

RURAL TRANSPORT TRAINING MATERIALS

TRAINER'S NOTES

TRAINING MODULE 3 FINANCE AND MANAGEMENT

Part 1

Financing Rural Transport Infrastructure

Part 2

Community financing of infrastructure.
Case studies from Mexico, Zambia and
Egypt

SESSION 3.3



The World Bank



DFID

Department for
International
Development



theIDLgroup 

<p>Session Objectives</p>	<p>This session enables participants to:</p> <p>Technical paper</p> <ul style="list-style-type: none"> ● Explain the different ways in which local government and community roads and paths can be financed ● Analyse the implications of decentralisation and private sector involvement in rural transport infrastructure ● Explore a framework for improved finance of local roads and paths <p>Case study</p> <ul style="list-style-type: none"> ● Describe the key features of social and community funds ● Reflect on the experiences from Mexico, Zambia and Egypt and how these may relate to other countries ● Analyse the opportunities and constraints of social and community funds
<p>Rural Transport Knowledge Base materials used with this session</p>	<p>Financing Rural Transport Infrastructure. By: C. Malmberg World Bank (1998),</p> <p>Community financing of infrastructure. Case studies from Mexico, Zambia and Egypt Edited by: Annabel Davis, TRL Limited</p>
<p>Training Materials</p>	<p><u>Presentations</u></p> <p>3.3a Financing Rural Transport Infrastructure</p> <p>3.3b Community financing of infrastructure. Case studies from Mexico, Zambia and Egypt</p> <p><u>Activity Sheets</u></p> <p>44 Comparative advantages of communities and government</p> <p>45 Thinking about community infrastructure financing</p>

Key Topics	Training Methods
<p>Part 1</p> <p>1. Introduction</p> <p>2. Symptoms of inadequate finance 2.1 Causes of inadequate finance 2.2 Symptoms</p> <p>3. A framework for reform</p> <p>4. Financing local government roads</p> <p>5. Establishing a planning framework and planning methods</p> <p>6. Financing community roads and paths</p>	<p>Presentation</p> <p>Ideas gathering Presentation</p> <p>Presentation with discussion</p> <p>Group discussion</p> <p>Presentation with discussion</p> <p>Presentation with discussion</p>
<p>Part 2</p> <p>7. Case Studies 7.1 Introduction 7.2 Key features of social and community funds 7.3 Financing rural infrastructure in Mexico 7.4 Social Recovery Project (SRP) in Zambia 7.5 Egypt social fund for development 7.6 Reflections on experiences</p>	<p>Presentation Presentation Presentation Presentation Presentation Case Study Activity</p>

Trainers' Summary

This session is divided into two parts:


Part 1 is based on the Technical Paper: Financing Rural Transport Infrastructure.

Part 2 is based on the Case Studies: Community financing of infrastructure: Mexico, Zambia and Egypt



Session 3.2 Trainers' Notes

Part 1


1. Introduction

<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
<p>Presentation</p> 	<p>Introduce the first part of session by explaining the learning objectives and session structure.</p> <p>The first part of this session focuses on the problems with finance and planning for rural transport. A framework for reform is explored that includes planning and finance.</p> <p>Key Points:</p> <p>Session Overview Part 1</p> <ul style="list-style-type: none"> ① Symptoms of inadequate finance ① A framework for reform ① Financing local government roads ① Establishing a planning framework and planning methods ① Financing community roads and paths 	<p>Presentation 3.3a Slides 1 - 5</p>


2. Symptoms of inadequate finance


Training Methods	Content	Materials
<p>Ideas Gathering</p> 	<p>2.1 Causes of inadequate finance</p> <ul style="list-style-type: none"> ☉ Explore the whole issue of finance and the causes of insufficient finance. Begin the discussions by asking: <p style="margin-left: 20px;"><i>What are the causes of inadequate finance?</i></p> ☉ Note points participants comments on flip chart. The key learning points are discussed below. 	<p>Flip chart, pens</p>
<p>Presentation</p> 	<p>2.2 Symptoms</p> <p>Building on the points raised above, explain the symptoms of inadequate finance and how this manifests in the planning system and local capacity.</p> <p>Key Points:</p> <ul style="list-style-type: none"> ☉ Unclear responsibilities ☉ Disintegration of the planning system ☉ Insufficient and uncertain maintenance funding ☉ Inadequate local capacity 	<p>Presentation 3.3a Slides 6 - 9</p>

3. A framework for reform


<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
<p>Presentation with Discussion</p> 	<p>Describe the key aspects of a framework for reform. Draw on any experiences and ideas that participants may have, through discussion. Ask questions like: What is required for effective decentralisation? How may a framework for reform be funded?</p> <p>Key Points</p> <ul style="list-style-type: none"> ⊙ Effective decentralisation requires local level control of fiscal as well as political and administrative responsibilities ⊙ Financing <ul style="list-style-type: none"> ✓ donors pay for most capital expenditures ✓ there must be domestic funding to ensure sustainability and involve cost-sharing arrangements 	<p>Presentation 3.3a Slides 10 - 11</p>

4. Financing local government roads



<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
<p>Presentation with Discussion</p> 	<p>Describe the requirements for the financing of government roads. Draw on the experiences and ideas of participants. Ask questions like: What is required for financing local government roads? How may revenues be raised?</p> <p>Key Points</p> <ul style="list-style-type: none"> ① Financing maintenance ① Locally raised revenues ① Central-local fiscal transfers ① Cost-sharing for maintenance 	<p>Presentation 3.3a Slides 12 - 15</p>

Training Methods	Content	Materials
<p>Group Discussion</p> 	<p>The following activity examines the comparative advantages of communities and local central government for financing RTI.</p> <ul style="list-style-type: none"> ④ Divide participants into groups of 3 or 4, and give them Activity Sheet 44. ④ Ask participants to discuss: <ul style="list-style-type: none"> A. <i>What sorts of resources and attributes do communities, local governments, and central governments bring to the financing of RTI?</i> B. <i>What are the comparative advantages of each of these levels?</i> ④ Ask the groups to prepare their findings on flip chart and to elect a person to present the findings. ④ Ask each group to present their findings to the plenary. Facilitate a discussion on the findings and draw out the key learning points. See trainers' note below. <p><u>Trainers' Note</u></p> <p><i>Encourage participants to consider issues related to sustainability and a sense of community ownership, when discussing these questions e.g. the importance of acknowledging and using community resources.</i></p>	<p>Presentation 3.3a Slide 16</p> <p>Activity Sheet 44</p> <p>Flip chart, pens</p>

5. Establishing a planning framework and planning methods


<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
<p>Presentation with Discussion</p> 	<p>Describe the process for establishing a framework and planning methods. Draw on the experiences and ideas of participants where possible. Ask questions like: How may a framework be established in a participatory way?</p> <p>Key Points</p> <ul style="list-style-type: none"> ③ Participatory budgeting process ③ Recurrent dialogue between local constituents and local government ③ Sets contributions to both capital and maintenance requirements ③ Compels local government and constituents to determine whether they can afford new investments ③ Local constituents are faced with a budget constraint 	<p>Presentation 3.3a Slides 15 - 16</p>


6. Financing community roads and paths




Training Methods	Content	Materials
<p>Presentation with Discussion</p> 	<p>Describe the process for empowering and encouraging communities to take responsibility for roads and paths. Draw on the experiences and ideas of participants where possible.</p> <p>Ask questions like:</p> <p>In what ways can we encourage communities to take responsibility for roads and paths?</p> <p>Why is it important to encourage communities to take responsibility for roads and paths?</p> <p>Key Points</p> <ul style="list-style-type: none"> ⦿ Cost-sharing arrangements ⦿ Technical and managerial advice ⦿ Donor financing of investments ⦿ Community financing of investment and maintenance ⦿ Government and road fund financing of maintenance ⦿ Planning community roads and paths 	<p>Presentation 3.3a Slides 17 - 26</p>
<p>Presentation</p> 	<p>Conclusions</p> <p>Summarise the key issues and learning points from this part of the session.</p>	<p>Presentation 3.3a Slide 27</p>


Part 2


7. Case Studies: Mexico, Zambia, Egypt


<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
<p>Presentation</p> 	<p>7.1 Introduction</p> <p>Introduce the second part of this session explaining the objectives with a brief overview of the topics to be covered.</p> <p>During this part of the session, case studies from Mexico, Zambia and Egypt will be examined.</p> <p>Key Points:</p> <p>Session Overview Part 2</p> <ul style="list-style-type: none"> ③ Key features of social and community funds ③ Financing rural infrastructure in Mexico ③ Social Recovery Project (SRP) in Zambia ③ Egypt social fund for development ③ Reflections on experiences 	<p>Presentation 3.3 b Slides 1 - 3</p>

Training Methods	Content	Materials
<p>Presentation</p> 	<p>7.2 Key features of social and community funds</p> <p>Explain the key features of social and community funds, highlighting selection criteria and other important considerations.</p> <p>Key Points:</p> <ul style="list-style-type: none"> ☉ Mechanism for channelling funds to local authorities, NGOs and communities, allowing for cross-sectoral choice ☉ Principally finance social and economic infrastructure ☉ Demand driven ☉ Require matching funds ☉ Selection criteria for social funds <ul style="list-style-type: none"> ✓ benefit to poor ✓ capable implementing agency ✓ technically sound and simple ✓ maintenance costs met ✓ consistency with national and sectoral priorities ✓ use of labour based techniques ✓ beneficiary involvement ✓ matching funds ☉ For community roads and paths social funds also consider issues such as networks and potential traffic 	<p>Presentation 3.3b Slides 4 - 6</p>

Training Methods	Content	Materials
<p>Presentation</p> 	<h3 style="text-align: center;">7.3 Financing rural infrastructure in Mexico</h3> <p>Describe the reform process undertaken in Mexico</p> <p>Key Points</p> <ul style="list-style-type: none">  Pre 1990: state and federal projects poorly selected and designed, implemented with inadequate supervision, with no commitment to ongoing operations and maintenance  Municipal fund program introduced in 1990  Outcomes <ul style="list-style-type: none"> ✓ municipal fund projects often cost half to a third as much as similar state or federal projects ✓ improved service delivery by decentralizing government authority to independent sub-national governments 	<p>Presentation 3.3b Slides 7 - 9</p>

Training Methods	Content	Materials
<p>Presentation</p> 	<p>7.4 Social Recovery Project (SRP) in Zambia</p> <p>Describe the SRP project and the project outcomes.</p> <p>Key Points</p> <ul style="list-style-type: none"> 🎯 Seeks to boost standard of living of vulnerable and marginalised groups through improved and well-maintained transport infrastructure 🎯 Bring more of road network under regular maintenance, especially community roads 🎯 Funded by World Bank and EU 🎯 MPU project cycle 🎯 SRP selection criteria <ul style="list-style-type: none"> ✓ road should lead somewhere ✓ road should reduce travel time ✓ road should improve public transport possibilities ✓ technical requirements should be simple ✓ labour based mode of execution ✓ evidence of sustainability (through maintenance committee or existing maintained structure) 🎯 Outcomes <ul style="list-style-type: none"> ✓ one of the most successful donor funded projects in Zambia ✓ promotes ownership of community roads ✓ improves physical assets of rural poor ✓ contributes to poverty reduction 	<p>Presentation 3.3b Slides 10 - 13</p>

Training Methods	Content	Materials
<p>Presentation</p> 	<p>7.5 Egypt social fund for development</p> <p>Describe the Egypt social fund for development highlighting the project objectives, and outputs.</p> <p>Key Points</p> <ul style="list-style-type: none"> ☉ To mitigate effects of Egypt’s structural adjustment programme ☉ Objectives <ul style="list-style-type: none"> ✓ build institutional capacity ✓ provide employment opportunities ☉ Selection criteria <ul style="list-style-type: none"> ✓ generate income ✓ women’s participation ✓ offer credit for low income groups ✓ training opportunities ✓ strengthen NGO capacity ✓ channel social services, namely health and education, to low income groups ✓ emerge from local communities ☉ Activities <ul style="list-style-type: none"> ✓ financial contributions made as either loans or grants ✓ 5 separate core programs ☉ Outputs - constructed 410 kilometres of rural road and refurbished 18 health clinics and 15 schools 	<p>Presentation 3.3b Slides 14 - 18</p>

Training Methods	Content	Materials
<p>Case Study activity in groups</p> 	<p>7.6 Reflections on experiences</p> <p>The purpose of this activity is to draw on the lessons from the Mexican, Zambian, and Egyptian experiences and consider how these may be applied to other countries.</p> <ul style="list-style-type: none"> ③ Divide the participants into groups of 4 or 5 people. ③ Give each group Activity Sheet 45 and a copy of the full text of the Zambia case study. ③ Ask participants to discuss the following points: <ul style="list-style-type: none"> A. <i>How could social and community funds like the ones described be applied in the participants' home countries?</i> B. <i>What particular opportunities and constraints would such funds face?</i> ③ Ask the groups to prepare their findings on flip chart and to elect a person to present. ③ Each group presents their findings to the plenary. ③ Facilitate a discussion on the findings and draw out the key learning points. <p><u>Trainers' Note</u></p> <p><i>There are no right or wrong answers here. However, it is important that participants consider issues such as financial sustainability, and the importance of contributions made by the community, particularly in terms of encouraging a sense of ownership and responsibility by the community for roads and paths.</i></p>	<p>Presentation 3.3b Slide 19</p> <p>Flip chart, pens</p> <p>Activity sheet 45</p>

<i>Training Methods</i>	<i>Content</i>	<i>Materials</i>
	<p>Summary of session 3.3</p> <p>Conclude this session by reviewing the issues explored and the key lessons learnt, highlighting areas that may need further investigation or discussion.</p>	