Rural transport - Why we need to know more

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SEACAP Practitioners Meeting,
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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

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

<table>
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<tr>
<th><strong>Level</strong></th>
<th><strong>Rural Transport Issues</strong></th>
<th><strong>Activity</strong></th>
<th><strong>Who</strong></th>
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</thead>
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| **INSTITUTIONAL (Sector)** | • MOT role in RT not clearly defined, e.g. standard setting, organization, resource allocation  
• PDOT role in RT: change with decentralization  
• Opportunity for contractors, consultants to enter RT market  
• Implementation of open market in civil works and services  
• Provincial approach to allocation for maintenance and RT  
• Criteria for central transfers for RT should include needs | • Rural transport strategy  
• Rural road standards  
• Competitive procurement  
• Road maintenance policy | RTU/TDSI  
DST  
MPI  
VRA |
| **ORGANIZATIONAL**       | • Need for clear mandate and organizational structure for MOT (VRA, RTU, DST, DPL, PMU etc.) and subnational (PDOT, PPMU, DDoT and Commune)  
• Staffing levels at district offices are low but prospects for increased staffing are limited by civil service reform  
• Improved business processes are required at PDOT and DDoT level: planning, prioritization and budgeting; value and quality in construction; and maintenance management  
• Improved computer networks (ICT); communications, transport, office equipment etc. | • Recommendations on mandate, and staffing  
• Rural road maintenance management system  
• Road planning & budgeting guidance (Provincial)  
• Materials for training on key business processes  
• (procurement, FM, safeguards)  
• ICT hardware & software, vehicles | RTU  
VRA  
LTU  
RTU  
DPL  
Infomatics |
| **INDIVIDUAL**           | • Road planning, technical design, project mgt, contract administration, procurement, accounting, etc.  
• Budgeting, staffing, etc.  
• Language, time management, interpersonal, etc.  
• Word processing, spreadsheets, etc. | • Provincial, District and commune training programs through MOT training schools  
• Implementation support (PMU)  
• Consultant Regional Support Offices  
• Private sector training (Contractors & consultants) | 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 their 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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