatherland Front
HPM	Ha Giang Development Project for Ethnic Minorities
ILO	International Labour Organisation
JBIC	Japanese Bank of International Cooperation
MOF	Ministry of Finance
MOLISA	Ministry of Labour, Invalids and Social Affairs
MOT	Ministry of Transport
MPI	Ministry of Planning and Investment
NGO	Non-Government Organisation
PAC	Partnership to Assist the Poorest Communes
PDOT	Provincial Department of Transport
PER	Public Expenditure Review
PIM	Project Implementation Manual
PMU	Project Management Unit
PMU18	Project Management Unit in charge of RT2
PMU5	Project Management Unit in charge of RT3
PPC	Provincial People's Committee or Provincial People's Council
RI	Rural Infrastructure
RT	Rural Transport
RT2	Second Rural Transport Project
RTU	Rural Transport Unit
Rural Infrastructure	Includes rural roads, rural water supplies, irrigation, social infrastructure (health and education) and rural markets.
Rural Transport	Defined as the movement of people and goods at the district and commune level. The rural transport sub-sector includes three main areas: infrastructure (road, bridge, waterway, and port), means of transport, and people. According to government decree #167 on the management of road network, rural transport is managed by district and commune authorities (DFID, SRNIP 2003).
RTI	Rural Transport Infrastructure
Sao	Unit of area: equal to 360m <sup>2</sup>
SEACAP	South East Asian Commune Access Programme
TDSI	Transport Development and Strategy Institute
UNDP	United Nations Development Programme
VLSS	Vietnam Livelihoods Statistical Survey
WB	World Bank
WSP	An international management consulting firm working together with RT2 on maintenance issues
WU	Women's Union
YU	Youth Union

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# Table of Contents

<b>Executive Summary .....</b>	<b>vi</b>
<b>Recommendations.....</b>	<b>x</b>
<b>1. Introduction.....</b>	<b>1</b>
<b>2. Summary of rural transport issues based on literature review and interviews in Hanoi.....</b>	<b>3</b>
2.1 Summary of rural transport issues based on literature review .....	3
2.1.1 Community contributions .....	3
2.1.2 Community participation .....	5
2.2 Summary of rural transport issues based on interviews in Hanoi .....	8
2.2.1 Opinions on community contributions.....	8
2.2.2 Opinions on community participation.....	9
<b>3. Community contributions: experiences from 2 provinces .....</b>	<b>14</b>
3.1 Introduction .....	14
3.2 The system of contributions in Vinh Long province.....	17
3.2.1 Range of contributions in Vinh Long Province.....	17
3.2.2 Impact of contributions on people’s livelihoods in Vinh Long province.....	20
3.3 The system of contributions in Phu Tho Province .....	22
3.3.1 Range of contributions in Phu Tho Province .....	22
3.3.2 Impact of contributions on people’s livelihoods in Phu Tho province .....	24
3.4 Comparison with other provinces in community contribution.....	25
<b>4. Community participation: experiences from 2 provinces .....</b>	<b>27</b>
4.1 Introduction .....	27
4.2. Findings related to community participation in Vinh Long province .....	29
4.3 Findings related to community participation in Phu Tho province .....	30
4.4 Comparison between the two provinces and other provinces in community participation.....	31
<b>5. Discussion of findings and recommendations.....</b>	<b>32</b>
5.1 Community contribution .....	32
5.2 Community participation .....	36
<b>References.....</b>	<b>40</b>
Appendix 1: TOR	
Appendix 2: List of interviewees	
Appendix 3: Research methodology and map of research sites	
Appendix 4: Communal statistic data of research sites	
Appendix 5: Overview of contributions paid by a Khmer and a Kinh household (Vinh Long)	
Appendix 6: Case study “no compensation for lost property”	
Appendix 7: International experiences in community participation	

## **Boxes**

- Box 3.1: Case study of Mr N. B. Q., unmarried, 33 years old (poor farmer)
- Box 3.2: No compensation for lost property
- Box 3.3: Some support for lost property
- Box 3.4: Building a cemented village road in Tat Thang commune
- Box 4.1: Barriers to community participation in motorable roads

## **Tables**

- Table 2.1: Proposed GOV investment rates for rural transport per region
- Table 2.2: Reasons for poor community participation in rural transport
- Table 3.1: Type and amount of annual contributions in Vinh Long
- Table 3.2: Type and amount of annual contributions in Phu Tho
- Table 3.3: Community contributions to motorable and 2-wheel roads
- Table 3.4: Amount and type of contributions to rural transport in Vinh Long province
- Table 3.5: Kind of contributions per type of road: the example of Tat Thang commune
- Table 4.1: Comparison of community participation features between motorised and 2-wheel roads

## **Pictures**

- Picture 3.1: Buong village (Phu Tho)
- Picture 3.2: A motorable road (RT2) in Vinh Long province
- Picture 3.3: A concrete slab village road in Vinh Long province
- Picture 3.4: The family of this house lost land to the RT2 road construction. They ended up living right by the roadside
- Picture 3.5: Cycling past a brick -making factory along a provincial road (Phu Tho)
- Picture 4.1: Local people show the research team an unstable section of a WB financed road where a culvert should have been built (Phu Tho)
- Picture 5.1: Digging for locally available construction materials visibly affects the environment
- Picture 5.2: The CPC's office can provide important information to the people at the commune level (Hoa Hiep commune)
- Picture 5.3: The blue notice board explains the Grassroots Democracy Decree (the CPC's office, Hoa Hiep commune)
- Picture 5.4: A woman from an ethnic minority group in Vinh Tien commune

## Executive Summary

The main research objective of SEACAP 15 study was to assess the kind and range of all the contributions (for transport and others) paid by local people and their impact on local livelihoods. In addition, we were required to look at the role of local community participation in rural transport, and to propose recommendations to improve participation of local people and increase local employment opportunities in rural transport development. It should be emphasised that this study was meant to provide a *deeper understanding* on issues related to contribution and community participation in rural transport rather than to present findings that would statistically represent the rural transport situation on contribution and participation issues in Vietnam. The research methodology applied for the SEACAP 15 study was qualitative in nature. Field research was carried out in Loan My and Hoa Hiep communes in Vinh Long province, and Tat Thang and Vinh Tien communes in Phu Tho province (see map in Appendix 3).

### Findings on community contribution to rural transport

Given the low average income of the people we interviewed, the range and total amount of local level fees people have to pay are indeed significant. Overall, fees for rural transport and irrigation are regarded as high in Vinh Long. In Phu Tho, people found fees for education and school and rural transport (rehabilitation of village roads) most burdensome. This, however, does not imply that people are in principle unwilling to contribute to rural transport development. They are merely hindered by (very) limited financial capacities. All people interviewed attach great importance to rural transport. Upgrading of village roads is given an even higher importance than the rehabilitation of commune roads.

There are several contextual factors that determine the mechanisms for rural transport contributions. These include environmental (e.g. mountains, hydrology), socio-economic (e.g. poverty, population density), and political-administrative (decrees, provincial decisions) factors. Each province formulates its own strategies to implement the policy of “government and people building together”. This policy applies to village roads in the context of rural transport.

This research confirms that flat rates or rather fixed shares of community contributions exist. At the same time, it should be noted that the system of flat rates is far more complex than it may imply. For instance, Vinh Long provincial government contributes only 30% of the total construction costs of village roads. The remainder has to come from local people. The provincial government, however, provides a higher level of support to (poor) Khmer communes (50% instead of 30%). The government of Phu Tho province provides material support in the form of locally available construction materials (cement and stone waste). Furthermore, compulsory (unpaid) labour donation exists in both provinces for rural development activities, including rural transport. Thirty percent of these donations have to be allocated to district level activities; the remaining seventy percent are assigned to infrastructural activities at the commune level.

In addition to contributions mentioned above, Vinh Long also has a provincial decision (Decision 585) stipulating an annual rural transport development fee for all households. Local people in both provinces contribute voluntary (unpaid) labour to site clearance and

maintenance of practically all roads that pass their locality. For commune and district roads, this involves only minor maintenance.

For the rehabilitation of 2-wheel village roads, local people contribute cash, voluntary and compulsory labour, and materials. The amounts and arrangements vary per locality. In Vinh Long, people contribute cash based on the area of paddy land. Poor people without paddy land are exempted. In Phu Tho, the total costs of village road rehabilitation are divided by the number of beneficiaries, including children, old people, etc. This implies higher expenses for larger families. There are no exemption policies for the poor in Phu Tho as people claim the poor use and benefit from the road as well.

The impact of the total range of contributions is difficult to assess and would require more research. In general and as earlier indicated, local people welcome road projects and the manifold benefits rural roads bring. Women say their lives have improved because of rural roads. They no longer need to carry heavy loads. More women deliver their babies in the health clinic instead of at home. Travelling to hospitals, markets and schools has significantly improved in terms of comfort, time and costs. Marketing and trade have also improved. All people did, however, express their concern about the future quality of motorable gravel roads as they have seen these roads degrade over time. Resources for major maintenance are barely available locally. This is a serious concern for all district and commune authorities as well as local people. Current complaints about motorable gravel roads were relatively minor and related to dust and loose stones hitting people when cars pass by.

### **Impact of contribution to the poor**

There is a substantial group of poor households that are either unable to pay off their outstanding debts after completion of a village road project or unable to provide cash investments for the much-wanted rehabilitation project of 2-wheel village roads (in Hoa Hiep commune, this figure is estimated at 20-30% of households<sup>1</sup>). The first group needs to borrow money against high interest rates from money lenders in order to pay off its debt. If not, commune authorities refuse certain essential services to this group (e.g. bank loan applications). The households that do not have sufficient financial capacity to participate in fact halt local initiatives for rural transport development because projects can only go ahead if all beneficiaries are able to contribute.

### **Findings on compensation and resettlement**

With respect to the construction of motorable roads, a small number<sup>2</sup> of project affected households has experienced a negative indirect effect on their livelihoods due to loss of property (land, trees, or even their house) without compensation. The substantial loss of assets, combined with other problems such as illness, made them more vulnerable. According to the provincial authorities, there are no funds for compensation. They claim that if people sincerely want to have commune and district roads, they have to accept that compensation claims cannot be rewarded. In addition, the Provincial People's Council is unlikely to approve resettlement costs for groups smaller than ten households. Overall, project affected people in WB-financed roads in Phu Tho felt they were satisfactorily compensated.

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<sup>1</sup> Based on interview with a village leader, Hoa Hiep commune, District, Vinh Long province

<sup>2</sup> Estimated figure is ten households per RT2 commune: Hoa Hiep commune has 1683 households; Loan My commune has 2634 households; based on interviews with commune and village authorities

It is important that project officials and donors pay sufficient attention to these vulnerable households that are either harmfully affected by poor compensation practices or financially unable to pay for village rehabilitation projects. Proper strategies need to be defined to help these, mostly very poor, households.

Having said this, the government has been looking for ways to reduce the burden on the poor. For instance, poor Khmer households in Vinh Long have been exempted from a number of annual land use taxes and compulsory labour contributions since 2002. In Phu Tho, there is no rural transport development fee as people have little to no capacity to make cash contributions.

### **Findings on community participation in motorable rural road project, funded by government and donors**

Community participation is limited in government-funded motorable rural road projects (except for programme 135). There are simply no participation mechanisms. This finding is also confirmed by most interviewees in Hanoi and literature review (Chapter two). There is little information-sharing at the project preparation stage when local people are only requested to clear the road site or donate their land. In most interviews, local people were unable to provide basic information about motorable rural road projects in their locality (this however excludes a WB-financed commune gravel road project Vinh Tien commune). Local people “participate” in the sense that they work as paid labourers these projects. Contractors hire both local men and women from poor households to work in road construction, and both are paid an equal amount of money per day.

Local people would like to see their role in motorable road projects increased. They state they are the primary road beneficiaries and are the ones that are most committed to the quality and sustainability of these roads. They want to be particularly involved in the design and supervision stages of the construction of these roads. At present, supervision is carried out by a project supervisor and a commune transport official. Making use of supervisors from the locality, however, would require funds for training and a small salary.

Provincial and district authorities state they respect local people’s needs but are critical about the capacity of local people to be directly involved in the supervision of rural motorable roads. They argue that local people do not have the technical knowledge and skills. They claim that local people have, however, the right to complain about inaccuracies. They further argue that local people can participate effectively and capably in the construction and management of 2-wheel village roads. Authorities find that they satisfactorily implement the Grassroots Democracy Decree. They do not see the need nor have the funds to work in a more participatory manner. Therefore, participatory project guidelines are -- besides their impracticability -- not used.

Clearly, additional funding and professional support are essential if both government and donors are serious about the need for more participatory approaches to rural transport development.

Findings from this research confirm the lack of clear and simple guidelines for RT2 project officials in participatory planning and management. The project implementation manuals are not used by the project as it proves to be too impractical and unclear. There is a need to clarify



responsibilities and outcomes and integrate these with people's current jobs. Provincial authorities indicated they prefer to work with provincial procedures rather than RT2 project procedures. They also indicated they lack the resources to work in a more participatory manner. Community participation lessons in the Philippines and Thailand indicated that for effective beneficiary participation, the roles and responsibilities of the beneficiaries and the local government units need to be clearly defined, if possible in written agreements (see International Experiences, Appendix 7).

### **Findings on community participation in 2-wheel village road project with local contribution**

In contrast to (RT2-funded) motorable roads, there is active participation by local people in the rehabilitation of 2-wheel village roads. But not all people participate equally. It is claimed that women, because they lack knowledge about technical issues, and poor people, due to their low status and limited knowledge, tend to have a lower voice in meetings. From the side of the poor and women, it is claimed that the selection criteria for the Supervision board are more likely to favour men and officers. The lack of training to strengthen capacity for the poor and women is also a reason. Ethnicity does not seem to be a major barrier to equal participation.

Decisions are made at village level meetings where all households need to be represented. Decisions are made by raising hands. Women, however, say they have less influence in these meetings as roads are considered a "male" topic.

A local level village supervision board is in charge of managing the activities related to upgrading 2-wheel roads. In Vinh Long, this board works together with a local contractor. Supervisors here receive a little support or lunch allowance from the contractor. In Phu Tho, local people implement the 2-wheel road projects by themselves (except activities that have to be implemented by the constructor such as iron rolling or cement mixing). Members of village supervision boards are trained in basic construction and supervision skills by the district, and local people pay the supervisors a small amount of money for their services from project money which is saved during the construction period. Local people in Phu Tho express they have increased their knowledge of road construction and feel proud and responsible about "their" roads.

### **Findings on community participation in rural road maintenance**

In both provinces, maintenance of 2-wheel village roads is carried out voluntarily by local people. Each household is allocated a section of the road. In case of poor maintenance, the commune will sanction those responsible by halting any service delivery to them. In Vinh Long, each section of a 2-wheel, concrete-slab village road has the name of the household responsible for that section inscribed. This enables people to know who is responsible for which section of the road. The area of paddy land the household use determines the length of the road section. In Phu Tho, local people apply team work in maintenance, that is every 6 months or at the beginning of the year, people clear road sides and do maintenance. Their work is considered social contribution working days for residents from 18 years old to 60 for men and to 55 for women.

The maintenance of motorable roads in the two provinces is carried out by the state company with the state annual budget. However, according to the provincial transportation departments,

the budget is small (only covers one third of the maintenance needs) and is late in distribution. That is a reason for badly downgraded rural roads, particularly in Phu Tho.

One of the options to address maintenance problems of particularly motorable roads and the lack of rural employment opportunities is the establishment of a road maintenance fund. According to Malmberg-Calvo (1998), providing partial financing to rural communities for maintenance of selected access roads could have great potential. Cost-sharing arrangements between a private road association and a road fund will have to be formalised in a written agreement between the parties. It also requires technical and financial oversight to ensure the proper use of funds (see also Appendix 7: International Experiences).

## Recommendations

The recommendations presented in this chapter have been categorised according to two types of roads, i.e. motorable (district and commune) roads and 2-wheel (village roads).

For motorable roads, the recommendations are presented for resolving specific key issues in community participation (A), maintenance and rural employment (C) respectively (section I). This study has not found evidence of major community contributions issues concerning motorable roads, hence no recommendations formulated in this field (section I, B).

With respect to 2-wheel roads, the recommendation are presented for resolving key issues in the following order: (A) community participation; (B) community contribution; (C) maintenance and rural employment; and (D) environmental impact (section II).

### I. MOTORABLE --DISTRICT AND COMMUNE-- ROADS

#### A. RESOLVING KEY ISSUES IN COMMUNITY PARTICIPATION

##### Key issue: Participatory planning and management

1. **Increase awareness and work towards a common understanding of the meaning of community participation among all stakeholders in RT3** (community participation is definitely not the same as community contribution).
2. **Review RT2 participation procedures together** with the RT2 implementation team (PMU18) and donors in order to assess what can or cannot realistically be achieved within the RT3 context (i.e. RT3 project's objectives and its resources). Learn from RT2 implementation experiences.
3. **Simplify and clarify guidelines in participatory planning and management guidelines for RT3 staff** (based on point 2). RT3 project needs realistic and simple guidelines in participatory planning and management if it wants participatory approaches in rural transport to be taken seriously. For effective beneficiary participation, the **roles and responsibilities of the road beneficiaries and the local government and project units need to be clearly defined**, if possible in **written agreements**. In this respect, it is recommended that RT3 hires staff with community participation skills to support the technical staff at province and district level.
4. Project management and involved donor organisations need to develop **clear mechanisms to monitor the implementation of participatory planning and management** and ensure that information from local communities is used in decision making.
5. From an institutional point of view, the transport network and commune participation in the transport network might be better managed and monitored by a **transport unit at the district level** than a provincial or district unit with a general responsibility.
6. Give **clear and equitable guidelines for preparing local transport plans** to provinces,

districts and communes (promote “a policy of equality”). This is to prevent that each province is making up their own “rule of thumb and to ensure that the poor and least developed communes (i.e. poor communes with lowest density of rehabilitated motorable and 2-wheel roads) get higher priority in terms of fund allocation. RT3 can work on fund allocation criteria with TDSI.

7. Donors and GoV should agree the scope of beneficiaries’ participation, for example:
  - a. Participating from needs determination to final evaluation and maintenance
  - b. Control budget and contracts
  - c. Training and capacity building
  - d. Technical assistance and regular supervision
  - e. Assurance in democracy and financial transparency in decision making process
  - f. Having support from qualified community participation expert

These activities should be defined in direction documents and have a supervision system. At the same time, a clear and detailed strategy of community participation should be established to determine the start and end points, objectives, procedures, activities and solutions to achieve the objectives.

**Key issue: Involvement of rural communities in motorable road projects**

8. Pay **more attention to local people’s knowledge and livelihoods**. Making better use of people’s local knowledge (e.g. by contacting local transport boards) about the environment, hydrology, and road construction materials (in terms of availability, appropriateness and prices/costs) will result in better designs of roads. It is also important to seek people’s participation in the supervision and maintenance stage of motorable road projects. Lastly, studies on the effects and impact of roads on livelihoods of people need to be included in RT3’s log frame as well.
9. Pay **special attention to adjusting participation procedures for involving local poor people of particularly mountainous areas in rural road projects**. RT3 project participation procedures need to consider the harsh living conditions of the rural poor, particularly the poor people in the mountainous areas, who need to look for food in the forest during a few months per year. It would be unrealistic to expect full participation of these groups in rural road projects as their first priority is to meet their basic needs.

**Key issue: Road management responsibilities**

10. **Explain the road management responsibilities to people in the locality**. Local people are committed to the quality of the roads passing their locality but they need to know which parties (province, district, commune, or local people?) are responsible for which roads.
11. Note that the **World Bank has documented a series of best practices for community participation** in the transport sector. The Bank advocates devolution of responsibility to the local level but notes that this must take place together with adequate resources and incentives and clear allocation of responsibilities: “Local agencies that would be best placed both to plan and to maintain the infrastructure often have neither the resources nor the incentive to take up that responsibility. Effective decentralization requires: (i) an initial inventory of the extent and condition of the rural network; (ii) a comprehensive assignment

of responsibility for this network; and (iii) procedures to prevent roads being constructed without the involvement of the agency ultimately responsible for maintaining them” (World Bank 2005, p.1). The Bank’s best practices also distinguish between local roads and tracks (which should be managed at the local level) and higher grade roads, which are usually best managed at district or provincial level but also require local consultation and compensation: “Most obviously, community roads and local paths and tracks are best left totally under the jurisdiction of the village council or its equivalent, possibly with access allowed to local government divisional engineers for technical advice if required. For higher grade roads, developing procedures for consulting people on the design of local facilities, accompanied by adequate procedures for compensation or resettlement, will usually minimize any conflict in the affected communities over new infrastructure” (ibid, p.2).

**Key issue: Compensation policies**

12. **More effort is required from government and donor organisations to harmonise and monitor the implementation of compensation policies.** This is necessary to tackle the wide discrepancies in the implementation of compensation guidelines. They vary from place to place, from project to project. Project affected (poor) people are confused and do not know their rights. Proper monitoring of the implementation of compensation guidelines is essential.
13. **RT3 should make an effort to implement compensation policies uniformly according to the agreed guidelines and should not allow provincial alterations of these guidelines.** RT3 has an important task ahead to ensure that compensation is taking place according to the agreed guidelines. RT3 needs to strengthen its monitoring capacity to ensure that compensation procedures and guidelines are better implemented than in RT2.
14. **Provide clear information about compensation to project affected people:** Inform project affected people in advance about the forthcoming road project by sharing relevant information and providing opportunities for meetings where project affected people can express their concerns to the relevant parties. In addition to meetings, **publish compensation policies on announcement and information notice boards in public places.**
15. **Have forum for local people to raise opinions and complaints relating to compensation** (e.g: receiving division, idea box)
16. **Households should be briefed on the compensation method** (e.g: compensate with other land or in cash). Price and loss of compensated asset should be conveyed to households in document form and the process of listing compensated assets and applying compensation prices should include participation from affected households.
17. **Poor households who lose cultivated land should be compensated with land to minimize influence on their subsistence.**
18. **Donor should include compensation fund in their funding to hasten the process.** This would help the poor because local authorities currently avoid investing in new roads with controversial compensation processes . Compensation policy should harmonize with the Government’s policy to avoid differentials.

## **Key issue: Local people's knowledge about transport**

19. **Encourage rural communities to share their knowledge and exchange experiences** in rural transport in order to create an active village level transport knowledge base. Local communities already pay visits to other 'experienced' communities to learn more about village road rehabilitation experiences. RT3 could assist in the facilitation of these exchanges and learn from these experiences. Make use of local means of information sharing (e.g. notice boards).

## **B. RESOLVING KEY ISSUES IN COMMUNITY CONTRIBUTION**

There are no major contribution issues in motorable roads that need to be resolved.

Develop a standard set of guidelines to determine which size and type of schemes would be community responsibility. Based on that, allow communities to decide for themselves on levels and kind of contribution for maintenance. To do this, a simple list of estimated costs for maintenance and repairs should be developed to assist communities in calculating levels of contributions that are both locally affordable and sustainable

## **C. MAINTENANCE AND RURAL EMPLOYMENT**

20. **RT3 should not rely on commitments from provinces with respect to the maintenance of rural, motorable roads.** RT3 should cooperate with provincial authorities to determine the optimal method for maintenance of rural roads, for example minor maintenance to be the responsibility of local authorities and major maintenance to be carried out by the technical agency. **The government should make a fund available for the maintenance of rural, motorable roads.** There should be a Road Fund that covers the maintenance costs for national and provincial roads as well as rural, motorable roads.
21. **Provide partial financing in the form of road funds to rural communities for labour-based maintenance of selected sections of RT3 roads.** Local people are committed to the quality of roads in their locality and they have indicated that if funds were provided they are willing to participate in the maintenance of motorable roads. The establishment of a road maintenance fund is therefore an interesting option as it will address two key issues in rural transport, i.e. maintenance problems of particularly motorable roads and lack of rural employment opportunities.
22. **Ensure that contractors employ people from the locality by formally agreeing on personnel selection procedures and criteria.** This should be done by including a clause in the contract on labour employment guidelines so as to ensure that local poor people get first choice to work in rural road project activities related to design, supervision, and construction. The implementation of selection criteria (e.g. giving priority to the poor) could be carried out in consultation with village leaders.
23. **Increase spending on rural roads** that use wage labour, much of which can be provided by women. This may provide earning opportunities for women.

## II. 2-WHEEL (VILLAGE) ROADS

### A. RESOLVING KEY ISSUES IN COMMUNITY PARTICIPATION

**Key issue: RT3 deals with motorable roads only**

24. **Include the rehabilitation of 2-wheel village roads** in RT3 project activities. Rural transport for local people means more than motorable roads only. It also includes two-wheel roads which they often give a higher priority than motorable roads. For example, the MPI's Northern Mountains Poverty Reduction Project (NMPRP), jointly funded by the World Bank and DFID, has focused on 2-wheel roads (inter-hamlet roads) for village level infrastructure. This focus has mostly been well received by village-level communities. The village communities themselves are responsible for proposing the infrastructure required, which has fostered ownership among village communities. These proposals are then passed up the chain to the provincial level, where funding decisions are made. The main drawback of this approach, however, is the potential for infrastructure to favour the land-holdings of village leaders.
25. **RT3 could learn from local people's knowledge and successful experiences** in village road rehabilitation.

### B. RESOLVING KEY ISSUES IN COMMUNITY CONTRIBUTION

**Key issue: Provincial transport policies and decisions versus poverty reduction strategies**

26. Advise the Provincial People's Committee and the provincial transport and provincial planning and investment authorities **to review and adjust the system of contributions to rural transport**, in light of its impact on livelihoods of particularly the poorest groups/communes.
27. Discuss with the provincial governments **to reconsider provincially mandated rural transport development fees**. Especially for poor people/poor communes that already contribute considerably to the rehabilitation of village roads. Alternatively, these provincial fees could be used to reinvest in the rehabilitation of 2-wheel village roads. Also, local people need to be informed about how rural transport development fees are currently being used.
28. Assist the provincial authorities **in finding additional funding to help poorest households to finance 2-wheel village road rehabilitation projects** in poor communes. Local people prefer village road rehabilitation over motorable roads but the poorest households halt such initiatives due to lack of financial resources.
29. Encourage the **provincial governments to continue improving strategies to promote more equitable rural transport development** by reducing rural transport contributions from poor households.

### C. MAINTENANCE AND RURAL EMPLOYMENT

30. **Advise the village transport supervision boards to include a clause on rural employment possibilities** when signing contracts with local contractors for the construction of 2-wheel roads. This is to ensure that local poor people get first choice to work in rural road construction.
31. **RT3 should provide funds for the rehabilitation of 2-wheel roads to the beneficiary group of poor communes** (e.g. village transport board). Local people give a higher priority to the rehabilitation of 2-wheel village roads than motorable district and commune roads. Particularly, poor people will benefit more directly from rehabilitated 2-wheel roads. Discuss and agree on the use of any savings after the completion of the scheme. If it is agreed that savings belong to the beneficiaries, ensure that savings could then be used for any other common rural transport or infrastructure need. (See also recommendation 15)

#### **D. ENVIRONMENTAL IMPACT**

32. There is a need to study **the environmental impact of promoting the exploitation and use of locally available materials** for rural road construction. This study found evidence of serious environmental degradation along the roads in Phu Tho province.



# 1. Introduction

Rural transport infrastructure is a necessary prerequisite for rural development. In Vietnam both the central government and provincial authorities prioritise rural roads over other investments, as roads are seen as providing the foundation for other development activities. The World Bank (WB) and Department for International Development (DFID) have been involved in the provision of rural transport in Vietnam through the Rural Transport 2 programme (RT2), which has provided investment funds and technical assistance to support rural transport policy development.

As part of this rural transport policy development work, DFID is now supporting the development of:

1. a revised Rural Transport Strategy; and
2. a Provincial Rural Transport Handbook

This study is intended to provide information for both of these pieces of work, which will in turn be used as the basis for the design of the third rural transport project currently under development.

The study will focus on two distinct but interrelated areas of work, i.e.:

## a) Community contributions

Roads are expensive relative to other rural development investments. As a consequence, local authorities often resort to local revenue for raising investment funds, with local communities making significant contributions to the development and maintenance of rural roads. There are concerns that this is placing a disproportionate cost burden on the poor and the extent and impact of this system on their livelihoods is not well understood.

## b) Community participation

Rural transport planning in Vietnam has predominantly been a provincial activity with district and commune cadres' involvement limited to requesting investments from higher levels; based on officials' own assessment of need. This approach is repeated in the selection of alignments, construction standards, contractors, supervision methods and maintenance systems. In summary there is limited consultation with, or participation of, the local community in the decision making process. There is a need to understand better how the current decision making system works and identify areas where increased participation would benefit users and managers in the rural transport sub-sector.

The objectives of the study are to:

1. Identify the range of contributions made by local communities to the transport sector, and the impacts these have on livelihoods
2. Identify the role of local communities in decision making in the rural transport sector
3. For point 1+2, recommend approaches to resolving key issues that can be considered by MOT
4. Review employment opportunities in rural transport at the commune level.

The SEACAP research team was also requested to look at relevant international experiences in community participation (see Appendix 7).

The methodological approach of this study is explained in Appendix 3. In summary, the first stage of the study entailed a comprehensive literature review on community participation and contribution experiences in Vietnam (see list of References). This was followed by fourteen interviews with resource persons from government, non-governmental and donor organisations in Hanoi in Hanoi (Chapter 2).

The second stage comprised of field work carried out in four communes two provinces (Chapter 3 and 4). These were Loan My and Hoa communes in Vinh Long province (situated in the Mekong delta) and Tat Thang and Vinh Tien communes in Phu Tho province (located in the northern mountains region). The fieldwork was qualitative in nature and research methods applied included semi-structured interviews, individual and focus group interviews, situational analysis based on participatory mapping, observation and transect walks. Note that detailed, quantitative field research was not conducted because the scope of this project, as described in the terms of reference, was to “primarily draw on existing research and consultations with experts in the rural development, transport and social development areas, with limited field research to validate findings and test recommendations” (see TOR, page 1, in Appendix One). Hence, our field work focuses on these four communes. We have highlighted the limitations of extrapolating to all provinces and made inter-province comparisons where possible and appropriate.

The third and last stage of the research involved studying other relevant international experiences in community participation (Chapter 5) and presenting key findings (Chapter 6) to RT3, MOT and donor audience and preparing the final report.

## **2. Summary of rural transport issues based on literature review and interviews in Hanoi**

### **2.1 Summary of rural transport issues based on literature review**

#### **2.1.1 Community contributions**

There are plenty of studies written about the contributions local people make to rural infrastructure in general. Key issues roughly fall under these two categories:

1. farmers' concern about the range and burden of contributions
2. there is a lack of information, coordination and monitoring of systems of contributions

#### **Farmers' concern about the range and burden of contributions**

**Contributions and fees are an important component in the commune budget, and are sometimes even larger than the transfers coming from higher levels of the government.** Some communes levy charges which are simply channelled directly into recurrent commune expenditure. In fact, most communes are not clear about the type of contribution except for the lump-sum figure of 10% of the scheme costs. Nobody is sure whether this percentage relates to overall scheme costs or merely construction costs (MPI, UNDP, PAC, 2003).

**Some rural infrastructure projects were found to have flat rates of community contribution of 10% without any regard of the type, size and nature of the scheme.** In places where investment ownership is with district or province, people were generally unhappy with requirement of 10% contribution. The situation is further complicated by lack of consultation with the beneficiaries about type, amount and timing of contributions, especially during the design phase, and suspicion among beneficiaries about the fairness of the approach (MPI, UNDP, PAC, 2003).

**Various studies<sup>3</sup> underline the fact that the system of calculating contributions and fees is often confusing and non-transparent.** There is concern and confusion among farmers about the range of fees and contributions they are required to pay. These fees and contributions are authorised largely at the local level and are distinct from the nationally-mandated taxes, which by contrast seem to cause little confusion or anxiety. In the PER study (2000) respondents indicated that they were not clear how much they were paying for any specific contribution. The respondents indicated they were unable to verify their demand for payment or to question it. It was therefore difficult to assess how much households spend. PER figures (2000) indicate that poorer households may sometimes pay a greater proportion of their annual income in taxes, fees and contributions than wealthier families.

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<sup>3</sup> Oxfam GB & Ireland (1996); Nguyen Manh Huan (1998); Action Aid Vietnam (2000); PER (2000).

Studies by WB, MOF, ActionAid (see PER 2000) show that:

- a) **there is a range of ways in which local authorities calculate the fees and contributions** (e.g. per worker, per woman, per pupil, per sao<sup>4</sup>, per household, par capita);
- b) **there is a considerable variation on the number, level, and calculation of different fees between the communes:** these variations arise because each level of administration is taking the instructions of the level above and adding to them. So the range of fees and contribution charges reflects a series of decisions, and ordinances issues by the various levels of Government.

**Interviewees in the PER study did not reject all fees and contributions as unfair where they were linked with the provision of services** (“good value for money”). School fees were the same in all communes and followed central guidelines. But there were additional education-related contributions that were regarded as particularly burdensome. Other unpopular fees were:

- irrigation fees; these were considered high as they were not related to the amount of water they were able to use;
- agricultural extension fee; also considered too high for the services they got.

**Communities are willing to contribute if there is an incentive for doing so.** One obvious incentive is control over construction process and finances (supervision). Another incentive is to hand over estimated costs to the beneficiary group, with an understanding that any savings after the completion of the scheme would belong to the beneficiaries. Savings could then be used for any other common need. Often these incentives are not made available to the beneficiaries (MPI, UNDP, PAC 2003). For instance, where investment ownership has been transferred to the grassroots (villages/communes), people were found to be very enthusiastic and willing to contribute to the scheme fund (e.g. Programmes 135 in Tuyen Quang).

### **Insufficient information, coordination & monitoring**

**Most households in the Public Expenditure study (2000) had no knowledge of the commune budgets (PER 2000).** The government decision No 29/1998/ND-CP (the “Grassroots Democracy Decree”) requires commune officials to publish their budgets and actual expenditures. There was little evidence that this was taking place. Commune officials usually have detailed information that households generally do not receive at this level of detail. Calculating the total payment due from any household is a complicated, obscure and error-prone process. It means that only 1-2 people in each commune would be aware of what the full range of charges is and how they are calculated. The total bill for any individual household will depend on: province, district, commune, number of people in the household, no. of pupils in the household, no. of women in the household, how much the household has; eligibility for full or partial exemption. However, guidelines for exemptions are not always clear (PER 2000).

Furthermore, local officials may try to simplify the demand for payments in the belief that households will not understand a detailed breakdown of charges. This may be so, but consolidating several different charges relating to different services does not lead to greater clarity either. Also, local officials themselves might have difficulty understanding the systems of levying charges (PER 2000).

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<sup>4</sup> 1 sao is equal to 360 sqm.

**The combination of lack of information about commune-level expenditures and lack of transparency in calculating contributions creates confusion.** Moreover, the absence of a clear mechanism to address these grievances may intensify the situation (Mattner 2004, PER 2000).

**There is a lack of coordination in cases where communes had to implement many projects from various sources at the same time.** No evidence was found for any coordination between the projects nor was there consultation with the beneficiaries about appropriate timing, whereas the concerned contractors complained about lack of labour contributions (Shanks et al. 2003).

**A further problem is uncontrolled corruption and misuse, as local officials supplement their meagre incomes by bending the rules for those who are able to pay.** Along with other instances of administrative misconduct, there are numerous reports of the illegal sale of state land by local cadres attempting to enrich themselves or their families. This has the most detrimental impact on the poor, who cannot afford to pay to protect their interests.

**At the same time, central government has generally been unable to monitor local officials and enforce their adherence to the established rules and regulations.** Violations of laws and procedures have often gone without consequences (Mattner, 2004, Shanks et al, 2003).

### **2.1.2 Community participation**

Problems regarding the lack of decision-making by rural communities in rural transport projects relate to basically **administrative, contribution and funding issues.** Administrative issues concern the uneven implementation of Decree 29 across the country, the partial involvement of rural communities in rural projects, the lack of qualifications of local officials, particular administrative and practical challenges in certain regions, and corruption (see section 2.1.1 and the paragraphs below).

Secondly, participation is often interpreted as the level of contribution by rural communities and local officials: “the more one contributes, the more one participates.” Local people are often asked for (standard) contributions in the form of voluntary (i.e. unpaid) labour, materials or cash. The level of contribution is, however, not always linked to the capacity of local people to pay. In addition, they have little knowledge of and control over the way their contributions are spent.

Thirdly, as often local government processes lack the resources to facilitate participatory decision-making, funding from donors for public consultation mechanism and training of local officials is essential and can have a positive impact on participatory decision-making, according to various studies.

The next paragraphs discuss each of these three areas in greater detail.

### **Administrative issues**

**Most available evidence suggests wide disparities in the implementation of Decree 29 across the country.** Unclear administrative responsibilities and the insufficient transfer of decision-making powers to commune people's councils complicate the implementation process. In a study on World Bank CBRIP, the poor flows of information to local levels regarding the new laws was due to the low capacity of commune authorities in Decree implementation, which means that it is yet to be fully realised (Oxfam Hong Kong consultants 2000). Particular challenges have been reported from the northern and central highland regions, where poverty remains a serious problem and Decree 29 generally appears to be barely implemented. **The poor implementation of Decree 29 is not only due to "administrative foot dragging," but is also reflects practical difficulties.** In remote and sparsely populated rural areas, regular dissemination of information or the facilitation of direct participation presents a significant challenge. As people residing in rural areas tend to suffer from particularly low standards of living, local people here may find it hard to participate actively in decision-making processes (Mattner, 2004).

**The lack of clear and simple guidelines for local people to understand participatory approaches and the lack of capacity in participatory planning and management approaches of district and commune officials** limit a smooth participatory decision-making process at commune level. In some cases, poor communes have to implement different decision-making procedures from different projects in one location, which obviously leads to confusion.

**Consultation with local people and user groups is often regarded as a one-off event at the selection stage** (Shanks, A, Bui Dinh Toai, et al., 2003). Ideally, the local user groups and other stakeholders should participate in all stages of the management process from planning through to implementation and operation and maintenance (MOT Strategy Study, 2000).

**Local governments are often unable to provide adequate services and facilities in return for tax payments** and compulsory labour or financial contributions to infrastructure projects. To some extent, this is due to the inefficient organization of the administrative apparatus and the way in which local officials are frequently lacking the qualifications necessary for their position.

**While the status of local representatives of state authority demands adherence to official policies and impartiality, they are also members of local society.** As such, they are usually expected to nurture personal relationships and to enforce state policies in a selective manner, particularly in rural areas. The central government has unfortunately not been able to control the local authorities in a more coherent manner (Mattner 2004).

### **Contribution issues**

**Participation in rural infrastructure in general is promoted primarily through standard requirements for community contributions,** in the form of voluntary (unpaid) labour, provision of materials and financial inputs, amounting to between 5-20% of the total scheme costs that are often applied uniformly to all types of schemes (Shanks, A, Bui Dinh Toai, et al., 2003). This is obviously not the same as participation.

**The PER found that contributions were not strongly linked to the ability to pay.** In terms of overall payments (contributions, fees, taxes) by the public, the Public Expenditure Review 2000

found that poorer households may sometimes be paying a greater proportion of their annual income in taxes, fees and contributions than wealthier families. However, it was difficult to gather information on exactly how much households spent in taxes, fees, and contributions as many households were unable to break down their payments in this way. Finding a way to more directly connect earning potential and these contribution payments could in future lighten the burden on the poor.

**The rationale for voluntary community contributions is to increase local ownership of schemes.** Introducing cost recovery and user fee mechanisms has the equally valid but longer-term objective of moving towards more sustainable systems of service delivery. However, in practice, these objectives can be difficult to manage in a transparent and effective way. For instance, it is often difficult for commune staff to explain to local people what the terms and conditions of the system are and many programmes face implementation difficulties over these issues (Shanks, A, Bui Dinh Toai, et al. 2003).

### **Funding issues**

**Development agencies and donors tend to underline the way in which Decree 29 has strengthened participatory measures in development programmes.** Positive assessments of the implementation process of Decree 29 generally point to improvements in planning processes and their developmental benefits to local residents. For instance, some positive developments were reported from the Vietnam–Sweden Mountain Rural Development Programme in Phu Tho and the Participatory Irrigation Management Initiative in Dak Lak supported by Denmark. In both cases, donors provided funding for public consultation mechanisms and the training of local officials, in order to facilitate participatory decision-making. It appears that the management of local resources in those areas has been considerably improved, although it is unclear how sustainable the structures would be once donors withdraw their support (Mattner, 2004).

**Due to the scarcity of available resources at the local level and the absence of donor funding, participation easily becomes a simple formal requirement.** Local officials themselves often appear to be badly informed about the provisions of Decree 29, and only inform residents after key decisions have already been taken. Moreover, particularly in remote rural areas, the officials charged with implementing transparency and participation often have a vested interest in the continuation of the status quo (Mattner, 2004).

Other community participation issues from the experience of WB CBRIP are the **lack of qualified social mobilization staff and uniform participatory process.** (Oxfam HK 2000 and DARD, MPT 2003). Different projects and programs are using different processes. Participation remains superficial in identification of needs and scheme implementation. The poorest groups have difficulty articulating their needs and priorities. Also, **weakness of participatory monitoring and back stopping** is found in both donor and government projects. Commune-level supervision Board has low capacity due to the lack of training and is given limited power (Vietnam Development Report 2004).

## **2.2 Summary of rural transport issues based on interviews in Hanoi**

The research team interviewed fourteen representatives from seven government, donor and non-governmental organisations in Hanoi: MOT, Oxfam GB and Oxfam HK, PMU5, PMU18, TDSI, WB, and WSP (Appendix 1 provides a list of names). The following sections present the range of opinions of the interviewed people on participation and contribution issues in RT.

### **2.2.1 Opinions on community contributions**

It is remarkable that the opinions on contributions to rural transport vary so much, from “a heavy burden on the poor” to “not really an issue of consequence to the poor.” The following list of opinions on contributions was recorded and is further explained below:

- A. “contribution is an extra burden for the poor”
- B. “community mobilisation is rather difficult as people are too poor to contribute”
- C. “the poor are willing to contribute if only they could”
- D. “the very poor people can always provide labour”

#### **A. Extra burden for the poor**

One respondent said that the mechanisms for contribution are unfair: rich people can contribute by money, or in kind but poor people have no choice but to contribute by workday. As poor people cannot pay the taxes they are expected to contribute (compulsory) labour for routine maintenance of roads. This is the dark side of community participation. It is an extra burden for the poor. Ethnic minorities normally get exemption from contribution, but the exemption mechanisms are not clear. It is the Department of Planning and Investment that is in charge of contributions but the rural communities never know how contributions are being used.

Oxfam said it funded 90% of construction cost in their schemes; the rest was covered by contributions. Contributions varied with the type of infrastructure project: it was about 3-5% for roads. The contribution level also varied with different income groups (poor and better-off households). It was observed that contribution was still significant for poor people especially in places where multiple schemes were implemented.

#### **B. Community mobilisation is rather difficult as people are too poor to contribute**

One government representative stated that community contributions are regulated with voluntary working days. He mentioned that there are no specific regulations on contribution allocations for rural transport. Presently, there are about 200 communes without rural roads. Community contribution mobilisation has proved to be rather difficult in these places as people are too poor to contribute. He indicated that TDSI therefore suggested dividing Vietnam into 6 different social-economic areas so that the Government could have different support policies for each area. However, this suggestion has not yet been approved by the government.



### C. The poor are willing to contribute if only they could

Communities have good knowledge on contribution and are willing to contribute but in some areas the people are too poor to contribute. Commune expenditure seems transparent; people know how much they contribute and how much is spent. There is no evidence of corruption. The chairman of district's people's committee decides on contributions so the system of contribution varies per district. He also mentioned that MOLISA has indicated that each labourer has to contribute 10 working days for rural construction (school, roads, irrigation, etc.). The local government authorities can divide these labour contributions over various rural infrastructure projects.

TDSI on behalf of MOT has proposed a regional allocation of rural transport investment to the GOV, whereby GOV investment allocations would differ per region (see Table 2.1 below).

**Table 2.1: Proposed GOV investment rates for rural transport per region**

Type of region	Proposed new government investment rate
mountainous regions	80%
highland regions	60%
flat regions	40%

Source: SEACAP 15 interview with TDSI, 2004.

### D. The very poor people can always provide labour

One government representative mentioned that people should contribute so that they feel they are the investors not the receivers. Even very poor people are always able to provide labour. He, however, was not aware of fixed contribution rates. Normally, he indicated that donor organisations fund 90-95% of construction costs, the rest is counterpart funds. He also said that local people contribute in good supervision of construction work.

## 2.2.2 Opinions on community participation

Most interviewees basically agreed that the implementation of participatory planning approaches has not been up to standard in the rural transport sub-sector in general, and to the RT2 project in particular. Table 2.2 presents a comprehensive overview of the reasons given by the interviewees (this is not in any specific order of importance). Some blamed the limited technical knowledge on matters related to road construction and limited management skills and limited financial capacity of the local people (i.e. too poor, therefore unable to care). Yet others emphasised the lack of capacity of government authorities, lack of donor interest or unworkable project procedures.

One respondent had the opinion that rural communities could participate satisfactorily through meetings at the commune level as "local people are open and free to discuss issues at commune meetings."

**Table 2.2: Reasons for poor community participation in rural transport**

Reasons given by resource persons in Hanoi for poor participation
A. RT2 project mechanisms for participation are unrealistic
B. There is no monitoring of community participation processes in RT2
C. Local people have little knowledge of technical and management issues of rural transport
D. Donors are not serious about community participation in rural transport
E. The Vietnamese government does not have specific regulations on community participation in rural transport
F. The institutional structure and capacity have a negative effect on community participation in rural transport

Source: SEACAP 15 interviews with resource persons in Hanoi.

The approach to community participation in RT2 is not similar to the approach of community driven development (CDD) projects, according to one interviewee. CDD projects follow a development process that starts from the bottom (i.e. communes) and decisions are taken about rural infrastructure investment priorities (roads, school, clinics, etc.) by the communes. The RT2 project has to find a way whereby the channels of decision-making from the top (CPMU/MOT) to the province level (PPMU/PDOT) connect with the decision-making channels from the bottom, i.e. commune to the district level (DPC/DDOT). The challenge is to effectively combine the top-down and bottom-up channels. In addition, the involvement of rural communities applies to the whole rural network but the degree of involvement will differ per type of road (i.e. provincial, district, commune, village roads).

Another respondent commented that the rural road definition should be based on the management responsibility, i.e. the roads under district management are district roads; the ones under commune management are commune roads and so on. Rural transport should focus on three levels of road: district roads, commune roads, and village roads. In many places, people think that they are responsible for village roads because RT2 has only dealt with the commune roads.

Each of the reasons mentioned in Table 2.1 are further elaborated below with excerpts from the interviews.

**A. Project mechanisms for participation are unrealistic**

Project procedures as stipulated in the RT2 project documents are not realistic to fully implement them. “The project appraisal documents and project operational manual are perhaps too complicated, have too many procedures to be applied to make participatory planning and management happen. There is a need to review these procedures in order to provide recommendations what should or should not be done in RT3.”

*“PDOT use some parts of the operational manual but it is basically a checklist for consultations. It is just ticking the boxes and in some places the results are all the same. Even if these checklists are completed properly, they are not used. There is no incentive to use them.”*

### **B. Local people have little knowledge of technical and management issues**

Participation is limited due to local people's limited capacities. Government officials stated in separate interviews that participation is important but that the local people cannot participate effectively due to their limited technical knowledge and management capacity. "They (local people) need guidance from the districts. The commune authorities together with the district authorities decide on the selection of the roads." Main responsibility for selecting the roads, however, lies with the districts, not the communes. "The districts prepare lists of criteria on where to build the road."

It was further mentioned that "participation in mountainous areas is more difficult as local people are less willing to participate in the meetings even if they are paid some money for that. Ethnic minorities in mountains are often too poor to care about building the road and primarily need financial support."

### **C. Donors are not serious about participation**

One interviewee was rather outspoken on the issue of participation and said that basically "participation has not happened in RT2". Information from local communities has not been used, resulting in waste of time, and participation has not been effectively implemented in any way. "Local people like to participate in decision making, but there are no clear mechanisms for this. Donors are not serious about participation as there is no check if this process is well implemented. WB is interested in the disbursement of funds and DFID is interested in contribution, not in participation".

It was further stated that communities are not really given a chance to participate. Sometimes communities only hear about the roads when they start building the roads. Compensation practices and experiences from the field show that compensation is not taking place as it should<sup>5</sup>. The project (RT2) does not consider the impact roads have on livelihoods of people. Nor do they use people's local knowledge about the environment and hydrology, resulting in poor designs and flooding of roads.

For RT3, the provinces have asked their communes to prepare local transport plans ("wish lists") in order to receive funding. The communes send these plans to the province and the province then prioritises the commune transport plans. However, some provinces make up their own "rule of thumb" e.g. supporting two poor communes against one rich commune so as to prevent political unrest."

Another interviewee indicated that even when information is distributed adequately, as is the case with the WB, it seems to attract only particular segments of the rural community. The WB distributes guidelines on environment and resettlement through organising workshops. The local people willing to participate are the ones affected by the project. They come to the consultations as they need to solve resettlement and compensation issues with the project. The only other groups with a clear interest in participation are private enterprises who want to bid

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<sup>5</sup> Interestingly, in another interview with a representative from a donor organisation the opposite was claimed: "resettlement compensation by GoV seems to work better than WB guidelines."

for construction works and local government and mass organisations e.g. Veterans' Associations, Fatherland Front, and Farmers' Union."

#### **D. No specific regulations on community participation**

The Vietnamese government does not have specific regulations on community participation for the rural transport sub-sector. "Policies and strategies still follow the regulations from the Grassroots' Democracy Decree. This decree is implemented differently in different provinces. In order to ensure full participation of the community, it is required to implement a policy of equality. However, it is very difficult to determine equality criteria as it depends on so many factors."

#### **E. Institutional structure and capacity affect the participation process**

The following excerpts from various interviews illustrate the importance of institutional and political factors.

"Important for success is the support of the government authorities such as district and province authorities as well as the Provincial Department of Planning and Investment. They need to understand the significance of community participation."

The political structure is very important and affects the participation process. "Some provinces have such a strong voice in meetings that people do not dare or want to speak out. From an institutional perspective, the district level is weak. In many meetings, cadres from central level attend for talking not for listening to the people from the districts. The district level is overworked and has limited capacity."

"PDOT does not really have the capacity to deal with participation issues. They have technical capacity. The political structure is more supportive to participatory decision-making processes."

"The district could play a pivotal role in overseeing RT2 developments in the district and be a strategic link in RT planning between the province and the communes. We should focus more on district roads."

"The research team (SEACAP 15) should also study the institutional aspect of commune participation. If there is a transport unit at the local level, the transport network is better managed and monitored than a unit with a general responsibility."

"Involving communes is sometimes difficult as political factors play a role and project targets need to be achieved. There have -however- been good results with the participation of communes in maintenance."

#### **F. No monitoring of community participation in RT2**

"There should be community participation in the design phase. In RT2, PMU18 signed a contract directly with the Design Consultants without monitoring and supervising the process of community participation."

“Consultation of local people was only in road alignment, not in hydrological and flooding conditions in design stage in RT2. PMU18 has focused mostly on the technical side, not on the consultation processes with the local people. There is a social unit in PMU18 that assigns people who work in the field but they have not been available.”

**G. Commune authorities change every five years**

“Recently, the RT2 project trained more than 7000 staff from communes that are beneficiaries of the project in order to improve participation capacity of the rural communities in maintenance. However, it is difficult to keep up the capacity as commune staff changes every five years.”

### 3. Community contributions: experiences from two provinces

#### 3.1 Introduction

In this chapter we focus on local people's contributions to rural transport. We discuss this topic for each province in separate sections. In this manner, we hope to provide a deeper understanding of the specific contribution issues in each province. Obviously, each province has its own context, its own specific topographic characteristics (e.g. mountains versus plains), socio-economic conditions (e.g. poverty, lack of resources) and political strategies to cope with the development challenges (e.g. provincial decisions). These contextual factors have shaped the system of contributions for each province.



Picture 3.1: Buong village (Phu Tho)

Regarding provincial decisions, each province issues its own decisions on local contributions to rural transport, in the form of labour, cash and materials<sup>6</sup>. Provincial decisions reflect to a certain degree the provincial situation in terms of resources available for rural transport. Because of certain limited resources, each province tries in its own specific way its best to implement the policy of “the government and local people building roads together”. For instance in Vinh Long province, the government and local people share the costs for making concrete slab village roads. Depending on the poverty rate and ethnicity of the commune, local people pay between 50 to 70% of the total scheme costs. The other share is paid from the provincial budget. The government in Phu Tho province, on the other hand, provides cement and “macadam” (stone waste) free of charge for rehabilitating village roads. The remaining investments, labour, cash, and materials (sand and gravel) have to be provided by local people.

Another important factor is the poverty situation on the ground in each province<sup>7</sup>. The impact of poverty is visibly more distressing in the elevated areas of Phu Tho Province. People interviewed in one of our research sites in Phu Tho province, mountainous Buong village, said they go hungry for two to three months a year. During this period they search for food in the forest. Living in thatched, non- insulated houses at higher altitudes, without electricity and scarce resources, they also face the hardship of cold winters.

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<sup>6</sup> Vinh Long has provincial decree no. 585 that demands a donation on rural transport from all households in the province. Phu Tho has provincial decision no. 274 that encourages cementing of rural roads.

<sup>7</sup> Phu To (in 2002): general poverty: 42%; food poverty: 17%; which is typically for the North East Region where general poverty is 38%; food poverty is 15% (in 2002); Vinh Long (in 2002) general poverty: 25%; food poverty: 4%; typical for the Mekong Delta where general poverty is 23%; food poverty is 7% (in 2002)

The population density in Phu Tho province is lower than in Vinh Long province. Even though all people have access to land in Phu Tho (in contrast to Vinh Long), there are two crops per year (compared to three in Vinh Long) and the yields are significantly lower due to poor soil conditions and unfavourable terrain. In addition, people in higher regions live in more isolated condition compared to people residing in the plains.

Local people build village roads in their free time. Compared to people residing in the Mekong Delta, people in higher regions appear to have less free time. As mentioned above, during two to three months a year people need to look for food in the forest.

Building a road in the mountainous region of Phu Tho province is visibly a challenge. In addition, even though road construction materials are locally available, maintaining roads may prove to be a bigger challenge due to erosion. Rehabilitated gravel roads in the Mekong plains of Vinh Long province, also experience erosion, yet less so, and they have been rather successful in keeping floods at bay.

**Table 3.1: Type and amount of annual contributions in Vinh Long**

Type of contribution/year	Amount	Remarks
Tax on house	11 kg paddy per house	
Annual land use tax for paddy fields	8kg/1000m <sup>2</sup>	Exempted for Khmer hhs since 2002
Annual land use tax for fruit trees	8kg/1000m <sup>2</sup>	Exempted for Khmer hhs since 2002
Irrigation fee	8 kg/1000m <sup>2</sup>	
Rural transport development fee	8 kg/1000m <sup>2</sup>	Exempted for poor hhs without land
Contribution for concrete slab village road	VND200.000 /1000m <sup>2</sup> -400.000	Exempted for poor hhs without land
Compulsory labour per person per household (MOLISA)	10 days or VND 80.000	Exempted for: Khmer hhs since 2002; pregnant/breastfeeding women
Voluntary labour contributions	Flexible; rural roads (site clearance, maintenance)	
School/education	Variable: VND 400.000 (amount is indicative)	This fee depends on the number of children per household that go to school and their level of schooling
Storm/flood prevention/support to flood victims	VND 10.000/year	
National security fee	VND 24.000/ year/ household	
Membership fees of mass organisations	VND 6000/person	
Charity funds for the poor, war victims, Agent Orange victims	Flexible	

Source: SEACAP 15 field research in Vinh Long province (2004)

Both provinces require compulsory contributions in the form of labour (MOLISA regulation). Thirty percent of all workdays donated are allocated to district development activities and

seventy percent to the commune development activities. Part of these contributions is used for rural transport activities. Households consisting of one member only and poor households are exempted. The MOLISA compulsory labour contribution applies to each man between the age of 18-45 years and each woman between the age of 18-35 years. They have to donate ten workdays or pay the equivalent amount in Vietnam Dong (VND 80.000 in Vinh Long; VND 30.000 in Phu Tho) on an annual basis.

**Table 3.2: Type and amount of annual contributions in Phu Tho**

Type of contribution	Amount	Remarks
Tax on house	8 kg paddy per house	
Irrigation fee	2.2 kg/sao	
Land use tax on gardens	4 kg/sao	
Contribution for cemented village road	VND 40.000 VND/head	Each head in the family counts
Compulsory labour per person per household (MOLISA)	10 days or VND 30.000 or 30 kg paddy	For rural development activities
Social labour	5 workdays or VND 15.000 or 8 kg paddy	Socio-cultural activities
School/education	VND 20-30.000 per pupil (amount is indicative)	
National security fee	VND 10.000/ year/ household	
Storm/flood prevention/support to flood victims	VND 5.000/year	
Health fund	2 kg paddy/ household	
Membership fees of mass organisations	VND 6000/person	
Fee for the poor	2 kg paddy/ household	Poor people wonder why they have to pay this fee.
Charity funds for the poor, war victims, Agent Orange victims	Flexible	
Voluntary labour contributions	Flexible; rural roads (site clearance, maintenance)	

Source: SEACAP 15 field research in Phu Tho province (2004)

Given the average low incomes of the people we interviewed, the range and total amount of contributions local people have to pay are significant (see Tables 3.1 and 3.2). Particularly contributions to rural transport development and investment (2-wheel village roads), education, and irrigation are significant (see Tables 3.1 and 3.2).

In Vinh Long province, local people found particularly fees for rural transport development and irrigation most burdensome. People in Phu Tho province regarded the contributions to village roads and education fees among the highest.



Interestingly, a clear distinction can be made between contributions to 2-wheel village roads and contributions to so-called “motorable” roads. Motorable roads are the “big” roads that provide access to vehicles. These roads usually concern the commune and district roads. The “2-wheel” roads are defined as roads that provide access to motorbikes, bicycles, and animal carts. These roads are typically the intra- and inter-village roads (Table 3.3).



Picture 3.2: A motorable (RT2) road in Vinh Long province

**Table 3.3: Community contributions to motorable and 2-wheel roads**

Contributions to motorable roads	Contributions to 2-wheel roads
No investment (no cash) fee	Investment fee (cash, materials, labour)
Voluntary contribution if required (site clearance, land levelling, minor maintenance)	Labour contribution in maintenance
Compensation for lost assets depends on project, province, etc.	No compensation for lost assets
Sometimes paid labour opportunities in construction work (for both men and women)	Cash payment for village supervision board (Phu Tho)

Source: SEACAP 15 analysis

## 3.2 The system of contributions in Vinh Long province

### 3.2.1 Range of contributions in Vinh Long Province

**The area of paddy field is used as a basis for calculating different kind of contributions.** Paddy crops are the main source of income for people living in Vinh Long province. Government officials use the area of paddy field as a basis for calculating various fees and taxes for each individual household. Basically, the larger the size of a paddy field, the higher these fees and taxes. It is regarded as a fair and rational mechanism to let people pay according to their capacity. Naturally, people with large areas of paddy fields are not overenthusiastic about this system.

**People pay contributions for different types of roads.** Local people contribute relatively a large amount of money and labour to rural transport. The people interviewed in Vinh Long listed the following contributions for rural transport (Table 3.4):

- a) Annual rural transport development fee
- b) Voluntary (i.e. unpaid) labour contribution for motorable roads (roads accessible for cars)
- c) Labour (compulsory and unpaid) and cash contributions for 2-wheel roads. (This excludes construction work paid by the contractor.)
- d) Compulsory labour. This could be used for any of the items mentioned above.

**The annual rural transport development fee** is based on the area of paddy field or garden per household. This is stipulated by Provincial Decision 585 on rural transport donations. All households have to pay, including the poor. The annual rural transport fee equals 8kg of paddy rice per 1000m<sup>2</sup> of paddy land. The following applies for poor people:

- Poor people with paddy fields have to pay for the rural transport fee
- Poor people without paddy fields but who do have a garden (fruit trees) pay the rural transport fee. The fee is then based on the total area of garden and house
- Poor people without land are exempted



Picture 3.3: A concrete slab village road in Vinh Long province

**Labour contributions for motorable roads** usually concern the commune and district roads. In general, people in Vinh Long province donate **voluntary labour** for land levelling, site clearance and minor maintenance (clearing bushes, repairing small potholes). Some people end up donating land and trees; a few of them even their house, for the construction of the RT2 road.

There is also a **compulsory labour contribution**. Thirty percent of the workdays are allocated to district development activities and seventy percent to the commune development activities. Households consisting of one member only and poor households are exempted. Compulsory labour applies to each man between the age of 18-45 years and each woman between the age of 18-35 years. They have to donate ten workdays or pay an amount of VND 80.000 on an annual basis. **Women** who are pregnant or breastfeeding are not required to donate compulsory labour for rural transport.

**Table 3.4: Amount and type of contributions to rural transport in Vinh Long province**

Type	Amount	Number of workdays (per household)	Cash or paddy rice	Are poor people Exempted?	Remarks
Labour for earth road (2-wheel)		As required (flexible)		?	Village tracks
Labour and cash for concrete slab road (2-wheel)		As required	An investment (VND 200.000-400.000) per 1000m <sup>2</sup> of paddy land	Only those without land	No compensation policies; Government and people implement together
Labour for Motorable roads (RT2)		As required			No compensation policies
Annual rural transport fee		---	8 kg paddy rice per 1000m <sup>2</sup> paddy field	Only those without land	This is a provincial decision
Compulsory labour (annually)		10		Yes	MOLISA regulation

Source: SEACAP 15 analysis, based on interviews with households in Vinh Long province

**Cash and labour contributions for making concrete slab village roads (2-wheel).** These are paid mainly for the construction of concrete slab village roads and the maintenance of earth village roads. Contributions for making concrete slab village road are also based on the area of paddy land or the area of garden. Poor people having neither paddy land nor garden are not required to pay this contribution. But poor households with either paddy or garden land still have to donate. Each household pays a cash contribution that can range between approximately 200.000 to 400.000VND/1000m<sup>2</sup>. Some of the poor people have been unable to pay off this debt.

**Other contributions.** In addition to rural transport, local people pay various other taxes and fees related to land use (paddy land, fruit trees, house and irrigation) education costs, school construction, storm prevention, the fund for war victims, and the fund for the poor. The calculation of some of these taxes and fees is also linked with the area of cultivated land. For those who have no paddy field, the sum of garden and house area is used. Some fees are flexible (i.e. the funds). Each year people receive a notification to pay the annual fees (irrigation, rural transport, garden). They pay this money to the person in charge in the village who brings the money to the commune authorities. They sometimes hear at village meetings how this money is spent.

**Ethnic minorities.** Since 2002, poor Khmer families with paddy and/or garden land have been exempted from annual land use tax on paddy fields and fruit trees. The district gives 50% support to Khmer communities (compared to 30% for non-Khmer communities) for building 2-wheel roads.

**Box 3.1: Case study of Mr N. B. Q., unmarried, 33 years old (poor farmer)**

Mr Q. lives with his father, mother, sick brother (an Agent Orange victim of the war) and a younger sister who studies in Tam Binh district town. His family has a house with an area of 300m<sup>2</sup> and a garden with an area of 700 m<sup>2</sup> garden. They do not have paddy fields. He has to pay the following fees, taxes and contributions:

- **Rural transport fee:** 8 kg paddy rice/1000m<sup>2</sup>/year (according to provincial decision 585)
- **Irrigation fee:** 5 kg of paddy rice/1000m<sup>2</sup>/year
- **Land use tax for house:** 11 kg/1000m<sup>2</sup>/year
- **Investment donation for concrete slab road:** 390.000VND/1000m<sup>2</sup> (in four instalments over 2 years)

Apart from these fees, he still has to pay 2 kg of paddy rice for **storm prevention** and **school construction fees** (VND 400.000/year). His younger sister who goes to school in a district town needs to pay **accommodation fees** VND 100.000/month and VND 200.000 for **meals and extra lessons**.

With his garden, he earns VND 500.000/year. He also works for other people and earns VND 300.000/month.

He complained about the expensive contributions, especially for rural transport. They have to borrow money with high interest in order to pay for these costs.

Source: Interview with Mr Q, Vinh Long, SEACAP 15 field research

### 3.2.2 Impact of contributions on people's livelihoods in Vinh Long province

**Despite the wide range and high level of contributions, all people welcome the significant improvements roads bring.** All people seem to affirm the positive impact of rural roads in Vinh Long, including the RT2 road. The positive impact on people's lives is manifold. Roads have definitely been crucial in opening the door to development. People mention that children travel easily to school; sick people can be taken faster to the hospital. There is no longer need for people to travel by boats anymore. There is no more flooding in the area, trade and marketing have become much better; transport of goods is easy and so forth. The negative effects are relatively minor (dust and stones hitting people when a car passes by). People, however, do worry about

the sustainability of the RT2 gravel road as they see these roads degrade fairly rapidly.



Picture 3.4: The family of this house lost land to the RT2 road construction. They ended up living right by the roadside

**Some households have become more vulnerable.** We interviewed poor households whose lives actually have become more vulnerable as the RT2 road took an essential part of their assets away (land, garden or house). These people were not compensated for their losses. They were either not aware of the compensation guidelines or were simply told that there were no funds for compensation. In a few cases, the district provided some support to the most affected

households. Their increased vulnerability sometimes combined with other problems such as illness made them actually fall deeper into poverty (Box 3.2 and 3.3) and Appendix 6.

### **Box 3.2: No compensation for lost property**

Ms T.T. S., a widow, 50 years is very poor and has been ill for some time. She and her daughter had to move in with her sister's family who lives next-door as she lost her house and 500m<sup>2</sup> of land to the construction of the RT2 road. Now without a house, she has been unable to register her household. She does not possess a "Permanent Resident Household Registration" booklet<sup>8</sup>. She is trying to obtain a "Poverty Registration" booklet so that she can try to see a doctor.

Source: Interview by SEACAP 15 field research team, Vinh Long province.

**A call for the cancellation of the rural transport development fee.** People consider the annual fees for rural transport development and irrigation as the most burdensome contributions. As indicated earlier, the irrigation and transport fees are both calculated on the basis of paddy crop area. The problem is that these fees are fixed whereas paddy crop and prices vary each year. In the event of a poor harvest, people still have to pay the same amount of taxes. In addition, as one village leader said "people already pay the investment fees for village roads and simply do not have enough money to pay for all costs related to rural transport". Therefore, they have sent a proposal, requesting the cancellation of the rural transport development fee to the Provincial People's Council in Vinh Long (which they hope will be considered in the next meeting of the PPC).

**Some people have been unable to pay the village investment fees.** The situation is even more difficult for those poor households (an estimated 20-30% per village<sup>9</sup>) who are unable to pay the investment costs for the village roads. People are given the option to pay this contribution in instalments over a period of two years. Even so, some poor households have still been unable to pay off this debt.

**People with road village investment debts are unable to obtain loans.** Those households unable to pay the contributions for the rehabilitated (concrete slab) village roads have difficulty obtaining a loan from the bank. The CPC chairman refuses to sign and stamp the loan application forms of these households. This means that they cannot get a loan from the bank to buy a cow or a pig. They are left with no other choice than to borrow money against high interest from money lenders. They use this money to pay off their debt for the road investment (Hoa Hiep commune).

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<sup>8</sup> Households who have no "Permanent Resident Household Registration" booklet face many administrative difficulties. It is also very difficult for them to obtain necessary certificates and their children are not officially accepted at public schools (Public Administration reform Newsletter, July 2004).

<sup>9</sup> Based on interviews with village leaders in Loan My and Hoa Hiep commune.

### **Box 3.3: Some support for lost property**

We talked to a poor Khmer couple with three children in their thatched house in Loan My commune (Vinh Long Province). They used to be an average household with 6000m<sup>2</sup> of paddy field. When the RT2 road was made in 2001, they had to donate 1000m<sup>2</sup> of paddy rice field. Also, a total of 20 coconut and orange trees was removed. The house was moved several times and now stands directly on the roadside (see picture 3.4). They received some support, not compensation, in the form of VND 960.000.

The couple said that living on the roadside has not been easy. It is difficult to keep dogs and ducks. It is also dusty when a car passes and stones hit and dust enters the house (which we could confirm when a car sped by).

They have become a poor family as both of them fell ill and had to sell the remaining land to pay for the hospital. They see, however, the benefits of the road: their children can go more easily to school and flooding of the area has stopped. They also mentioned that since two years, they have been exempted from compulsory labour. Earlier, they had to contribute 10 labour days per household per year (which equals VND 80.000).

Source: interview by SEACAP 15 field research team, Vinh Long province

## **3.3 The system of contributions in Phu Tho Province**

### **3.3.1 Range of contributions in Phu Tho Province**

Unlike Vinh Long, Phu Tho provincial government does not levy a standard rural transport fee. This is not surprising given the higher poverty figures of Phu Tho province. According to the head of the District Planning and Finance Division, Thang Son district is the second poorest district in Vietnam, in terms of number of poor communes<sup>10</sup>. The district receives development aid from the government Programme 135 and a number of external donors (WB, JBIC, and ADB).

As expected, the system of contributions here also varies per type of road. In Tat Thang commune, there are three types of roads:

- a) an RT1 gravel road (seriously degraded in some places
- b) cemented village roads (for 2-wheel traffic), and
- c) earth roads (2-wheel) and earth foot paths

Vinh Tien commune, situated at a higher altitude, has the same kind of roads, except for the cemented village roads. The provincial and district authorities stated that the elevated areas do not really allow for cemented village roads. The costs would become too high (four times higher than in flat or moderately sloped areas).

**Local people in poor communes in the elevated regions of Phu Tho have no financial capacity to invest in village roads.** The road construction activities that are taking place are financed by the government and various other donor programmes. Local people are not required to contribute either in unpaid labour, cash or materials. But they can earn a temporary income by working as a construction labourer. For instance, village roads have not been upgraded in Vinh Tien commune due to lack of local labour and cash. However, local people work voluntarily in site clearance and

<sup>10</sup> Sixty two percent of the communes in Thang Son district are poor. The average income is VND 3 million per head per year. The average income of a poor household is VND 1.5 million per year.

maintenance of practically all roads passing their locality (Table 3.3). There is also the MOLISA compulsory labour regulation which is partly used for the maintenance of roads passing the commune.

**Local people in poor communes in the lower regions invest in cementing village roads.** Local people donate cash, workdays and construction materials (sand, gravel). The province provides the cement. However, it should be noted that providing the materials also involves a considerable amount of labour and cash contributions. People actually need to dig up the sand and gravel near a stream and bring the materials to the roadside. People unable to dig up and transport the materials need to hire labour and transport as well.

**Box 3.4: Building a cemented village road in Tat Thang commune**

Tat Thang commune has two kilometres of cemented village road that is accessible for 2-wheel motor vehicles and animal carts. This road was built in collaboration with the province. The province provided the cement free of charge. Local people donated cash, workdays and construction materials (sand, gravel).

However, providing the materials also involved a considerable amount of labour and cash contributions. People told us they first have to get the gravel and sand from the stream and then put the materials in heaps on marked spots along the roadside. People unable to dig up the materials themselves need to hire labour (VND 45.000/ m<sup>3</sup>). It takes about 3-4 days to collect the required amount of materials per head. Those without an animal cart pay a total transportation fee of about VND 20.000/m<sup>3</sup>.

The road was constructed in a period of 30 workdays. Each household (with around 2-3 labourers) had to donate a similar amount of workdays. In addition, people paid cash contributions of VND 18.000 per head (to hire the mortar mixer and roller and a one-time contribution of VND 40.000/head to pay for the daily allowance of the village supervision team. Households with large family sizes therefore had to pay considerably more.

Source: SEACAP 15 field research in Phu Tho province (2004)

**Cash contributions for village road projects are calculated per person.** Local people pay cash contributions per person (including children, old people) to hire the equipment (mortar mixer and roller) and to pay for the daily allowance of the village supervision team. This means that households with larger family sizes pay relatively more. In addition to that, each household has to donate workdays.

**Other contributions.** Apart from compulsory and voluntary labour contributions in rural transport, people contribute to: irrigation, tax (house) education and school building, national security, funds (for the poor, Agent Orange victims), membership fees of mass organisations, flood prevention and social labour. The school and education fees are the most expensive and poor people struggle to pay these. Again, households with poverty booklets are not exempted.

**With respect to 2-wheel village roads, poor people are not exempted from contributions as they also use the village roads.** They are, however, allowed to contribute more in workdays. Similarly, people with good incomes are allowed to contribute more in cash.

**There are no separate procedures for different ethnic groups.** The majority of people are either Dzaio or Muong, the rest are Kinh people. Ethnic groups seem to collaborate well with each other. No reference was made to problems related to disadvantaged ethnic groups during our fieldwork.

**Women from female headed households have difficulty with heavy roadwork.** Nonetheless, they can exchange heavy tasks for lighter agricultural tasks with male members of the village. Female headed households said they found it difficult to contribute to rural transport contributions but somehow they managed to overcome these difficulties.

**Table 3.5: Kind of contributions per type of road: the example of Tat Thang commune**

Kind of contributions Per type of road	Labour (workdays per household)	Materials	Cash (Amount per head) <sup>11</sup>	Are poor people exempted?	Remarks
Cemented village road	About 30 per household for 2 km	Sand, gravel  (worth VND about 47.000)	VND 18.000 per head to pay for mortar mixer and roller VND 40.000/head to pay for village supervision team	No	Government provides all cement free of charge No compensation for land as people pay themselves
RT1 gravel road	As required for minor maintenance	--	--	--	Seriously eroded in some places
Earth roads	As required	--	--	--	These roads are in a bad condition

Source: SEACAP15 analysis, based on interviews in Tat Thang commune, Phu Tho province.

### 3.3.2 Impact of contributions on people's livelihoods in Phu Tho province

**The need for roads generally outweighs the burden of contributions to rural transport.** People underline the importance of roads to local economic growth and improved livelihood. Poor people express the hope it will reduce the hunger period. At the same time, people worry about the rapid degradation of the roads. Due to limited resources for maintenance, people are afraid that the benefits of roads may not last.

**Some poor are unable to pay off their debts to village road projects.** An estimated twenty to thirty percent of households in the villages with recently cemented village roads have difficulty

<sup>11</sup> Head applies to all members of the beneficiary community, including children.



paying the contributions. The majority of these households are poor. They eventually have to borrow money against high interest in order to pay their debt.

**Local knowledge on road projects has increased.** Local people who participated in cementing the village road stated that their knowledge on road construction has increased. They take responsibility to maintain the road. Their self-confidence has grown and they claim they have done a much better job than most contractors could ever do.

**The rehabilitation of village roads depends on the participation of all households in the locality.** All people are keen to upgrade (cement) their village roads which they rank as the most important roads in their locality. However, due to high construction costs, a number of poor households decline to participate in the road rehabilitation scheme. This means that village road rehabilitation plans are halted for an indefinite period. Poor people are willing to contribute (more) in workdays but contributions in cash are extremely difficult for them to pay.

**Inappropriate compensation has changed livelihoods.** Some poor households lost all their paddy land to the construction of a (WB financed) commune road. They were satisfactorily compensated in cash (as decided by the district). However, the compensation guidelines mention that people who lose more than half their paddy fields should be allocated a new paddy field. This did not happen and these people currently have to borrow land from relatives and work for other people.

“My family lost more than 600 sqm of cultivated area. I want to be compensated by land, but there is no reserve land for us according to the commune. I get only more than VND 600,000 for compensation. Since that day, we are even more hungry than before and I have to work for other household for money. I recommend that there should be appropriate compensation for taking land for road, particularly poor household should be compensated with other land for their production. (Interview with a women in Buong village Vinh Tien, Phu Tho)

**The province is unable to reduce burden of contributions.** The province authorities understand that local people, particularly the poor, contribute too much. Yet, with the present limited level of support, the provinces are unable to change contribution procedures. Commune authorities, not province authorities, decide whether the poor are exempted or not for certain contributions.

### 3.4 Comparison with other provinces in community contribution

The similarity of community participation in the two provinces and other provinces found in some current studies is that the contribution is limited in motorable roads. And the reason for it is the lack of contribution mechanism.

Studies in community contribution in Lam Dong, Kontum, Dong Nai, Binh Phuoc and Daknong show that they have regulation in contribution of 10% and apply a good contribution mechanism. The household beside the road contribute more, the poor households can contribute labor instead of cash. Some beneficiary households can

contribute land and other assets. (Halcrow, 2003). CBRIP also have regulation in community contribution of 10%. Community contribute labour in road shaping and at the side of construction (Oxfam GB, 2004).

The level of community contribution is also different between provinces and projects. Program 135 in Tuyen Quang, Ha Giang and Quang Binh encouraged community participation in giving supervision to the community. The poor contribution from community in rural transport was blamed to the lack of encouraging methods (Rab Nawaz, Doan Diem and Do Huu Thanh 2003). A method is to empower the community in supervising the construction process and finance which puts beneficiaries in the centre of the decision-making process. Another method used is to give the fund directly to the beneficiaries (fund size based on the estimated requirements). Any money saved at the end will belong to the community for use on community needs.



Picture 3.5: Cycling past a brick -making factory along a provincial road (Phu Tho)

## 4. Community participation: experiences from two provinces

### 4.1 Introduction

An important finding is that community participation like community contributions differs per road (Table 4.1). Local people have, in general, little to no influence in decision-making processes concerning motorable commune and district roads (either financed by government or donors<sup>12</sup>). Firstly, they usually do not know how these roads were financed. They often assume that these roads are financed by the government. There is little information sharing and there are no clear mechanisms for consultation.

People's participation in motorable (gov. and RT2) rural roads is basically little to nothing. People lack information about these roads, but they express their wish to be more involved in design and supervision. People are committed to the quality of road construction and pay attention to e.g. contractors cheating. They express concern about the rapid degradation of motorable gravel roads. Local people also indicated that if funds are provided, they are willing to participate in maintenance (local employment opportunity).

People have been "participating" by providing voluntary labour for site clearance, land levelling, minor maintenance and working as a paid construction labourer (RT2, WB). The commune authorities assign a commune supervisor but people indicated that they like to take over this job. It could create an employment opportunity, depending of course on the available funds.

**Table 4.1: Comparison of community participation features between motorable and 2-wheel roads**

Motorable (government and RT1 and RT2) funded roads	2-wheel village roads
No significant participation by local people	People decide together about investments (cash, labour, materials)
Limited communication between project and commune authorities and project affected people	People have to agree and contribute otherwise no road
Local people do not supervise	Village supervision board (elected or appointed)
Local people are requested to donate voluntary labour for minor maintenance	Local people (voluntarily) maintain the road and have clear maintenance responsibilities

Source: SEACAP 15 analysis

<sup>12</sup> Exceptions are, however, Programme 135 and CDD projects which seem to have better participation mechanisms, especially in the design stage. We, however, focused on RT1 and RT2 roads and government funded roads.

**There are no official mechanisms for direct participation of local people for government-funded, motorable roads<sup>13</sup>.** Provincial and district authorities stated their commitment to work with the commune authorities but they do not have the means or capacity to work in a participatory way with local people. Their main objective is to build a road that local people really need. The commune authorities, including representatives of mass organisations, are informed about the technical details and investment figures. It is their responsibility to inform local beneficiaries. Local people have indeed the right to complain, according to the Grassroots Democracy Decree, to the provincial, district or commune authorities through commune supervision boards.

**Authorities state people's participation has been in accordance with the Grassroots Democracy Decree.** The authorities argue they are familiar with participatory planning. They respect the local people but indicate that the people's participation is limited. They argue that people's participation has so far been in accordance with the Grassroots Democracy Decree. For motorable roads, local people have the right to supervise and report inaccuracies to commune supervision boards. However, local people have neither technical knowledge nor skills to directly be involved in the supervision of motorable roads. For 2-wheel roads, people can participate in all project stages.

**In general, commune authorities and mass organisation lack information about commune and district road projects.** This study finds that commune authorities and mass organisations do not have much idea about project procedures for district and commune roads. Participation mechanisms for communes, apart from supervision and minor maintenance, are not very well-spelled out. For motorable roads funded by the province or the district, the commune still needs to be informed about the funds, cost estimates, sponsor, progress of work, contractors, technical specifications so that the commune can inform local people. Commune authorities indicate they like to be given a chance to choose a local contractor for building commune roads.

**There is active community participation in (2-wheel) village road projects.** Local people participate in decision-making by raising hands. All benefiting households need to send representatives to the meetings. Local people need to agree among themselves on the costs and kind of contribution they are able to pay for. Decisions regarding the design and selection of contractors are usually taken by the district. In both provinces, maintenance of 2-wheel village roads is voluntarily carried out by local people. Each household is allocated a section of the road. In case of poor maintenance, the commune will refuse those responsible its services. Each road section in Vinh Long has the name of a family (household) inscribed so people know which household is responsible for which section. The length of the road section is determined by the area of paddy land the household cultivates.

**Local people set up village supervision boards.** Sometimes members are elected, in most cases, village representative of mass organisations and the head of village are appointed. Poor people argue that they will never get elected to the village supervision board due to their low social status.

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<sup>13</sup> This excludes Programme 135 roads.

**Men in general seem to know more about roads than women** as roads are considered a male topic. This is confirmed by both women and men in all localities. For instance, Khmer women from poor households say they just listen to the leaders at meetings. They “participate” by giving money and labour for the village roads. When they have a complaint, they talk to the village leader (Vinh Long).

#### **Box 4.1 Barriers to community participation in motorable roads**

- Local people lack skills and technical knowledge to be directly involved
- Authorities state that information about roads should come through the commune authorities (however, this study finds that the commune authorities themselves often know very little)
- There are no funds for participatory mechanisms
- The notion that the Grassroots Democracy Decree is implemented satisfactorily (i.e. people can report inaccuracies in road projects to the relevant authorities)
- Transport authorities prefer to follow provincial procedures rather than donor procedures (RT2 project guidelines are not used as they are regarded impractical. There are no funds and no clear responsibilities of the stakeholders)

Sources: SEACAP 15; based on interviews with provincial and district authorities

## **4.2. Findings related to community participation in Vinh Long province**

**There are basically no funds to carry out all project activities listed in the RT2 project manual** (e.g. compensation procedures: policies for ethnic minorities). This means that the RT2 manual is not used by province and district authorities. Instead, they prefer to follow their own, provincial procedures. Moreover, each donor brings its own set of compensation guidelines (Phu Tho province preferred ADB projects as ADB provides funds for compensation).

Vinh Long provincial transport authorities established an agreement with district authorities, indicating that they only build a (RT2) road, provided no compensation claims are submitted to them. The provincial officials argued that this is possible as RT2 roads are actually built on existing roadbeds. There is even a written agreement between the province and the district authorities that all responsibility lies with the district when it comes to compensation claims.

**The village supervision board plays an important role in village road construction.** Sometimes contractors can cheat by e.g. using low-quality materials. When there are problems, the village supervision board reports to the commune steering committee (CPC chairman, transport staff, representatives from the commune inspection board). Construction is halted until matters are resolved satisfactorily.

**Poor people (both Khmer and Kinh) know less about the RT2 road than men from households with average incomes.** Local people with average incomes know more about roads than people from poor households. Men from households with average incomes are vocal about the need to

increase community participation in projects like RT2. They argue there was no information or consultation with local people about the design or the source of funds in the RT2 project.

### 4.3 Findings related to community participation in Phu Tho province

**Local people are critical about the lack of information on compensation guidelines.** People have been compensated for lost property in accordance with government regulations. But it has not been clear to them how compensation was calculated. People have been unable to compare compensation figures among themselves as there is no information available.

**Local people are not consulted in the construction of government or donor-funded commune roads.** To illustrate this, local people reported to the commune authorities that a (WB financed) commune road was not properly built (no culvert) and the slopes were not stable (see picture 4.1). The contractor did not pay attention to their comments. The contractor had replied that it was not required in the design.

**Women from female headed households exchange heavy roadwork for other, lighter duties (such as sowing) with male members in their village.**



Picture 4.1: Local people show the research team an unstable section of a WB financed road where a culvert should have been built (Phu Tho)

#### **4.4 Comparison between the two provinces and other provinces in community participation**

It is similar between provinces in community participation in rural transport. Factors that affect participation level are the role of investors, decentralisation level, and participation and supervision mechanism. In projects at the commune and village level, the community actively participates in the process while district and provincial level projects have less community participation, even though regulated by the Government in Democracy Decree. With the ODA projects decentralised to district or provincial authority, communication participation is limited (as seen in the two provinces Vinh Long and Phu Tho). This kind of project has clear regulation of community participation in the manual, the implementation, however, differs by project depending on the capacity of PPMU and the donor's supervision system. Projects under NGO funds are the best in community participation. They aim to build community capacity through participation of the community. Information provision is carried out via various ways and communities are trained in participatory approaches.

## 5. Discussion of findings and recommendations

In this chapter, we validate the key findings from the literature review (Paragraph 2.1) with research findings based on fieldwork and interviews with resource persons in Hanoi. Also, where useful and applicable, we refer to relevant international experiences (see Appendix 7).

### 5.1 Community contributions

**Evidence from this research confirms that local people are concerned about the range and burden of contributions.** For instance, in Vinh Long local people submitted a formal request to the Provincial People's Committee to consider cancellation of the rural development fee. In Phu Tho, local people underlined the burden of particularly cash contributions to road village investments. People are willing to contribute to village road rehabilitation projects, but face a low financial ceiling that prevents them to participate in such projects.

**This research partially confirms the existence of flat rates of community contributions.** The situation on the ground proves to be more sophisticated. First, a distinction needs to be made regarding the type of road. **Local people do not contribute cash to commune and district motorable roads.** They may have to donate land which might (Phu Tho) or might not (Vinh Long) be compensated depending on the locality and the road project. They occasionally contribute (unpaid) labour, particularly for site clearance and minor maintenance activities. These unpaid labour contributions are sometimes part of fulfilling the MOLISA requirement of ten compulsory workdays per individual.<sup>14</sup> In terms of paid labour contributions, local (poor) people have the opportunity to earn a temporary income during the construction stage of commune and district roads, even more so if these road projects are financed by government poverty reduction or community driven development programmes and donors.

**This research confirms the application of fixed rates in 2-wheel village road projects whereby government and people share the investment costs of village road schemes according to fixed shares in cash or materials.** In Vinh Long province, government and local people share the rehabilitation costs of ("cementing" of) existing, unpaved village roads. In non-poor communes local people pay 70% of the total scheme costs. The provincial government pays the remaining 30%. This includes hiring a contractor to do the roadwork<sup>15</sup>. In poor communes (Khmer), government and local people equally share the total scheme costs.

Emphasis on the use of local materials (Thailand, Appendix 7) can have positive implications for rural transport development. However, it is recommended to assess the environmental impact that is caused by promoting and using locally available construction materials (see picture 5.1).

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<sup>14</sup> Excluding poor Khmer people, pregnant and breastfeeding women

<sup>15</sup> In Vinh Long province, a few people may find an employment opportunity for a limited period in village road projects (a few months at maximum). However, there are cases where contractors prefer to bring their own personnel. Contractors find local people sometimes difficult to work with as villagers are deeply concerned with the quality of road construction.





Picture 5.1: Digging for locally available construction materials visibly degrades the environment (Phu Tho province)

**In Phu Tho, local people and the government share contributions in kind.** Local people contribute cash, labour and materials (sand and gravel) to rehabilitate (“cement”) unpaved, 2-wheel village roads. The government provides cement and/or macadam (stone waste) free of charge. Local people build the village roads themselves, without the help of contractors, but with the guidance from the village supervision board. The village supervision board is trained by the district transport authorities. It is difficult to translate these locality-specific and different kinds of contribution in general percentages that apply for the whole country. Especially, poor people find it difficult to participate in village level rehabilitation projects or pay off their debts after the completion of the village road project.

**Community investments in village roads are paid by local people using different mechanisms.** In Vinh Long, local people contribute cash based on the area of (paddy) land. People with larger plots pay more (as agriculture is the major source of income). Poor people without land are exempted. In Phu Tho, community investments for rural transport are paid per head and there are no exemption policies. People with larger families therefore pay more.

**Provincial and commune level governments are looking for ways to reduce the burden on the poor.** Field research indicated that poor Khmer households in Vinh Long have been exempted from a number of annual land use taxes for paddy fields and fruit trees and the MOLISA compulsory labour requirement since 2002. This shows that authorities are seriously looking for strategies to reduce the burden on the poor. Even so, poor people still appear to pay proportionally more than wealthier families as was also indicated by the PER (2000). The most burdensome fees are calculated on the basis of number of head per household (Phu Tho) or the area of land. Even though poor people usually have less access to less land than wealthier families, and therefore pay lower fees, they face more difficulties in times of poor crop as they often do not have sufficient savings or alternative sources of income.

**Local people are willing to pay fees and contributions where they are linked with the provision of services.** People do not complain about education fees, although additional costs



Picture 5.2: The CPC's office can provide important information to the people at the commune level (Hoa Hiep commune)

for the rehabilitation of school equipment and buildings are considered burdensome. This is because people attach importance to schools. The village road investment fee was also considered burdensome. People in Phu Tho wish to pay for these investments, but they simply lack the financial resources.

In Vinh Long, people complain about the provincially mandated rural transport development fee. They fail to understand what benefits it brings to them and prefer to use this money directly for the rehabilitation of the village roads. Also, local people fail to understand why they have to pay the fee for the poor as they are the poor themselves. People doubted the benefits of the National Security fee.

**This research found little evidence that commune officials publish their commune budgets and actual expenditures.** Only one out of the four communes studied made a visible effort to communicate relevant information to the commune (see Pictures 5.2 and 5.3).

**In general and as earlier indicated, local people welcome road projects and the manifold benefits rural roads bring.** Women say their lives have improved because of rural roads. They no longer need to carry heavy loads. More women deliver their babies in the health clinic instead of at home. Travelling to hospitals, markets and schools has significantly improved in terms of comfort, time and costs. Marketing and trade have also improved. All people did, however, express their concern about the quality of motorable gravel roads as they have seen these roads degrade over time. Resources for major maintenance are barely available locally. This is a serious concern for all district and commune authorities as well as local people. Complaints about motorable gravel roads were relatively minor and related to dust and loose stones hitting people when cars pass by. The impact of the total range of (all) community contributions remains difficult to assess and would require more research.

**There are poor households unable to pay off their debts after completion of a village road project or unable to provide cash investments for the much-wanted 2-wheel village road rehabilitation project<sup>16</sup>.** The first group needs to borrow money against high interest rates from money lenders in order to pay off its debt. If not, commune authorities refuse certain essential services to this group (e.g. bank loan applications). The households lacking financial capacity stop local initiatives for rural transport development because projects can only go ahead if all beneficiaries are able to contribute.

**For a small number of households rural transport has had a negative indirect effect on their livelihoods** (this figure is estimated at around ten households in Loan My commune, Vinh Long<sup>17</sup>). Some project affected people in Vinh Long lost land, trees, or even their house, and were subsequently not compensated for that. The loss of assets has made them more vulnerable, and combined with other problems, made them fall deeper into poverty. The provincial authorities argue that there are simply no funds for compensation to help these people. They explain they are only able to build rural roads provided local people do not submit compensation claims. Additionally, the Provincial People's Council is unlikely to approve resettlement costs for groups smaller than ten households. Overall, project affected people in WB-financed roads in Phu Tho were satisfactorily compensated.

While it is laudable that the government encourages and supports village road rehabilitation initiatives, cost sharing mechanisms are too demanding for the poorest households at the local beneficiary level. This implies that the poorest communes remain to have less rehabilitated 2-wheel village roads compared to the better-off communes.

**This research has been unable to find clear evidence for uncontrolled misuse of commune resources.** This is obviously a sensitive and difficult issue to research. During all field interviews, local people did not explicitly refer to the misuse of commune contributions to rural transport. There were a few cases referring to cheating contractors.

The research team wondered why in one case a well-to-do commune authority received satisfactory compensation from an unspecified motorable road project whereas others, primarily poor people, in the same commune did not receive adequate compensation from another motorable road project.

Poor people alleged they have a lower social status and lack an interesting network of contacts, essentials that are required for being elected to the village transport board.

Meanwhile, Phu Tho commune authorities of the poor research communes wonder why they have the lowest road density (in terms of km cemented road) compared to the other better-off communes in the district.

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<sup>16</sup> Source: interview with a village leader, Hoa Hiep commune, District, Vinh Long province

<sup>17</sup> Source: interview with DDOT, Tam Binh District, Vinh Long province

## 5.2 Community participation

**Community participation differs significantly between motorable roads and 2-wheel village roads.** Major finding is that local people are not involved in decision-making in donor or government financed motorable road projects<sup>18</sup>, but are strongly involved in 2-wheel village road projects.



Picture 5.3: The blue notice board explains the Grassroots Democracy Decree (the CPC's office, Hoa Hiep commune)

**Local people like to be involved in decision-making regarding motorable roads, but are not given a chance.** Both government and donors have been unable to provide clear, functional mechanisms for community participation (see also Section 2.2). For instance, local knowledge of environment and hydrology is not sufficiently acknowledged in the design of the road. In RT2, people were only consulted on road alignment aspects. PMU18 focused mostly on the technical side. Also, compensation is not taking place as it should and there is no check to see if procedures and guidelines are well implemented.

**There is a lack of a “participatory mechanism”** according to both local people and authorities. Some ideas from provincial PMUs imply that “only in project having contribution from people, they have right to participate”. In projects funded by the Government, community participation is indirect via People’s Committees or commune supervision boards. Information provided to local authorities is also very limited. They all lead to poor community participation and contribution.

**Findings from this research confirm that RT2 project guidelines in participatory planning and management are not used due to lack of clarity and resources.** The project appraisal documents, operational and implementation manuals are not used by the project as it proves to be unclear. There is a need to clarify responsibilities and outcomes and integrate these with people’s current jobs. Except for provincial authorities’ preference to work with the provincial procedures rather

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<sup>18</sup> This excludes programme 135 and CDD projects. The main focus of this research was on RT projects.

than RT2 project procedures, they also indicate they lack the resources to work in a more participatory manner.

Community participation lessons in the Philippines and Thailand indicated that for effective beneficiary participation, the roles and responsibilities of the beneficiaries and the local government units need to be clearly defined, if possible in written agreements (Appendix 7).

**Provincial transport authorities interpret the meaning of community participation differently** and they state local people can participate satisfactorily but lack the capacity to be directly involved in motorable road projects. This could partly be explained by PDOT technical focus and its limited capacity to deal with participation issues. In that sense, the district is probably in a better position to oversee RT2 and RT3 developments and could play a more strategic link between commune and government authorities. A few government officials interviewed at central level also regard participatory mechanisms satisfactory as people are free to discuss issues openly at the commune level. However, people themselves know little about motorable roads.

**An issue of major concern is RT2's inadequate consultation and compensation practices.** Project affected people in Vinh Long have only been informed in one or two meetings about site clearance requirements and compensation procedures (which meant that there were no funds for compensation). They have been unable to question these decisions. Another example of limited involvement comes from Buong village (Phu Tho), where local people complained to the contractor about some faults in a section of a newly constructed commune road. The contractor was unwilling to listen and said he strictly followed his design.

**Local people are involved in all stages of 2-wheel village roads and share maintenance responsibilities.** Decisions are taken in village level meetings where all households need to be represented. Women say they have less influence in these meetings as roads are considered a "male" topic. Decisions are made by raising hands.



**The rationale for voluntary community contributions to increase local ownership of schemes proves to be questionable.** Local people donate voluntary labour for minor maintenance to basically all roads passing their locality, but the sense of ownership people feel differs strongly for the type of roads discussed here (motorable versus 2-wheel village roads). They donate

Picture 5.4: A woman from an ethnic minority group in Vinh Tien commune (Phu Tho province)

voluntary labour to the construction activities of village roads if there is no contractor (Phu Tho). In Vinh Long, people can be hired by local contractors to build 2-wheel village roads. Sometimes these contractors hire people from the locality, sometimes they prefer to bring their own workers. Local people regard themselves as the owners of village roads because they directly invest in these roads which they consider more important than commune or district roads. Unfortunately, cost recovery mechanisms for village roads works to a certain extent as a number of poor households has difficulty paying the high investment fees. Some villages faced difficulties paying off their debts. Labour contributions by local people to the construction of motorable roads are normally paid by contractors.

**The feeling of local ownership and responsibility does not apply to commune and district motorable roads.** In terms of management and maintenance, these roads fall under the responsibility of district authorities as far as local people are concerned. Nonetheless, people contribute voluntary labour if there are minor damages on these roads and always report road damages to the commune authorities. Local people would like to see their role in motorable road projects increased, particularly in the design and supervision stage of these projects. They state they are the primary road beneficiaries and are the ones that are most committed to the quality and sustainability of these roads. At present, supervision is carried out by a project supervisor and a commune transport official. However, making use of local supervisors would require funds to pay for training and a small salary.

Provincial and district authorities say they respect local people's needs. But they are critical about local people's capacity (too poor, too little knowledge) to be directly involved in the supervision of rural motorable roads. This is also confirmed by government officials interviewed in Hanoi. Additional funding and professional support are necessary if both government and donors are serious about the need for more participatory approaches to rural transport development.

**Poor people and ethnic minorities.** Poor –Khmer-- people have been exempted from certain fees in Vinh Long province. There are no exemption policies for the poor in Phu Tho (poverty figures are much higher in Phu Tho). Ethnicity does not seem to play a major role in community participation or contribution affairs in Phu Tho.

**Women. Particularly poor women indicate they do not participate actively in meetings about transport.** They claim they know little about transport issues. Yet women have equal access to employment opportunities in motorable road projects. In this respect, it is useful to ensure that contractors are contractually obliged to subcontract parts of the works to specific groups in the locality. Pregnant women or women who are breastfeeding do not need to contribute compulsory labour. Women from female-headed households can exchange heavy road construction duties with male members of the village for lighter tasks. Women and men appear to participate equally in voluntary labour contributions to roads.

**Communities are willing to participate in rural road projects.** In Phu Tho the village supervision board was in control over the construction process and financial resources of the 2-wheel village road. Local people felt proud and took good care of "their road". In Vinh Long, local people also shared responsibility in maintaining 2-wheel village roads. During construction,

nominated village supervisors monitored the construction process of the road. If problems would arise (e.g. contractor using poor construction materials), they could halt the construction process and ensure that contractors would rectify their mistakes.

**Local people are willing to participate in maintenance of motorable commune and district roads but lack the resources to do so.** According to Malmberg Calvo (1998 and Appendix 7: International Experiences), a road maintenance fund has great potential for providing partial financing to rural communities for maintenance of selected access roads and paths. Any cost-sharing arrangements between a private road association at the local level and a road fund must be formalised in a written agreement between the parties and requires technical and financial oversight to ensure proper use of funds.

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<sup>19</sup> PAC=the Partnership to Support the Poorest Communes

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<b>WWW links</b>	
<b>DFID</b> - UK Department for International Development	<a href="http://www.DFID.gov.uk">www.DFID.gov.uk</a>
<b>ILO ASIST</b> - International Labour Organisation Advisory Support, Information Services, and Training	<a href="http://www.iloasist.org">www.iloasist.org</a>
<b>Infrastructure Connect</b> - A Website providing information about the work of DFID's Infrastructure and Urban Development Department (IUDD)	<a href="http://www.infrastructureconnect.info">www.infrastructureconnect.info</a>
<b>ITDG</b> - Intermediate Technology Development Group. An international NGO specialising in helping people to use technology for practical answers to poverty	<a href="http://www.itdg.org">www.itdg.org</a>
<b>ITDG Publishing</b> - The publishing arm of the intermediate Technology Development Group	<a href="http://www.itdgpublishing.org.uk">www.itdgpublishing.org.uk</a>
<b>ITDP</b> - Institute for Transportation and Development Policy. promoting environmentally sustainable and equitable transportation worldwide	<a href="http://www.itdp.org">www.itdp.org</a>
<b>Livelihoods Connect</b> - DFID's platform for creating sustainable livelihoods to eliminate poverty	<a href="http://www.livelihoods.org">www.livelihoods.org</a>
<b>Planning Rural Roads</b> - A website exploring issues related to rural road planning in developing countries	<a href="http://www.ruralroads.org">www.ruralroads.org</a>
<b>RTTP</b> - The Rural Travel and Transport Programme of the World Bank	<a href="http://www.worldbank.org/afr/ssatp/rttp.htm">www.worldbank.org/afr/ssatp/rttp.htm</a>
<b>Rural Transport Knowledge Base 2001</b> - Reference and Training Material on Rural Transport	<a href="http://www.transport-links.org/rtkb/rtkb.htm">www.transport-links.org/rtkb/rtkb.htm</a>
<b>Rural Transport Policy Toolkit 2002</b> - Policy Toolkit for increased rural mobility	<a href="http://www.transport-links.org/rtpt/toolkit.htm">www.transport-links.org/rtpt/toolkit.htm</a>
<b>SIDA</b> - Swedish International Development Co-operation Agency	<a href="http://www.sida.se">www.sida.se</a>

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<b>SKAT Foundation</b> - A resource centre that promotes the exchange of knowledge and experience in development cooperation.	<a href="http://www.skat-foundation.org">www.skat-foundation.org</a>
<b>SDC</b> - The Swiss Agency for Development and Co-operation	<a href="http://www.sdc.admin.ch">www.sdc.admin.ch</a>
<b>SUSTRAN Asia</b> - Network focusing on sustainable transport issues in the Asia Pacific region	<a href="http://www.geocities.com/sustranet">www.geocities.com/sustranet</a>
<b>Transport Links</b> - Transport for Development. A web portal for DFID's transport activities and programmes	<a href="http://www.transport-links.org">www.transport-links.org</a>
<b>TRB</b> - The Transportation Research Board. The TRB promotes innovation and progress in transport by stimulating and conducting research, facilitating the dissemination of information, and encouraging the implementation of research results.	<a href="http://www.trb.org">www.trb.org</a>
<b>TRL</b> - The Transport Research Laboratory. UK Consultancy firm specialising in transport issues across the globe.	<a href="http://www.trl.co.uk">www.trl.co.uk</a>
<b>Transport Resource Centre (DFID)</b> - Advice and information centre for transport planners and researchers working towards poverty reduction in developing countries	<a href="http://www.transport-links.org/rcs/index.html">www.transport-links.org/rcs/index.html</a>
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# Appendices

## Appendix 1: TOR

### Community Participation in the Rural Transport Sector

#### Terms of Reference

##### Brief Description

These TOR describe the scope of work required to produce a concise report on community participation issues in the rural transport sector. The work will primarily draw on existing research and consultations with experts in the rural development, transport and social development areas, with limited field research to validate findings and test recommendations. The outputs of the report are intended for two audiences:

- The Ministry of Transport (MOT); in particular those responsible for developing rural transport policy and regulations; and
- The design consultants for the Third Rural Transport programme (RT3).

##### Background

Rural transport infrastructure is a necessary prerequisite for rural development. In Vietnam both the central government and provincial authorities prioritise rural roads over other investments, as roads are seen as providing the foundation for other development activities. The World Bank (WB) and Department for International Development (DFID) have been involved in the provision of rural transport in Vietnam through the Rural Transport 2 programme (RT2), which has provided investment funds and technical assistance to support rural transport policy development.

As part of this rural transport policy development work, DFID are now supporting the development of:

- a revised Rural Transport Strategy; and
- a Provincial Rural Transport Handbook.

This study is intended to provide information for both of these pieces of work, which will in turn be used as the basis for the design of the third rural transport project currently under development.

The study will focus on two distinct but interconnected areas of work:

##### I) Community contributions

Roads are expensive relative to other rural development investments. As a consequence local authorities often resort to local revenue for raising investment funds, with local communities making significant contributions to the development and maintenance of rural roads. There are concerns that this is placing a disproportionate cost burden on the poor and the extent and impact of this system on their livelihoods is not well understood.

##### II) Community participation

Rural transport planning in Vietnam has predominantly been a provincial activity with district and commune cadres' involvement limited to requesting investments from higher levels; based on officials' own assessment of need. This approach is repeated in the selection of alignments, construction standards, contractors, supervision methods and maintenance systems. In summary there is limited consultation with, or participation of, the local community in the decision making process. There is a need to understand better how the current decision making system works and identify areas where increased participation would benefit users and managers in the rural transport sub-sector.

## Objectives

1. Identify the range of contributions made by local communities – financial, physical, time etc in Vietnam to the transport sector, and the impacts these have on their livelihoods.
2. Identify the role of local communities in decision making in the rural transport sector.
3. For both these areas recommend approaches to resolving key issues that can be considered by MOT
4. Recommend options to increase paid labour opportunities in rural transport

## Scope of Work

An indicative list of issues to be reviewed are listed below. They are listed separately for clarity. The consultants should not be bound by this structure in their final report, where this would reduce clarity, consistency or require excessive repetition. Additional areas for review should be identified by the consultants and suggested for inclusion.

### Community contributions:

1. Review existing documents on community contributions;
2. Review Government of Vietnam (GoV) regulations and guidance on community contributions including, financial, labour and materials;
3. Draw on recent public expenditure work to inform the review, particularly how local contributions are accounted for in GoV and donor investment programmes;
4. Analyse contributions of local communities to all sectors relative to income, in particular those for rural transport;
5. Assess the impact of these contributions on the livelihoods of rural populations;
6. Use the above to assess whether current levels of contributions and policies in the rural transport sector are appropriate; and
7. Recommend appropriate approaches and levels of contribution from communities for rural transport that do not overly burden the poor.

### Community Participation:

1. Review existing documents on community participation approaches in Vietnam;
2. Review MOLISA (Ministry of Labour, Invalids and Social Affairs) and MARD (Ministry of Agriculture and Rural Development) policy on community participation in rural investment projects;
3. Review government policy and regulations with regard to community participation in the rural transport sector;
4. Review current policy and practice in rural transport against the provisions of the grass roots democracy decree and highlight any areas of conflict;
5. Assess the perceptions and understandings of 'participation' by different stakeholders; in particular government officials, community members and donors;
6. Review community participation aspects of GoV and donor procedures for land acquisition, compensation and resettlement in rural transport;
7. Identify particular issues of community participation in rural transport in environmentally sensitive areas;
8. Assess local community perceptions of existing practices in the rural transport sector and their impacts;
9. Assess options for and perceptions of labour based works in rural transport;



10. Assess the options and benefits of increasing levels of community participation in the planning, selection, design implementation and operation and maintenance of rural transport activities; and
11. Assess the perceptions and capacity of local government (Commune, District and Province) to the introduction of more participatory approaches.

#### Generic issues:

1. In the above work the consultants are required to ensure that, as far as possible, the information collected and subsequent analysis is disaggregated by gender, income group and ethnicity;
2. This review is primarily related to land based rural transport activities. This includes: rural roads and bridges; footpaths and other non-road transport infrastructure; and transport services;
3. The consultants are expected to familiarize themselves with existing material before consulting with key informants;
4. The consultants should ensure that field work is entirely necessary and places low demands on interviewees;
5. Based on the above the consultants will identify and document cases of best practice and innovation, from within MOT, other ministry programmes and donor projects; and
6. In recommending options for changes in policy and practice the consultants should ensure that they are, as far as possible, consistent with GoV (and WB) procedures and other sector's approaches.

#### Outputs

1. The consultant will produce an inception report of not more than 5 pages after two weeks;
2. The consultant will produce a draft report after 3 months of not more than 12 pages with an executive summary of no more than 2 pages. Additional information may be annexed as required;
3. Workshops and other information sharing events to maximize the impact of the report with key stakeholders. For example an event to facilitate exchange of experience with key Provincial Department of Transport (PDoT) and MOT staff based on the best practice cases identified;
4. A final report after 4 months.

#### Consultants responsibilities

1. The consultant will be responsible for identifying and notifying the stakeholders of any delays or problems in the process as early as possible and for recommending solutions;
2. Although DFID will undertake to provide initial contacts, the consultancy team will be required to manage their own logistical and administrative arrangements throughout the consultancy; these should be clearly costed into the proposal for services. This will include translation costs from and into Vietnamese and English;
3. The consultant will be responsible for ensuring that interviewees and other stakeholders receive copies of the report once approved; and
4. Responding to requests for additional information and clarification from the RT3 design consultants. This is estimated as requiring up to 5 days of consultancy time.

### **Expertise & Timing**

The consultants are expected to have experience in the following areas:

1. Knowledge of rural development activities in Vietnam;
2. Knowledge of existing procedures relating to road development and maintenance at national, provincial, district, commune and village levels;
3. Experience of the Ministry of Transport and its policy development process;
4. Experience of community based research methods and perception studies;
5. Knowledge of Government procedures and capacity; and
6. Experience in synthesizing existing knowledge into concise reports with clear recommendations for policy makers.

It is proposed that the Consultant's team includes members with both good national and international experience. The use of local engineers and sub-consultants would be welcomed.

### **Proposals**

Proposals should address the following issues and be as concise as possible:

1. A detailed work programme and plan of activities, including the proposed start date, which should ensure completion by the end of September 2004. This should explicitly include a process of engagement with MOT to ensure ownership of outputs.
2. A detailed budget, including daily rates, number of days and reimbursable costs. These should be based on established DFID rates and for National Consultants EU cost norms. This should include an estimation of RT3 design support costs.
3. Alternatives to the proposed process, which would improve the value of the review to all stakeholders or increase the value for money obtained from the process.
4. Joint proposals that combine skills from organizations and disciplines are encouraged.
5. CV's of all proposed team members should be included as part of the proposal.
6. The overall team make up and management arrangements. Note DFID will expect the lead consultants to be responsible for the financial and administrative arrangements for the whole consultancy team.
7. Details of any proposed sub-consultants should be provided for approval by DFID.

### **Milestones**

Payment for the study will be at the completion of the study and acceptance of the final report.

## Appendix 2: List of interviewees

### List of interviewees in Hanoi

Name	Function/description	Organisation
Ms Kirsteen Merrilees	Deputy Project Manager	WSP
Mr Michael Green	Project Manager	WSP
Ms Hoang Thu Huong	Information System Coordinator	WSP
Mr Quy	Head of Rural Transportation Department	MOT
Mr. Tran Quoc Tuyen	Chief of Rural Road Unit	TDSI
Mr Pham Ngoc Son	Staff	TDSI
Mr Dang Hoang Hai	Head of PIDI	PMU18
Ms Phuong	Programme Officer	WB
Mr Simon Ellis	Transport Sector Coordinator	WB
Mr Nguyen Tien Trong	Head of Project Department 1	PMU5
Ms Nguyen Thanh Huyen	Economics Expert	PMU5
Ms Nguyen Thi Oanh	Senior Programme Coordinator	Oxfam GB and Oxfam HK
Ms Ngo Thi Loan	Programme Coordinator	Oxfam GB and Oxfam HK
Ms Nguyen Phuong Vinh	Programme Coordinator	Oxfam GB and Oxfam HK
Dr Tran Van Thuat	Director of Ethnic Minorities Policy Dept., CEM	Ethnic Minorities Policy Dept., CEM
Mr Vuong Dinh Giap	Project Officer	Caritas (Hanoi Office)

### List of interviewees in Vinh Long Province (22 November-Friday 26 November 2004)

Name	Function/description	Organisation/place
Mr Vu	Director	Province Department of Planning and Investment
Mr Vinh	Vice-director	Province Department of Planning and Investment
Mr Son	Head general division	Province Department of Planning and Investment
Mr Loan	Head economic division	Province Department of Planning and Investment
Mr Tang Van Lam	Director	PDOT
Mr Vo Van Quan	Head of Transport Management	PDOT
Mr Hoang Van Tan	Vice director PPMU	PPMU
Mr Ha Cong Nghiep	Staff member	PPMU

Name	Function/description	Organisation/place
Mr Ha Van Son	Staff member	PPMU
Mr Thoi,	Vice-leader Transport, construction and industry,	District department of Transport, Tam Binh district town
Mr Manh	District Division of Finance and Planning	District department of Transport, Tam Binh district town
Mr. Nguyen Van Hoa	CPC chairman	Loan My Commune
Mr. Thach Can	Village leader	Giua village
Mr. Ha Cong Nghiep	Commune transport staff	Loan My Commune
Ms Dong	Chairlady of the Women's Union	Loan My Commune
Mr. Thach Hen Ms. Thach Thi So Rin	Project affected, poor landless Khmer family (with 5 members)	Giua village
Thach Thi Thu	Poor lady. illiterate	Loan My Commune
Mr. Thach Dop Mr. Thach Cole Mr. Duong Xuong Mr. Kimtrung Mr Kim Siu	Supervision team	Loan My Commune
Mr. Thach Muone	Land & Administration	Loan My Commune
Ms. Thach Thi Luong Ms. Chau Thi Si Ms. Thach Thi Roc Ms. Thach Thi La Mr. Thach Sam Mr. Duong Sin Ha Mr. Lam Le	Mixed group men and women, Khmer, different incomes	Giua village
Chau Thi Ri Thach Thi Hao Thach Thi Lien Thach Thi Ut Thach Thi Muoi Thach Thi Nghe	Group of poor Khmer women; women, 3 illiterate	Giua village
Thach Thi Loan	Visit 1 (PAP) woman at her home	Giua village
Thach Thi Co La Thach Thi Phen Thach Thi Sa Nghe Thach Thi Phet Thach Thi Su	Group of female headed households (7)	Giua village
Thach Thi Kia	Poor Khmer PAP woman	Giua village
Nguyen Ba Tong	CPC chairman	Hoa Hiep Commune
Mr. Phan Thanh Canh	Transport/irrigation staff and &Administration staff	Hoa Hiep Commune
Nguyen Huu Tho	Village leader Hoa Phong	Hoa Hiep Commune
Phan Van Te	Village leader Ap Muoi	Hoa Hiep Commune
Nguyen Van Nghiem	Commune veteran	Hoa Hiep Commune
Mr Nguyen Van Hiep	Chief Inspection board	Hoa Hiep Commune
Tran Thi Thanh	Chairlady village WU, village Ap Muoi	Hoa Hiep Commune
Mr Nguyen Van Nam	Rich farmer in Ap Muoi	Hoa Hiep Commune

<b>Name</b>	<b>Function/description</b>	<b>Organisation/place</b>
Mr. Nguyen Van Khon Mr. Nguyen Van Nam Mr. Huynh Nghia Nghe Mr. Nguyen Van Bac Mr. Nguyen Van Luy Mr. Huynh Minh Hung Mr. Nguyen Van An	Group, men and women, low income, Hoa Phong village	Hoa Hiep Commune
Nguyen Van Be Nguyen Van Sau Pham Van Dung Nguyen Van Que Nguyen Huu Duc Pham Thanh Cong	Group of men, average-income households, Hoa Phong village	Hoa Hiep Commune
Ms. Nguyen Thi Cam Van Ms. Bui Thi Hai Ms. Nguyen Thi Kim Anh Ms. Le Thi Huong Ms. Nguyen Thi Ba Ms. Long Xuan Lan Ms. Tran Th Tuyet Ms. Dang Thi Anh	Group of poor women	Hoa Hiep Commune
Nguyen Van Tran Tran Thanh Cua Pham Van To Nguyen Van Thanh Nguyen Van Kien Nguyen Thanh Luong Nguyen Van Khon Phan Thanh Canh Long Xuan Lan Nguyen Van Nam	Village concrete slab road supervision board (10 men), Hoa Phong village	Hoa Hiep Commune
Ms. Truong Thi Su Mr. Nguyen Bao Quoc Mr. Nguyen Thanh Liem Mr. Nguyen Thanh Hai Ms. Tran Thi Thanh Ms. Phan Thi Thu Mr. Nguyen Van Luy	Group men/women/mixed incomes (poor and fair)	Hoa Hiep Commune

**List of interviewees in Phu Tho Province (Monday 6 December 2004-Friday 10 December 2004)**

<b>Name</b>	<b>Description</b>	<b>Organisation/place</b>
Mr Nguyen Quang Vinh,	Head of transport management	Viet Tri
Mr Nguyen Huu Tai,	Head of PPMU of foreign investments	Viet Tri
Mr. Nguyen Van Manh Mr. Tran Van Dai	Vice-Director Head of technical management	PDOT
Mr Nguyen Van Xuan,	Vice-head infrastructure development, DPI	Viet Tri
Mr Dinh Cong Thuc,	Head of district planning and finance division	Thanh Son town, Thanh Son district

Name	Description	Organisation/place
Mr Ha Van Phan,	Head of transport, construction and industries	
Doan Van Vinh Dinh Trong Thom Dinh Duc Binh Dinh Bang Thinh	Land & administration person, CPC chairman and chairman of CPC council, vice head of CPC council (he is also in charge of the Communist Party)	Vinh Tien Commune
Dinh Bang Thinh	Chairman of CPC	Tat Thang Commune
Dinh Van Vinh	Land staff	Tat Thang
Mr. Duong Kim Luyen	Transport/Irrigation staff and &Administration staff	
Dinh Manh Phu	Village leader Xom Khang	Xom Khang (village) Tat Thang Commune
Mr .Nguyen Van Hop Mr. Dinh Van Can Ms. Dinh Thi Huong Mr.Nguyen Van Hung Mr.Duong Van Ly	Group of village mass organisations	Te village
Dinh Duy Huyen	Village leader Xom Te	
Doan Van Vinh Dinh Trong Thom Dinh Duc Binh Dinh Manh Phu	Group of commune supervision board (representatives of mass organisations: YU, WU, Veterans, FA, FF)	Te village
Dinh Thi Khiem	WU chairlady	Te village
Ms Dinh Thi Thao Mr Nguyen Van Hung Ms Tran Thi Phuong Mr. Nguyen Van Thiet Ms. Bui Thi Hoa	Group of poor households: 5 women (1 Cao Lan; rest Kinh) and 2 men (Muong)	Te village
Dinh Thi Vang Hoang Thi Tam Hoang Thi Que Dinh Duc Thang Dinh Van Dinh Dinh Thi Loan	Group of average-income hhs:	Te village
Dinh Thi Hue Dinh Thi Ly Dinh Thi Chung Dinh Duy Thuyen Dinh Bang Duy	Group 6 female-headed households	Te village
Dinh Duc Ninh Dinh Duc Diem Nguyen Thi Dien Vu Van Giap Dinh Thi Luong Dinh Thi Mai Tran Thi Huong	Group of village transport board	Te village
Dinh Van Quy	CPC chairman,	Vinh Tien Commune
Phung Van Tien Ha Van Doan	Land & administration person, CPC chairman and chairman of CPC council, vice	

Name	Description	Organisation/place
Dang Hong Thanh Ban Xuan Phuong Duong Kim Luyen	head of CPC council , Communist Party	
Dang Thi Ha	Chairman of Commune WU	Vinh Tien Commune
Phung Thi Vang	Chairman of village WU	Buong village
Tran Thi Thu Bui Thi Binh Phung Thi Luu Ha Thi Lieu	Group of poor women	Buong village
Dang Van Doan Luong Trung Dinh Le Van Tien	3 village leaders	Buong village,
Bui Thi Minh Bui Van Hanh Dinh Cong Phuong Mai Thi Lan	Group of men (from average-income households)	Buong village
Dinh Van Khanh	Commune transport staff	Buong village
Dinh Thi Vang	Chairlady WU	Buong village
Phung Van Tien Ha Van Doan Dang Hong Thanh Dinh Cong Xuan Ban Xuan Phuong Duong Kim Luyen	Commune Supervision Board and Development Board	Buong village
Dinh Van Phuong Dinh Van Bau Duong Van Khoa Ha Van Hoi	Group of project affected hhs (4 men)	Buong village
Le Thi Hoa Ban Thi Lam Phung Van Tien Nguyen Van Luyen Dinh Van Kim	Group of project affected hhs	Buong village, Vinh Tien Commune
Tran Thi Thu	Poor lady	Buong village
Mr. Dinh Van Phu	Poorest household (1 old man)	Buong village
Ha Van Doan Dinh Cong Tinh Ban Xuan Phuong Trieu Hong Lam		Giang village Thi village Khoai village Buong village
Cao Quang Lang	Director PDOT, Viet Tri	Viet Tri
Do Dinh Dai	Head of Technical Planning, Viet Tri	Viet Tri

## Appendix 3: Research methodology

### Methodology of the study

The research team carried out a desk study (see References) and interviews with resource persons in Hanoi during the last four months of 2004. The research team interviewed fourteen representatives from in total seven government, donor and non-governmental organisations: MOT, Oxfam GB and Oxfam HK, PMU5, PMU18, TDSI, WB, and WSP.

### Interviews with stakeholders at different administrative levels

Prior to the field research in 2 provinces, an analysis of key issues was prepared through reviewing transport documentation and interviewing key stakeholders in Hanoi. The aim of the interviews was to better understand how these people perceive the key issues in rural transport and see to what extent central and lower administrative levels have differing views on the current rural transport situation in Hanoi and how they think to tackle these problems.

The field research took 10 days in total and was carried out in Vinh Long province and Phu Tho province, during the period 22-26 November and 6-10 December 2004, respectively.

The field sites were selected by the RTU/MOT in collaboration with the local transport authorities. The following places (districts, communes and villages) were visited by the research team.

Table A3.1: Overview of research sites

Province	District	Commune	Villages	RT	Ethnic minorities	PER data
Vinh Long	Tam Binh	Loan My	(Ap) Giua	RT2	Khmer	Yes
		Hoa Hiep	(Ap) Muoi (Hoa) Phong			
Phu Tho	Thanh Son	Tat Thang	Khang	RT1 RT3	Dao and Dao Tien	No
		Vinh Tien	(Xom) Te (Xom) Buong			

Source: SEACAP 15

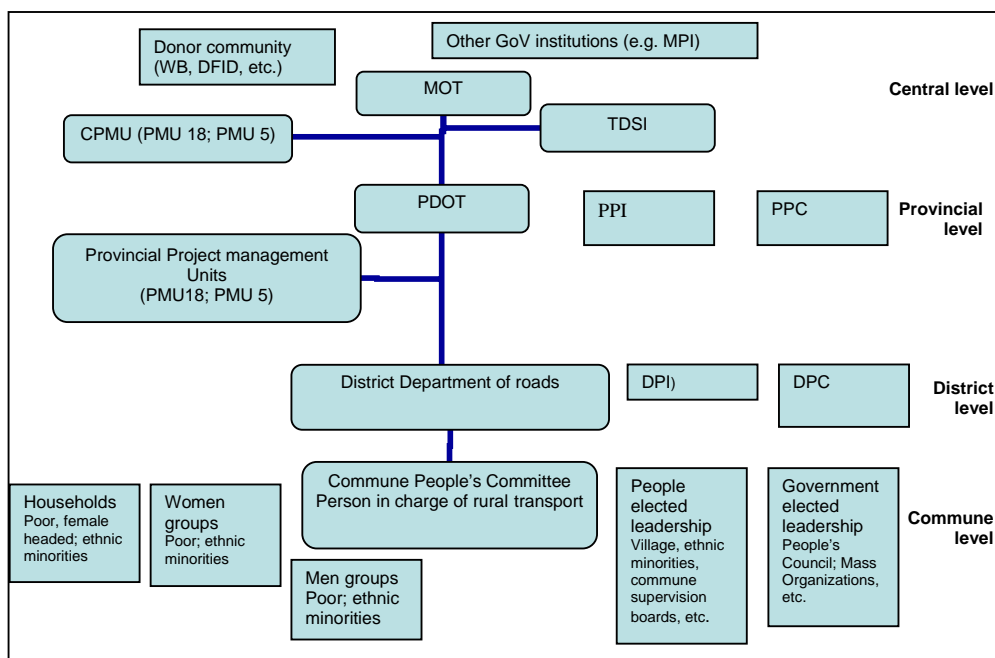


The research team first held interviews with transport authorities and planning and investment authorities at the provincial and district level before proceeding to the commune level.

The interview groups at the commune level were divided into interviews with government authorities with an interest or knowledge of transport issues, and groups selected by the local people such as village heads, and village supervision boards. In addition, interviews were conducted with groups of women, poor households, female headed households, and ethnic minorities (Khmer, Dao).

After completing the interviews at commune and village level, a follow-up meeting was organised with transport staff at the provincial level, to share and discuss field findings and key issues. An overview of type of stakeholders is presented in Figure 1. Appendix 2 provides the list of the persons interviewed.

Figure A3.1: Diagram of stakeholders in rural transport.



Source: SEACAP 15

### Interview approach



A set of questions covering a wide range of issues related to participation and contribution were prepared for the interviews. The duration of interviews was limited to 2 hours on average as we tried to respect people's time as much as possible.

A range of key issues, resulting from literature and project documentation review, were discussed with key stakeholders in Hanoi. A set of separate interview guidelines were prepared for interviews on this level.

A similar approach was used for interviews at provincial and district level with provincial and district authorities in transport and planning and investment. An extra set of questions was prepared for RT2 sites to assess the usefulness of RT2-PIM<sup>20</sup> procedures for enhancing the involvement of local people in planning, implementation and compensation related issues.

A participatory approach was designed and implemented to carry out an analysis of rural transport issues with both authorities and local people at the commune and village levels.

First, the interviewees were asked to draw a roadmap of the area, indicating important roads and centres. The questions during this exercise were related to the history, major events and relative importance of the roads. During the second stage, we asked the interviewees how these roads were planned, implemented, and supervised, and how the maintenance of these roads was organised. In addition, we asked local people to list all contributions, fees and taxes they had to pay in one year and indicate the relative importance of these fees to them.

	
<p>Picture 1. Male representatives of average income- households discuss recommendations (Vinh Long province).</p>	<p>Picture 2. Female representatives of poor households make a roadmap of their area (Phu Tho province).</p>

**Limitations of the field research methodology**

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<sup>20</sup> PIM= Project Implementation Manual

As in any kind of research, be it qualitative or quantitative, researchers face challenges that could undermine the truthfulness of their findings. Some limitations of the chosen methodology were:

- The selection of the sites was carried out by the transport authorities. This holds the risk that higher authorities could give strict instructions to lower level authorities on how to handle this research, influencing a free and fair flow of information.
- The selection of the interview groups was facilitated by the commune chairmen and village heads. This has a similar risk of preparing people for possibly sensitive issues and preventing them to say what they really think.
- Regardless of the quality of the facilitators, in some group discussions, it was noticeably difficult to facilitate equal participation by all participants as some felt they had little knowledge (and therefore felt they had a lower status in the group) about the topics being discussed.
- During one discussion with members of project affected households, the former and present chairmen of the commune were sitting not far away from the place of interview. The research team felt it was not considered appropriate and respectful to send them away. Nevertheless, their presence did not really seem to bother the interviewees.
- During one discussion with women on a house cum shop veranda, a policeman sat not far away, sipping his tea. We assumed that this had a certain yet inconspicuous influence on the way these women answered our questions.

Given these challenges, the participatory research (roadmap) and semi-structured interview approach did allow for most interviewees to discuss major rural transport issues among themselves in a flexible (non-leading) and seemingly spontaneous way.

It should be noted that the field research methodology included triangulation. The gathered data was checked and discussed among all research staff on a daily basis. This made it possible to highlight recurrent key issues and concerns with representatives of rural communities and other stakeholders.

## Appendix 4: Communal statistic data of research sites

The research was carried out in two provinces, Vinh Long and Phu Tho. In each province, the researchers observed two communes. Important selection criteria were: poor communes, ethnic minorities and past or future involvement with RT projects (RT2 or RT3).

### Vinh Long province

#### 1) Loan My commune, Tam Binh district

Item	Unit	Total
Land area	ha	2319
Agricultural land	ha	1251
• garden area	ha	616
• fertile area	ha	200
Total households	household	2634
Kho Me female-headed minority ethnic households	household	1059
Total population	person	12701
Kho Me population	person	5394
Rich households	%	20
Better off households: 28%	%	28
Medium households	%	39.6
Poor households	%	12.4
The rate of poor Kho Me households	%	17.8
Per capita annual income	VND/person	3,000,000
Provincial road: 1.5 km	km	1.5
Three routes of district road	km	3.5
Six routes of a rounding road	km	9
% of agricultural activities income out of total income	%	80
% of industrial and service activities income out of total income	%	20

(Kho Me = Khmer)

## 2) Hoa Hiep commune, Tam Binh district

People living in Hoa Hiep mainly belong to the Kinh ethnic group. A few people belong to the Hoa ethnic group.

Item	Unit	Total
Land area	Ha (Hectares)	1432
Cultivated land	Ha	1193
Land per capital	m <sup>2</sup>	1482
Total households	household	1683
Total population	person	8066
Women	person	4050
Rich households	households	35
Better off households: 28%	household	100
Medium households	household	1509
Poor households	household	39
Per capita annual income	VND/person	
Number of villages	Village	11
Number of self controlling groups	Group	101
Roads: Major kinds of road in the commune are soil road, WB (RT2) road and cemented roads. Large proportion of internal road is soil roads which cause many difficulties for transport, especially during rainy seasons.		
Occupations: People here are mainly involved in agriculture. Besides growing wet rice, person plant fruit trees such as mango, orange and coconuts. There are 35 rich households (income from fruit gardens).		

## Hoa Phong village, Hiep Hoa commune

Item	Unit	Total
Land area	m <sup>2</sup>	897
No. of households	Household	1243
No. of poor households	Household	5, 1 of which is Kho Me ethnic
Average income per capita, monthly	VND	100,000
Road types		

### Village 10, Hiep Hoa commune

Item	Unit	Total
Population	Person	1333
No. of households, of which	Household	286
- better off HHs	%	50%
- Poor HHs	%	3-5%
Location: located at the side of RT2		

Type of road: This village stands next to the RT2 road. The citizens have contributed 70% and the province has funded 30% to cement approximately 4 km village roads.

### Phu Tho Province

Thanh Son district: This is the poorest district of Phu Tho province with a population of 187,000 persons.

#### 1) Tat Thang commune, Thanh Son district

Item	Unit	Total
Total households	household	933
Total population	Person	4133
- Muong minority ethnic	%	78
- Kinh	%	20
Medium households	household	150
Poor households	Household	224
Poor households	%	23.8
Per capita annual income	VND/person	1856000
Types of road available: Provincial Gravel roads, Rural Transportation 1 (RT1), concrete roads built by citizens		
Major occupation: Agriculture: planting wet rice, raising pig, cow, buffalo and chickens. Service and trade activities are slowly developing. There are only a few households keeping small business along the provincial road.		

Khang village: the village comprises of 87 households, with a total population of 340 persons. 16 households are poor; 25 are better off households and the others belong to the medium level income group. The village roads are built by the villagers.

**2) Vinh Tien commune**

Item	Unit	Total
Total households	Household	243
Total population	person	1146
Ethnic groups		Muong, Giao, Kinh
Poor households	%	> 20
Hungry households		Relatively high
<p>Major employment: The person work mainly agriculture and forestry: planting wet rice, upland rice and manioc: person are also involved in forestry conservation for a little payment.</p> <p>The commune has no traditional handicraft activities. In addition, trade and service activities are not developed.</p>		
<p>Type of roads: soil roads and a gravel commune road financed by the WB through Programme 135. There are no rehabilitated or cemented village roads.</p>		

## Appendix 5: Overview of contributions paid by a Khmer and a Kinh household in (Vinh Long)

Table A4.1: Overview of annual contributions paid by Khmer household for three different years (Loan My commune).

Contributions	Year 2000 (VND)	Year 2002 (VND)	Year 2003 (VND)
Annual land use tax for paddy field	288.000	Exempted for Khmer families	0
Annual land use tax for fruit trees	82.500	Exempted for Khmer families	0
Irrigation fee	64.500	71.500	64.900
Rural transport development fee	73.500	71.500 (65 kg paddy)	69.300 (63kg paddy)
Donation for families with war victims			10.000
<i>1 kg paddy=VND1.7000 (2003); 1 kg paddy=VND2.100 (2004)</i> <i>Average income of a poor household: VND 100.000/month check</i>			

Source: field interviews

Table A2.2: Overview of annual contributions paid by one (Kinh) household (Hoa Hiep commune)

Contributions	2004
Investment to concrete slab road	VND 196.000/1000m <sup>2</sup>
House tax	11 kg paddy rice/household
Paddy field? Check	
Irrigation fee	8 kg/1000m <sup>2</sup>
Rural transport development fee	8 kg paddy rice per 1000m <sup>2</sup>
Compulsory labour	VND 80.000/year
House tax	11 kg//1000m <sup>2</sup>
<i>1 kg paddy=VND1.500 VND/kg (2004)</i> <i>(Average income: VND 200.000/month) check</i>	

Source: field interviews



## **Appendix 6: Case study “no compensation for lost property”**

Ms T.T.X is a poor Khmer woman in her fifties. She has been living in Loan My commune for more than thirty years. She is a single parent of three children. Her grown up children can work as labourers. One son, however, is visibly handicapped on one hand due to an accident at work. We see a picture on the wall of her daughter whom she said died of cancer. Her old father lives with her.

She explained that when the (RT2) road was being constructed, she had to move her simple house further away from the road. She said that in total, she lost 500m<sup>2</sup> and 10 coconut trees.

She never received compensation for the property she lost. She complained to the village and commune staff yet to no avail. They could not give her a satisfactory explanation. She was told it was a government road and there were no funds. In addition, she was told that she would get a fine of VND 200.000 for each marked tree she failed to remove. Now without collateral, she is unable to borrow money from the bank. Instead, she borrows money from local moneylenders against a high interest.

## Appendix 7: International experiences in community participation

### Decentralisation of rural infrastructure services

The Philippines and Thailand were among the first in South Asia to decentralise pro-poor delivery of rural infrastructure services. These countries have therefore gained considerable experience with what works and what does not work. Evidence for this lies in the numerous amendments that have been proposed to local government codes<sup>21</sup> (Forum on the Pro-poor Delivery of Rural Infrastructure Services, 2003).

Evidence supports the view that as a result of decentralisation basic services delivery has become more integrated, more focused on local priorities, and more efficient and cost effective (Philippines). Effective participation of road beneficiaries is seen as key to the efficient provision of decentralisation of rural transport infrastructure. It has also been shown to be a way of combating the politicisation of decision-making.

Some of the lessons learned in the Philippines and Thailand are:

- a) For effective delivery of programmes through beneficiary participation, the roles and responsibilities of the beneficiaries and the local government units need to be clearly defined, if possible in written agreements.
- b) The role of central organisations is crucial in defining standards and providing the decentralised agencies with standard procedures and systems in keeping with their mandates.
- c) For programmes, which are centrally funded, a capacity building component is a prerequisite and must be budgeted from the start.
- d) Arrangements for cost sharing between central government, local governments and beneficiaries for the implementation and maintenance of projects need to be clearly defined, preferably in formal agreements, and effectively monitored.
- e) The development of effective participatory rural infrastructure planning procedures can ensure transparency, objectivity and sustainability.
- f) As long as effective contract administration procedures are put in place, contracting the implementation of projects to consultants and contractors is more efficient.
- g) There is a need to encourage the development of local small-scale contractors. Emphasis on the use of local materials (Thailand) can have positive implications for their development.
- h) Experience suggests (Philippines) that stakeholder involvement in the political decision making process can lead to more objective and transparent allocation of resources.
- i) Decentralisation is not static. There has to be flexibility to take account of lessons from experience and the changing environment.

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<sup>21</sup> Forum on the Pro-poor Delivery of Rural Infrastructure Services: the Challenge of Decentralisation, 4-6 November 2003, Bangkok, Thailand; [www.ilo.org/public](http://www.ilo.org/public).

- j) Contracting procedures can be organised so that contractors are obliged to subcontract parts of the works to specific groups (communities etc).

### **Ownership issues**

Malmberg Calvo (1998) argues that community roads and paths are mainly local concerns. Given the low volume of traffic on community roads and the constrained finances of governments, communities have to shoulder a larger share of the financial responsibility for maintaining these roads and paths. "Devolving ownership to small-scale farmers, the largest private sector group in most developing countries, he claims will increase efficiency and bring more roads under regular maintenance."

For instance, a village infrastructure project in Indonesia project provides a block grant to each community, and it does not require cost-sharing arrangements. It allows villagers to pay themselves for the work. Two-thirds of the villages have opted to improve roads. Among all the infrastructure sub-sectors, road works probably have the highest labour requirements. This indicates that the incentive structure can have a significant impact on choice.

Malmberg Calvo further states that a road maintenance fund has great potential for providing partial financing to rural communities. Partial funding of maintenance for selected access roads and paths should also be feasible. Sensitization and possibly a change in the membership structure of some road fund boards may be needed to redirect road fund revenues to community roads. Any cost-sharing arrangements between a private road association and a road fund must be formalized in a written agreement between the parties and requires technical and financial oversight to ensure proper use of funds.

This finding, however, still underscores the need for financial resources. Research in Bangladesh shows the total impracticality of community contributions by an impoverished peasantry. The amounts collected were insignificant in relation to the cost of collection. The local people exist in such severe states of financial deprivation that any notion of cost contribution by the majority of users is simply unrealistic. Real innovation in the financing of rural transport remains elusive, but cost-sharing does not seem an attractive proposition in poor communities (Howe 1997, 1999).

Many industrial countries have well-established legal instruments for private ownership of roads at both the highest and lowest level of the network. For example, in Finland and Sweden two-thirds of the road network is private and directly managed by landowners. Both countries encourage communities to form road associations and register ownership of their roads under the Private Roads Act. Efforts to create similar instruments are underway in Latvia and Zambia. Obviously, communities will vary in their enthusiasm for self-help and community ownership of roads must therefore be voluntary

In most developing countries, planning and management of rural roads is often still centred in public works departments who do not have the mandate or incentive to widen their range of questioning beyond the technical choices (WB Technical Note on Rural Transport and Community Driven Development, 2003). However, people need to be involved in planning of roads if road projects are supposed to address people's needs and want to generate a sense of ownership (See Box A7.1, Jupp, 1995).

**Box A7.1: The importance of involving the communities during the inception of projects**

It is assumed that contributions of cash and physical labour constitute willingness on the part of the people to participate and indicate a commitment to the development scheme. This, in turn, is assumed to generate a sense of ownership of the facility and collective pride which will ensure its maintenance.

These assumptions have been proved over and over again to be dubious. The fact is people will not

value anything which does not meet their needs. If the location is inconvenient, the service too expensive and inadequate to meet their needs then regardless of whether they were involved in construction or cost sharing, the facility will not be used, will gradually fall into disrepair or will be abandoned altogether.

There could have been a number of reasons why they became involved in the construction which may not correlate with the usefulness of the scheme. For example, it may have been regarded as a chance for earning daily wages, albeit minimal, or they may have been coerced by influential leaders<sup>24</sup>”.

(Jupp, D. (1995), *Community Participation in Rural Infrastructure Development*, RRMIMP Dhaka, 1995)

### **Maintenance**

Even simple roads are very expensive to maintain in rural areas and every effort must be made to concentrate on carefully selected core networks while relying on local resources as much as possible. Management should involve those who participated in selecting the roads in the first place since if they have no voice they are unlikely to contribute<sup>18</sup>.

Maintenance is a major issue with technical, financial and institutional implications. Problems often arise because maintenance funds and responsibilities at each level of government of what is required are not clearly identified as part of the local authority budget. This means that issues such as the identification of the work to be done, the definition of who is responsible for the works, the specification of the budgets required and identification of the sources of funding is neglected (Forum on the Pro-poor Delivery of Rural Infrastructure Services, 2003)

### **Labour-based approaches**

Road construction and maintenance works are often described as either equipment-based or labour-based, depending on the relative intensity of productive factor use. The term “labour-based” is used to describe projects where labour is substituted for equipment when it is cost-effective (Jerry Lebo et al, 2001). Based on comparative studies carried out in a number of countries, such as Ghana, Lesotho, Madagascar, Rwanda, Zimbabwe, Cambodia, Lao People’s Democratic Republic (Lao PDR) and Thailand, where unemployment is high, jobs are scarce, and the average daily wage rate for workers in the agricultural sector is somewhere between less than \$1 and \$5 per day, equipment is usually owned by a few large-scale contractors or government departments. Maintenance and back-up services can be problematic and expensive, and real equipment costs are prohibitively high. The lower unit-cost of labour relative to capital therefore makes labour-based road works both economical and socially desirable.

The International Labour Organization concludes that the labour-based construction and maintenance (ILO, 1998):

- a) was about 10 percent to 30 percent less costly, in financial terms, than more equipment-intensive works
- b) reduced foreign exchange requirements by 50 percent to 60 percent
- c) created, for the same amount of investment, two to five times more employment

The type of work associated with basic access is ideal for labour-based methods. Spot improvement interventions are small-scale and vary, requiring attention to detail, and often do not require heavy construction equipment. In the case of community RTI, the full involvement of the community gives them the opportunity to acquire the skills for the eventual infrastructure maintenance by labour-based methods-

### **Participatory Planning Approach**

Local communities are the main stakeholders and users of rural transport. In recognition of this, there is now wide acceptance that their participation in the preparation and implementation of investment programs enhances local ownership and commitment, and fosters better accountability, management and sustainability.

Once the need for a project has been agreed upon, care must be taken that maintenance is incorporated into the early stages of the planning process. The planning framework must be built on a participatory and iterative process, simultaneously bottom-up and top-down. A national or state-based agency for RTI should set guidelines.

However, the driving force of the process must consist of priority setting and consultations at the local government and community level. For ensuring and building capacity for effective participation, in most cases it is necessary to employ local NGOs or consultants that are professionally trained in participatory methods.

Local consultations are also emphasized in the planning process in industrialized countries that rarely apply strict economic analysis to capital investments for local roads. In developing countries, however, where resources are extremely scarce coherent selection tools that include economic considerations and are understandable to the local planners and communities can usefully support the participatory decision-making process (for example by illustrating opportunity cost and incremental trade-offs). It has been argued that participatory decision-making can replace the economic selection process. This might be the case if investments are entirely locally financed, but even then the "wish list" will typically be more sizeable than available resources and a rational process (using economic criteria) should be used to help prioritize alternative investments. However, even modest contributions from outside sources can make economic planning tools useful, since the outside funding agencies, be it a road fund, government or a donor agency, will need to be convinced that the proposed investment is a sound and prudent use of its contribution. (Jerry Lebo et al)

### **Tools for Participation**

The five principal objectives (Malmberg Calvo) of participation in a local government context are allocation efficiency, service delivery and effectiveness, accountability, equity, and sustainability. Participation has to be addressed from a broad perspective, and different tools are appropriate at different times during the activity cycles. The six tools briefly presented here are:

#### **- Action-planning**

Citizen participation is often problematic. The principal problem is determining how representative a particular group of citizens actually is. How can one ensure that the representatives accurately reflect the interests of: the various socioeconomic groups, women, younger generations, and minorities (Silverman, Kelling, and Schmidt 1986)? One way may be to organize smaller, more representative meetings and workshops, the findings of which can be fed into the larger process.

#### **- Rapid appraisal**

Rapid appraisal is most often used to ascertain problems and priorities of primary stakeholders, especially those who are not organized in easily identifiable, formal groups. It includes a variety of tools ranging from interview and question-design techniques for individual, household, and key informant interviews to the use of secondary data sources. It is particularly useful for fostering participation, identifying problems and priorities, and obtaining reasonably accurate information about specific problems cheaply and quickly.

#### **- Beneficiary assessment**

Beneficiary assessment can help ensure that a project is demand-driven. It assesses the value of an activity as it is perceived by its principal users. It attempts to derive understanding from shared experience as well as observation, and gives primacy to the centrality of the other person's point of view (Salmen 1992). A

largely qualitative methodology that relies heavily on direct observation, conversational interviews, and participant observation, it seeks to make decision-makers aware of the points of view of the key actors in a development program—local citizens, service providers, and managers.

- Social analysis

Social analysis describes and analyzes the real or potential effects of planned development activities on specific groups of people. Social analysis can contribute most to improving allocation efficiencies and improving service delivery effectiveness.

- Contingent valuation method

The contingent valuation method is most useful to determine whether or not the services that are expected to flow from an infrastructure investment are likely to be financially sustainable. Contingent valuation method is best employed at project identification and preparation stages, prior to finalization of financial and technical specifications, to address allocation efficiency and sustainability issues. Structured, close-ended, interviews among potential consumers are the essence of contingent valuation method.

- Participatory assessment, monitoring, and evaluation

The primary focus of participatory assessment, monitoring, and evaluation is on the information needs of communities and neighbourhoods that undertake development activities, while the secondary focus is on the information needs of those designing and implementing the projects. As a result, this approach has most often been used at the community level in activities involving NGOs and other forms of local organization where field workers have developed a series of methods and accompanying tools (Davis-Case 1989). Many of these tools can be used at higher levels than the community.

In participatory assessment one of the key tools is community problem analysis, which builds on existing laws, structures, and ways of solving problems to help local citizens find solutions to new problems. Participatory assessment uses these same structures to facilitate negotiations among the community, user groups, and outsiders, such as local governments, central governments, or donors. It has proved useful to establish a framework for analysis using certain simple categories, such as problem identification, physical potential, community constraints, and community organization.