

# Rural transport - Why we need to know more



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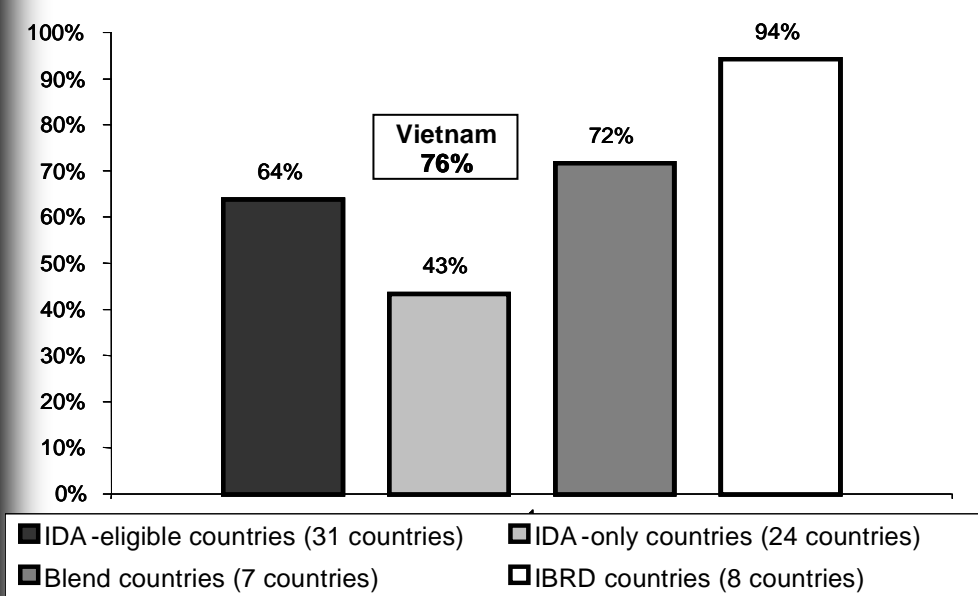
# Some Final Questions

- What do we know about impacts?
- What do we know about institutions?
- What do we know about resources?

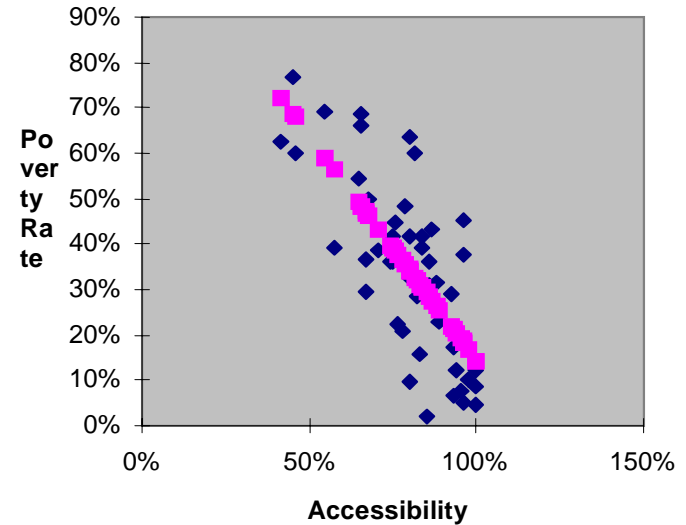


# Importance of rural transport

Access to Rural Transport: aggregate average



Poverty and Accessibility excluding Mekong delta Provinces



Vietnam - better rural access than most comparable countries

Links between improved access and poverty reduction?



# What we know about impacts?

## **Three pieces of 2007 WB research in Vietnam**

- 1. Rural Roads and Poor Area Development in Vietnam**  
**Ren Mu and Dominique van de Walle, World Bank June 2007**
- 2. The Role Of Services In Rural Income: The Case Of Vietnam**  
**M. Ataman Aksoy and Aylin Isik-Dikmelik, World Bank March 2007**
- 3. RT2 Implementation Completion Report**



# What we know about impacts?

- **The benefits of rural roads depend largely on the pre-existing conditions**
- **The largest gains are seen in poorer communities**
- **The gains to individuals in a given community are very variable**
- **Vietnam's record poverty reduction was driven by agricultural reforms facilitated by very good access to infrastructure – in particular rural roads**
- **Rural road benefits are captured by the better off first**
- **Rural road impacts go beyond the economic. They improve accountability by increasing access to local government and have distinctly different impacts on men and women**



# What we know about impacts? Where is research required

- **Need to continue to provide evidence – always competition**
- **Larger cross section of countries for impact evaluation**
- **5 yr + Post completion analysis**
- **What additional support do the very poorest need to access road benefits?**



# What we know about Institutions?

- Critical to effective sector delivery
- Decentralization – not always good
- Investment bias is an institutional issue (donors equally to blame)
- Weak M&E and incentives reduce sector performance
- New models required - Private sector, community organizations, and small scale PPP.
- Institutional development takes place at 3 levels





# Failed Institutions = Failed Roads





# Building Institutions = Building Roads



<i>Level</i>	<i>Rural Transport Issues</i>	<i>Activity</i>	<i>Who</i>
<b>INSTITUTIONAL (Sector)</b> <ul style="list-style-type: none"> <li>•Public sector roles                             <ul style="list-style-type: none"> <li>- national&amp; sub-national</li> </ul> </li> <li>•Private sector</li> <li>•Policy &amp; regulation</li> <li>•Resource allocation</li> <li>•Resource mobilization</li> </ul>	<ul style="list-style-type: none"> <li>•MOT role in RT not clearly defined, e.g.                             <ul style="list-style-type: none"> <li>- standard setting, organization, resource allocation</li> </ul> </li> <li>•PDOT role in RT: change with decentralization</li> <li>•Opportunity for contractors, consultants to enter RT market</li> <li>•Implementation of open market in civil works and services</li> <li>•Provincial approach to allocation for maintenance and RT</li> <li>•Criteria for central transfers for RT should include needs</li> </ul>	<ul style="list-style-type: none"> <li>•Rural transport strategy</li> <li>•Rural road standards</li> <li>•Competitive procurement</li> <li>•Road maintenance policy</li> </ul>	RTU/TDSI DST MPI VRA
<b>ORGANIZATIONAL</b> <ul style="list-style-type: none"> <li>•Mandate</li> <li>•Organizational Structure</li> <li>•Staffing (H Resources)</li> <li>•Business Processes</li>   <li>•Facilities</li> </ul>	<ul style="list-style-type: none"> <li>•Need for clear mandate and organizational structure for MOT (VRA, RTU, DST, DPL, PMU etc.) and subnational (PDoT, PPMU, DDoT and Commune).</li> <li>•Staffing levels at district offices are low but prospects for increased staffing are limited by civil service reform</li> <li>•Improved business processes are required at PDOT and DDoT level: planning, prioritization and budgeting; value and quality in construction; and maintenance management</li> <li>•Improved computer networks (ICT); communications, transport, office equipment etc.</li> </ul>	<ul style="list-style-type: none"> <li>•Recommendations on mandate, and staffing</li> <li>•Rural road maintenance management system</li> <li>•Road planning &amp; budgeting guidance (Provincial)</li> <li>•Materials for training on key business processes                             <ul style="list-style-type: none"> <li>• (procurement, FM, safeguards)</li> <li>•ICT hardware &amp; software, vehicles</li> </ul> </li> </ul>	RTU  VRA LTU  RTU DPL  Infomatics
<b>INDIVIDUAL</b> <ul style="list-style-type: none"> <li>•Technical competency</li>   <li>•Management competency</li> <li>•Personal competency</li> <li>•Operational competency</li> </ul>	<ul style="list-style-type: none"> <li>•Road planning, technical design, project mgt, contract administration, procurement, accounting, etc.</li> <li>•Budgeting, staffing, etc.</li> <li>•Language, time management, interpersonal, etc.</li> <li>•Word processing, spreadsheets, etc.</li> </ul>	<ul style="list-style-type: none"> <li>•Provincial, District and commune training programs through MOT training schools</li> <li>•Implementation support (PMU)</li> <li>•Consultant Regional Support Offices</li> <li>•Private sector training (Contractors &amp; consultants)</li> </ul>	DPL PMU-5 PMU-5 DPL

# What we know about Institutions? Where is research required

- **How to provide better performance incentives?**
- **How to get the most out the private sector and civil society to support the sector?**
- **How to address the institutional bias towards investment as opposed to maintenance?**
- **What level of decentralization is optimal for rural transport?**

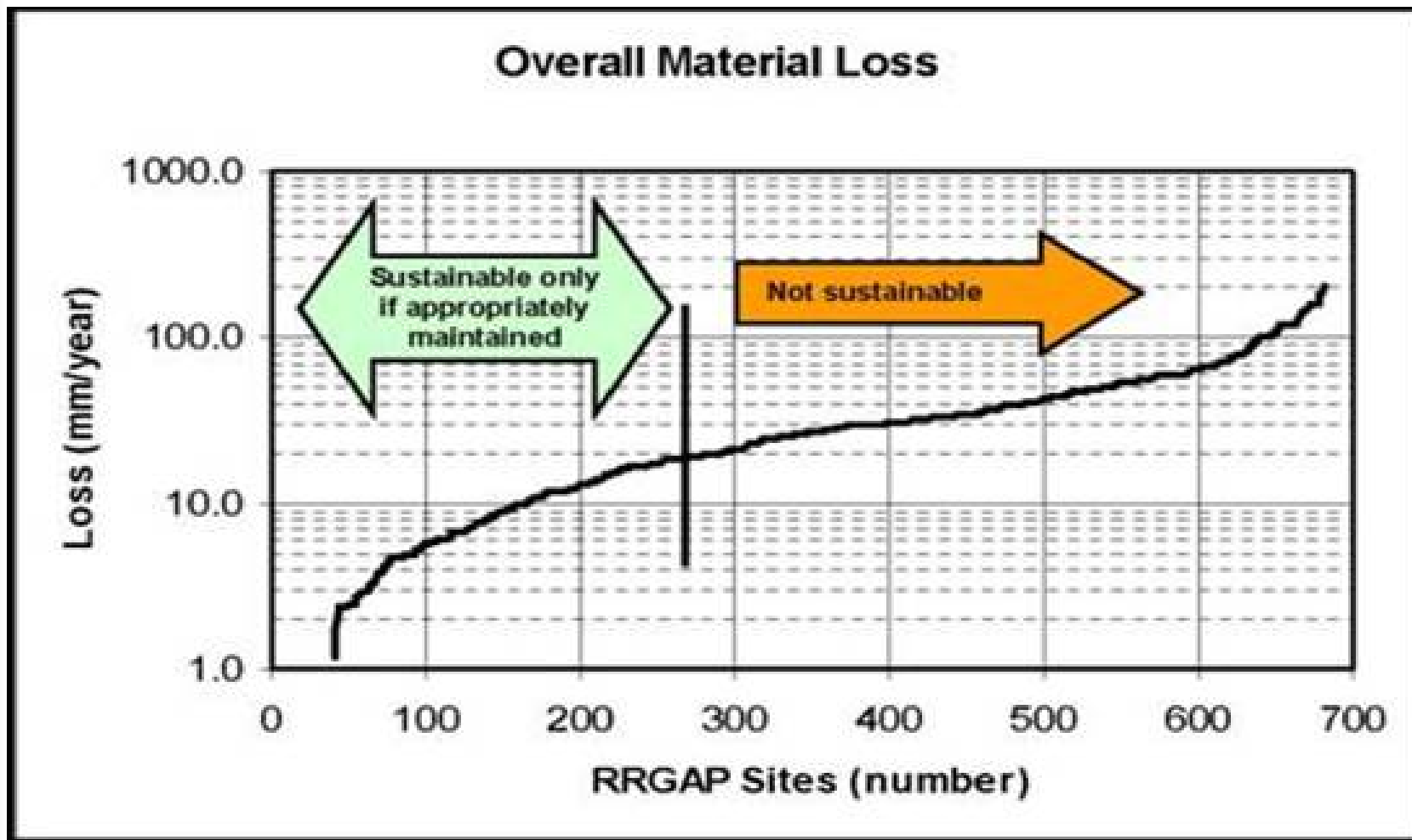


# What we know about Resources?

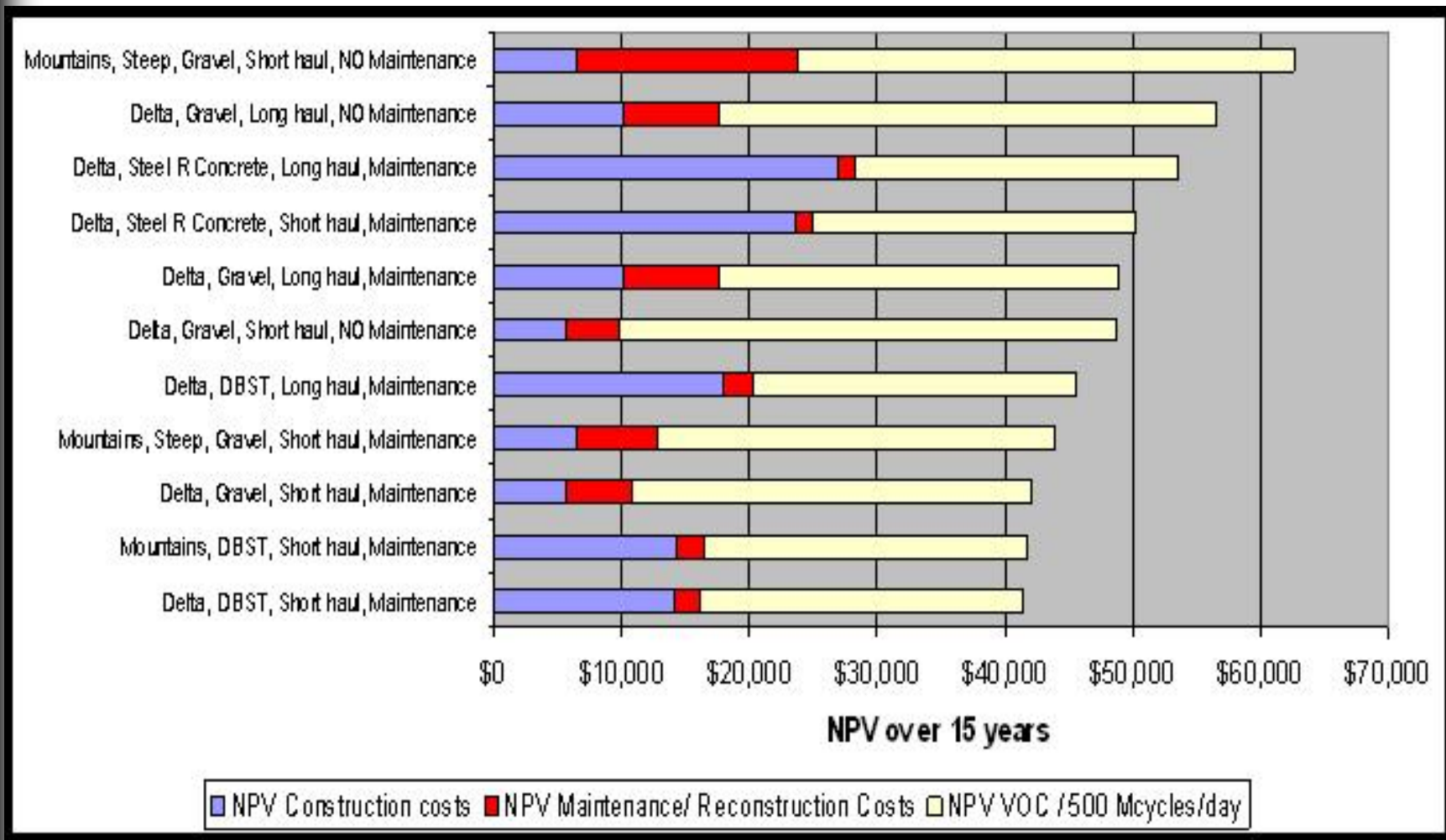
- **Sector allocations based on two principles:**
  - **Must spread resources to ensure equity**
  - **Someone will pay for maintenance**
- **SEACAP research challenges these models**
- **If preconditions aren't there the economics change**



# What we know about Resources?



# What we know about Resources?



# What we know about Resources?

- **Implies higher investment rates are justified at lower traffic levels**
- **Implies that the maintenance assumption is false**
- **Implies that the selection of rural road links for investment needs more attention**
- **Implies that the design of the link should be more detailed**
- **Implies that a modified ‘spot improvement’ approach is justified**



# What we know about Resources? Where is more research required?

- **Cross country and longer term comparison of actual rural road performance**
- **Investment models for RT that factor in**
  - **maintenance management capacity**
  - **impacts of labor based technologies**
  - **selective upgrading approaches**
- **Revisiting ‘spot improvements’ - what are the barriers to adoption**
- **Non-surface related cost reduction techniques**





**Finally don't forget there is more to rural transport than roads!**



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