

# Evaluation of EU support to the transport sector in Africa 2005-2013

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## **Evaluation of EU Support to the Transport Sector in Africa 2005 – 2013**

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of the Directorate General for International Cooperation and  
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***The opinions expressed in this document represent the authors’  
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## List of Acronyms

ADF	African Development Fund
ADM	Aid Delivery methods
AITF	Africa Infrastructure Trust Fund
CDC	Capacity Development Component (Uganda)
CEM	Country Economic Memorandum
COMESA	Common Market for East & Central Africa
COA	Chart of Accounts
CRIS	Common RELEX Information System
CSP	Country Strategy Paper
CSO	Civil Society Organisation
DAC	Development Assistance Committee (OECD)
DCI	Development Co-operation Instrument
EAC	East African Community
EC	European Commission
ECOWAS	Economic Community Of West African States
EDF	European Development Fund
EU	European Union
HIPC	Highly Indebted Poor Countries
IFS-RRM	Instrument for Stability - Rapid Reaction Mechanism
KJAS	Kenya Joint Assistance Strategy
LAPSSET	Lamu Port Southern Sudan-Ethiopia Transport
MEDA	Euro-Mediterranean Partnership
MOFPED	Ministry of Finance and Economic Planning (Uganda)
NSAPVD	Non-State Actors and Local Authorities in Development
NIF	Neighbourhood Investment Facility
NIP	National Indicative Programme
PFM	Public Finance Management
PEFA	Public Expenditure and Financial Accountability
RF	Road Fund
RMI	Road Maintenance Initiative
RRC	Regional Resource Centres
RTTP	Rural Travel and Transport Programme (Ethiopia)
SADC	Southern African Development Community
SBS	Sector Budget Support
SPSP	Sector Programme Support Project
SSATP	Sub-Sahara Africa Transport Programme
STABEX	Stabilisation of export earnings



## Annex 3. Responses to the Judgement Criteria and Indicators per EQ

### EQ1: Evaluation of EU policies and strategies in response to needs.

**EQ1: To what extent have changing policies and strategies for EU support been responsive to the evolving needs of the transport sector in Africa?**

#### **JC 1.1. EU policies, strategies and support objectives are responsive to expressed national priorities for the transport sector in African countries**

There is strong evidence that EU policies (compliant with principles adopted by the European Parliament), strategies and objectives are largely coincident with national sector policies, but this coincidence is not due to reactive adaptation of EU transport sector policies to national policies, rather the reverse process i.e. national policies, whilst reflecting national perceptions of need, were drafted and/or amended to comply with the policies of international donors (EU, WB, Danida, SIDA), in most countries the drafting being undertaken by donor-funded consultants. There appear to have been limitations on the scope of the consultation process at national (and regional levels) including lack of long term vision, politically motivated prioritisation choices and unrealistic commitments all of which have impacted on sector strategies and programming. On the other hand it does not appear that such national and EU policies and priorities were dissonant to any great degree even if the process of achievement of such coincidence was not led by the partner country. That being said the EU analysis of national transport sector problems and needs was generally speaking sound, albeit concentrating on the roads sub-sector. Less convincing is the logic for selection of EU support, usually high value works (for which there was certainly expressed national priority) and technical assistance for which there was less national expressed priority), often with a de facto PMU function, concentrating on the EU projects. A consistently expressed national priority was (and is) for roads as opposed to other land transport modes. Little national attention has been given to other modes except in recent years as bulk transport of mineral extraction product is required for increasingly large investment in extractive industries.

#### ***Indicator 1.1.1. EU policies, strategies and support objectives reflect the expressed priorities of partner governments as set out in national (sector) development programmes.***

There has been a consistent convergence of EU and national transport sector policies since the 8<sup>th</sup> EDF, with increasing development of sector wide approaches and reflection of national policies and priorities as the quality of national poverty reduction and sector strategy documents has improved.

However, there is a noticeable tendency for EU policies, strategies and objectives to 'lead' government policies which are then formulated and/or amended in compliance with international donor policies e.g. 'Towards Sustainable Transport Infrastructure: A Sectoral Approach in Practice, 1996' which was broadly compliant with policy developments of other major sector donors such as WB, clearly identifies shaping of national sector policy frameworks as an activity.

### 9<sup>th</sup> EDF

The programming guidelines note that where there is a sound 'up to date' sector strategy and an agreed MTEF, well integrated with a PRSP (if existing) and fully supported by other donors, EC response strategy should support existing national sector programmes (possibly using budget support). In the case of weak structural strategies, priority objectives of EU support should include: promotion of dialogue; updating sector policy; SWAp; institutional capacity building; PSA, strengthening maintenance management; securing adequate funding; rehabilitation of strategic roads.

Almost all West and Central Africa countries, at the beginning of the reference period fell into the second category, particularly Francophone countries where capability of governments for developing sector strategies, MTEF and even PRSP were still very limited, notably by lack of data and also planning administrative culture. National priorities were a shopping list for donors rather than a nationally-owned strategic vision of development, and integration of the transport sector into this vision. EU first contributed in adjusting to national priorities and expressed needs by having them structured in such a way that allows policy dialogue along with the requirements of the community of donors.

### 10<sup>th</sup> EDF

Programming orientations notes that national development agendas shall be the starting point for the country analysis and preparation of EU country strategy. To the extent possible the response cycle shall be aligned with the partners own strategies, policy analysis and budget cycles.

In most West and Central African countries, the 9<sup>th</sup> EDF transport sector programmes had sector master plans elaborated by consultants, with limited formal capacity development and consultations, even when meetings were organised regionally and with the participation of local stakeholders (administration, NGOs and CSOs). The content of those consultations were systematically deceptive for the EU and its consultants in terms of orientations and information. Participants usually did not commit much time and efforts to a donor-led process, urging rather for physical infrastructures able to relieve the daily endeavour of mobility and accessibility. However, having PRSP and sector strategy ready and adopted by governments (more rarely by parliaments), detailed together with a sector master plan and the related prioritization of investments and regulatory measures, the EDF10 strategies in NIPs were backed by national priorities as required by Paris Declaration and other EU commitments to the aid effectiveness agenda. Governments' commitments and actual sector management could (theoretically) be benchmarked in NIPs against supposedly owned national policies, providing legitimacy to EU championship on structural reforms.

### 11<sup>th</sup> EDF

Noting that combating poverty remains the primary objective of EU development policy and that EU support shall be coordinated within the framework of principles and objectives of EU external action, programming instructions make clear that existing national/regional policy documents should subject to analysis by EUD, be the main reference for the programming process (i.e. preparation of the multi-annual indicative programme [MIP]). There is thus a strong inference of coincidence between EU and national transport sector policies and wider national policies for development and poverty reduction (see also EQ7, JC 7.5).

**Benin:** Weaknesses (rather than strengths) of the sector management are perfectly known by EUD, well informed by technical assistants and experts' reporting, as well as by relatively regular individual contacts with national authorities at various levels. Annual sector reviews organized jointly with the MPW and the RF were also instrumental in updating the information made available to the EU. The structural/institutional weaknesses are however so strong that regular updating sounds somehow of little use.

**Madagascar:** Faute de leadership et par manque de coordination interministérielle, Madagascar manque cruellement de documents d'analyse et de planification du développement du secteur des transports. Par ailleurs le Gouvernement ne s'approprie pas du Plan National des Transports (NTP) élaboré en 2003 avec l'appui financier de de l'Union européenne.

**Senegal:** In the early 1990s, various studies have allowed to establish an accurate diagnosis of the situation of the transport sector in Senegal and to identify the main existing constraints, in particular:

- the obsolescence of transport infrastructure; -an inadequate institutional framework; very high construction costs;
- failure of the system of financing;
- the high cost of motorised transport services;
- the weakness of the capacity of planning, programming and management of public and private actors;
- the inequality of men and women in the treatment of transportation needs;
- etc.

To remedy this, the Government of Senegal has taken a series of initiatives, including:

- the adoption in 1990 of a first the transport sector policy letter, with main objectives to foster the establishment of an environment conducive to the improvement of the quality of the infrastructure and services and strengthen the support that this sector brings to the rest of the economy. This letter will be followed by the adoption and the implementation of the PAST1 that will, inter alia, to restore the capacity of transport infrastructure and to fundamentally alter the mode of management of the sector by encouraging the involvement of private companies in the maintenance of infrastructure;
- the adoption, in September 1996, an urban transport policy letter, with basic objective to clean up the sector by, inter alia, the establishment of a regulatory framework more suitable to promote healthy competition between the different actors and to increase investment, the development of private initiative and self-organization and, finally, the improvement of the quality of the interventions of the government in the provision and management of infrastructure and urban transport services;
- the adoption, in 1998, a second letter of policy known as «Declaration of sectorial policy for transport » and the implementation of a second transport sector programme (PST2) in 1999, whose purpose is to consolidate the achievements of the PAST1 to allow the transportation sector to better play its role of supporting economic and social activities;
- the adoption, in September 2002, of a National Rural Transport Strategy (SNTR) for the purpose to set up an adequate system of transport which allows rural populations to move out of their isolation, considered to be one of the determinants of poverty.
- The adoption in December 2010 of the third Transport Sector Policy Letter(2010-2015) which is nowadays under assessment to better prepare the fourth letter which is being developed.

- The adoption in 2013 of the national road safety strategy

In Senegal, transport is placed at the heart of development strategies, with the development of sectorial policies underpinned by massive investment in infrastructure and services. An integrated strategy, accompanied by structural reforms, has referred in particular to improve the quality of transport services to support optimum accessibility and mobility of goods and persons and, beyond, the socio-economic development and the preservation of the environment.

**Mozambique:** Generally good quality analysis but delayed updating of sector documentation reduces effectiveness (e.g. PRISE extended three times from 2011 to 2012, 2013 and 2014).

**DRC:** De 2001 à 2002, une profonde réflexion était menée avec l'appui de la Banque Mondiale. Elle a abouti à l'élaboration d'un document cadre de la politique nationale des transports. Les problèmes de chaque mode de transport étaient identifiés et les pistes de solutions étaient proposées au niveau institutionnel, règlementaire, de gestion des infrastructures avec l'implication des privés (PPP). Un d'action et d'investissement était élaboré. Ce document cadre a été élaboré dans l'approche participative avec l'implication à toutes les étapes des organismes gouvernementaux, les représentants de la Société civile et du secteur privé. Adopté au cours d'un atelier final par les experts représentant toutes les Institutions du pays, ce document n'a pas pu être adopté au niveau du Gouvernement à cause de conflit entre les Ministres en charge des Transports et des Travaux publics. Ce qui n'a pas empêché la mise en œuvre de ce document par la réalisation de quelques études sectorielles jugées prioritaires. Dans le cadre des programmes financés par la Banque Mondiale (PMURR et PCDSP), les différentes études suivantes ont été réalisés: (i)l'amélioration du cadre institutionnel du transport urbain (CIMA international); ii)l'amélioration du cadre institutionnel de la sécurité routière par (CIMA international); (iii) la réforme du cadre institutionnel et règlementaire du secteur des Transports (CATRAM); (iv) la création d'une Direction Général de l'Aviation Civile (IATA Consulting); (v) la finalisation du Code de l'aviation civile (SOFREAVIA) ; (vi) la mise en place d'une Agence nationale de régulation des transports (ENPC/Paris); (vii)la création du fonds d'entretien routier et les études sur l'amélioration du chemin de fer Matadi-Kinshasa et du bief maritime.

Les grandes lignes de cette politique ont été inscrites dans le DSCR adopté par le Gouvernement en 2006. La plupart de réformes préconisées dans ce document cadre de politique sont en cours d'étude dans le cadre du Projet de transport multimodal finance par la Banque Mondiale.

L'étude d'élaboration du Plan Directeur National intégré de transport (PDNIT) financée par la Banque Africaine de Développement actualisera ce document en proposant des solutions tenant compte de l'architecture juridique, institutionnelle et administrative de la RDC.

***Indicator 1.1.2. CSPs and NIPs for EDF 9 and 10 (and supporting documentation) present a sound analysis of transport sector problems/needs and EU responses.***

As noted also in 1.2.2 below CSPs and RSPs approach analysis of transport sector issues from different perspectives. CSPs deal almost entirely with infrastructure provision and maintenance plus capacity building and institutional support of national sector institutions. Although there is no obvious disconnect between national and regional programmes these is a clearly different perception of priorities. Generally speaking, analyses of the transport sector issues are sound, using the required data sets (eg road condition, maintenance

effectiveness...) to sustain the need for EU support. Coming to the nature of EU interventions, CSPs don't provide a comparative analysis of alternative strategies but rather state the retained option, most often a reflection of donor consensus on transport policy at that time.

### 9<sup>th</sup> EDF

The programming guidelines give detailed advice on how to analyze national transport sector policy, effectiveness of implementation of strategies, determining sector objectives, determination of EU response strategy and indicators (performance and process). Hence, the analysis of transport sector problems/needs and EU responses is standardized across countries. This harmonization is reinforced by the approval circuit with EU HQ, in terms of contents and principles to apply (best practices). The process was, however, one of continuous learning driven by the expertise available in HQ and regular exchange of views with other donors, informally or through facilities such as the SSATP – Transport Policy Development Programme co-financed by the EU.

All CSPs/NIPs in which support to the transport was a focal sector contain a brief though in-depth analysis of the national transport sector (albeit with a concentration on roads). Typically 'challenges' identified included backlog maintenance, inadequacies in funding, management, cost recovery, regulation and enforcement of regulation, 'arrears'<sup>1</sup>, institutional capacity and HRD, investment prioritization, public sector financing, environmental and social issues, stakeholder involvement, sustainability accountability, PFM, road safety, rural access, donor coordination. For only a few CSPs, detailed analysis was provided in an annex.

In the face of such a formidable list of sector issues EU response generally focuses on 'hard' issues of construction (including associated feasibility studies and detailed designs, new construction, reconstruction and periodic maintenance) of main roads (some with regional/corridor implications) and rural/feeder roads together with institutional support/capacity building, studies (including sector policy development) and, in some countries, improving road safety.

### 10<sup>th</sup> EDF

Programming orientations state that CSPs should contain a specific chapter describing and analyzing the development agenda and that use should be made of thematic programming fiches. Most CSP/NIPs examined have an analysis of the national transport sector the length and detail of which varies between countries (as the level of EU sector support also varies). Although 10<sup>th</sup> EDF CSPs are expected to include a thematic analysis of the national transport sector less than half of the CSPs scrutinized actually included such annexes (e.g. Malawi, Zambia, Lesotho, Kenya) and these analyses are, as to be expected more detailed, typical coverage including: country context, transport systems<sup>2</sup> and networks, sector management, sector institutions and reform, financing (including BS), sector policies, condition and maintenance, decentralization, sector priorities/stakeholders and (not always) cross-cutting issues.

All CSPs acknowledge the regional context of EU support which is almost entirely to the roads sub sector and all CSPs selecting transport, as a FS identify such support as 'Regional' interconnection – transport infrastructure or similar

<sup>1</sup> A somewhat coy term which covers contractual commitments entered into by government in excess of available approved funding.

<sup>2</sup> Most of the more detailed analysis covered the roads sub sector in some depth with a brief section (typically one paragraph) on other transport modes – inland waterways, air, rail, maritime and ports and, sometimes IMT. Ferries were usually considered as 'substitutes' road bridges. There is only occasional reference to urban transport.

wording.<sup>3</sup> All sector analyzed make reference to regional connectivity issues with land locked countries, not surprisingly, having the longer consideration of such issues. EU strategic transport sector responses were firmly linked by EU HQ to EPA negotiations, as well as with PIDA (a continental perspective for developing Africa's integration into the global economy).

Not all coverage of the national transport sector can be considered as analysis – some CSP coverage is mainly descriptive. However, in discussing the justification for selecting transport as a FS, the conclusions of sector analysis can usually be discerned even if not explicitly stated as such. CSPs are to be seen as a 'Memorandum of Understanding' (MoU) with partner governments, mainly based on high level unilateral decisions regarding the amount of NIPs but shared when coming to budgetary allocation by sector and nature of programs. CSPs are often limited to a reminder of the underlying analysis rather than demonstrations of the opportunity of prioritizing transport over other sectors and road investment over (for example) structural reforms or other modes of transport. The 'bottom-line' rationale of prioritizing road infrastructure projects by EU was to be able to disburse NIP budgets against a very bureaucratic or otherwise weak national absorption capacity, at least according the fundamental imperative of a 'safe' use of EU tax payers' money.

#### 11<sup>th</sup> EDF

Programming instructions make the assumption that national/regional development plans provide a sufficient basis for programming of EU assistance and only in the exceptional case when the EU considers that the national/regional development plan cannot be used, a case may be made for preparation of a CSP/NIP. The associated assumption is that the EUD analysis is sound.

Considering the above, the EU is increasingly constraining its own capacity to adjust its regional and national strategic response to its own analyses of strength and weaknesses of sector management, which are important for enforcing regional regulatory frameworks (at national levels) and maintaining investments prioritized by national/regional development plans.

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<sup>3</sup> An exception is Lesotho – FS2: Road transport sector strategy focussing on improving accessibility and institutional capacity building.



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## **JC 1.2. EU policies, strategies and support objectives are responsive to expressed regional priorities for the transport sector in Africa.**

EU support at regional levels is responsive to regional policy and strategy documents although subject to critical EUD scrutiny of adequacy of said regional documents and dialogue with donor sector partners and regional organisations. Such support must be in accordance with EU policy priorities and 'conditionalities' of such support (such as the limited concentration areas identified in 'European Consensus'). However, these regional priorities, master plans and policies were in fact produced with TA support of EC (and other international donors) during the 9<sup>th</sup> EDF period. These policies reflect international thinking and norms although they cover identified regional transport needs and have been endorsed as such by the regional institutions. It would not be ingenuous to observe that regional policies are thus arguably more responsive to EU policies than the converse. Quality of EUD analysis of regional policies for RSP/RIPs under 9<sup>th</sup> and 10<sup>th</sup> EDF has a clear bearing on quality of EU sector support.<sup>4</sup> For both EDF programming cycles RSP aims may be summarised as economic growth and poverty reduction by way of regional integration and macro-economic convergence. The link with EPA negotiations became increasingly strong over the evaluation period.

Analysis of regional transport sector needs appears to be of good quality although linkage of regional to country level sector needs is patchy. Regional programming has concentrated on 'soft' issues (facilitation of international transport movement) whilst national programming has concentrated on 'hardware' (construction and maintenance of infrastructure). Obviously complementarity between RIPs and NIPs is essential but there is little evidence of serious consideration of how such complementarity may be maximised.

***Indicator 1.2.1. EU policies, strategies and objectives reflect the expressed priorities of regional organisations for the transport sector as set out in regional development programmes.***

### **9<sup>th</sup> EDF**

The 9<sup>th</sup> EDF CSPs/RIPs in all regions is based upon EC policy objectives, regional policy agenda and analysis of said policies, lessons learned,

<sup>4</sup> And a similar assertion may be made for preparation of 11<sup>th</sup> EDF MIPs.

programmes of other sector donors and perceptions of EU added value. References to existing regional development programmes are rare because some RECs haven't yet produced them, or by not adopting a structure (sector policy, master plan, investment plan and accompanying measures) that suit EU alignment purpose for its regional strategy.

'Transport and communications' is a focal sector in most RSP/RIPs with concentration on regional integration and a trade agenda, particularly regarding high transport costs. However limited funds were allocated to RIPs such that these limited funds were much too little to be involved in the hugely ambitious infrastructure development programmes produced by most regional organisations. Emphasis was thus placed upon support to master-planning of regional infrastructure needs (all modes of transport) plus transport facilitation measures (one-stop border posts, customs, procedures, transit rules, harmonisation of national regulations e.g. driving licenses) whilst infrastructure construction and backlog maintenance interventions (most of which on national main roads, had a regional connectivity context) were implemented under country programmes.

All RSPs aim at rationalisation of legal and regulatory frameworks through standardisation of procedures (e.g. GVW, axle loading, vehicle dimensions, carrier licenses, 3<sup>rd</sup> party insurance, bond guarantees) and improved operational efficiency of rail networks and ports.

#### 10<sup>th</sup> EDF

Programming orientations state that the choice of concentration areas (maximum two or more concentration areas identified in 'European Consensus') shall 'flow from' the partner region policy priorities, dialogue with the partner region and with the donor country, analysis of needs and priorities, EU policy priorities, assessment of EU comparative advantage and EU implementation capacity. Similarly, implementation is region-specific based upon the regions' (and constituent countries) needs strategies, priorities and assets.

Regional challenges and mitigation agenda are defined (by the regional organisation) and these can contribute to priorities for country programmes. However EUDs are expected to identify priority regional sectors which may be covered by EU facilities and/or global initiatives.

#### 11<sup>th</sup> EDF

Programme instructions note that proposals to be developed by EUDs should be in line with EU's overall external relations priorities, regional and thematic priorities and EU policy orientations, making use wherever possible, of existing regional policy documents as the main reference documents of the programming process. These existing regional documents should be used as the basis for coordination and dialogue with EU MS and other donors (but an RSP may still be prepared where there is no agreement with the regional organisation to use the regional development plan).<sup>5</sup>

Thus, the first phase in programming of EU support is analysis of the regional development plan – the second phase involves regional programming seminars for political and policy dialogue and to explain/discuss the EU approach in definition of the response to regional needs, priorities and objectives as set out in

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<sup>5</sup> As per Cotonou Agreement Annex IV. This covers regional development documents not considered appropriate (or of adequate quality) for programming.

the regional development documents. The central MIP should, on the basis of the EU vision for relations with the region, accommodate coherence:

- between regional and country programmes;
- between regional programmes and centrally managed regional intra-country programmes (Instruments);
- between development and cross-cutting or sectoral EU policies (i.e. PCD);
- between policies, instruments and actions of EU and EU MS, EIB and European DFIs.

The EU programming process should be synchronised with the regional cycle.

**Senegal:** Even if at the regional level there is a willingness to diagnose problems in the sector and develop common policies We must recognize that their implementation poses problems because the interests of Governments are different (ex. the issue of harmonization with regard to the control of the axle load).

We must also recognize that regional organizations do not all have the capabilities required to perform without difficulty missions especially for the transport sector for which problems identified and requirements constitute a big challenge

**DRC:** La RDC qui appartient à plusieurs Communautés Economiques régionales (CEEAC, CEPGL, SADC et COMESA) s'intégré dans les programmes prioritaires adoptés par ces communautés et qui sont intégrés dans le PIDA soutenu par l'UA et la BAD.

***Indicator 1.2.2. RSPs and RIPs for EDF 9 and 10 (and supporting documentation) present a sound analysis of transport sector problems/needs and EU response.***

Regional analysis of transport sector problems is expected to have a somewhat different 'slant' than country analysis and this is borne out in examination of RSPs and NIPs (see also I 1.1.2). National programmes deal more (but not entirely) with 'hardware' (physical infrastructure) whilst regional programmes try to address facilitatory measures aimed at reducing transport costs.

### 9<sup>th</sup> EDF

Noting that overall objectives are economic development and poverty reduction all RSPs examined aim at reducing transport (and communications) costs<sup>6</sup> and the costs of doing business by better use of existing infrastructure. Master plan development for the region is also a common feature<sup>7</sup>. Strategic goals differ in detail between regions<sup>8</sup> but there is overall consistency in wider aims:

- integration of national networks (by achieving compatible policies, legislation, protocols, procedures)<sup>9</sup>;
- removing bottlenecks to free movement of people, goods and services (faster border procedures – immigration and customs; removal of check points);
- better maintenance and operation of strategic infrastructure and services;
- building partnerships between private and public sector (e.g. concessioning);

<sup>6</sup> SADC estimates transport costs constitute 30-40% of total costs of imports and exports for land-locked countries.

<sup>7</sup> Although the 'overlapping' country membership of more than one region organisation has the potential for confusion when there are differences in the organisations' strategies.

<sup>8</sup> E.g. COMESA has concentrated on facilitation programmes; IGAD on sourcing funds for infrastructure development; EAC on both.

<sup>9</sup> The SADC 'Protocol on Transport, Communication and Meteorology' goes back to 1996 but a number of provisions have yet to be implemented.

- restructuring national sector institutions on a commercially viable basis.

Reference is made to show absorption of 8<sup>th</sup> EDF funding and to slack prioritisation and justification of some project proposals.<sup>10</sup>

Reference is made to cooperation between neighbouring regions<sup>11</sup> and to efforts to develop common strategies for commercial management of road networks (which of course is a national issues addressed through establishment of road funds, national highway agencies etc). RSPs also make reference to other transport modes such as concessioning of railway services, improving railway management, introduction of computerised cargo management<sup>12</sup> and improving maritime port operations and services, including concessioning of operations, services, container handling etc (another national issue). Corridor development is also addressed (again noting that infrastructure development and maintenance are national issues).

### 10<sup>th</sup> EDF

The overall RSP aims can be summarised as economic growth and poverty reduction by way of regional integration, micro-economic convergence and EPA, peace, security and good governance with two focal sections<sup>13</sup>.

Analysis of transport sector issues appears similar to the 9<sup>th</sup> EDF analysis – efficient transport and communications networks are essential for regional development and for linkage to other regions, and such links would facilitate regional integration and trade agendas by reducing the cost of doing business<sup>14</sup> and by establishing reliable links. Performance of 9<sup>th</sup> EDF RSP is analysed and problems identified.<sup>15</sup>

## **JC 1.3. EU transport sector policies and strategies offer added value**

The Statement on the European Community's Development Policy (10/11/ 2000) determined a limited number of areas of EU support on the assertion that 'community action added value' although no evidence for this assertion was apparent in the statement. Since then there is limited overt discussion in policies and strategies of EU competencies which might lead to added value of EU support to the transport sector.<sup>16</sup> However, there are implied components of 'added value' in some policy documents.

Coordination of EU, EU MS and other sector donors; EU transport policy supporting EU development objectives<sup>17</sup>.

<sup>10</sup> There is also some identification of reasons for slow disbursement (which is assigned to be the dual responsibility of EU and the regional institutions), especially regarding capacity building. Lessons learned included that there were too many small projects, that projects should be based on regional sectoral policies and strategies and that 'only truly region projects' should have been selected.

<sup>11</sup> E.g. COMESA and EAC have been cooperating with SATCC on integrating transport networks by 'implementing compatible policies, legislation, rules, standards and economic integration and regional political integration/cooperation; Central Africa (CEEAC) support to economic and trade agenda and support to regional political integration agenda.

<sup>12</sup> This is another example of incompatibilities between regions – SADC is using the Rolling Stock Information System (RSIS) whilst COMESA has introduced Railtracker (Advance Cargo Information System).

<sup>13</sup> The focal sectors vary between regions e.g. SADC – trade integration; ECOWAS – deepening of regional integration, enhancement of competitiveness and EPA; and strengthening of good governance and regional stability; ESA.IO – regional procedures and eliminating hindrances and impediments to movement.

<sup>14</sup> Transport represents 45-55% of the cost of doing business in SADC and cross-border delays (and related opportunity costs are estimated at ~USD 60M/year) which suggests that proportional transport costs have actually increased between the 9<sup>th</sup> EDF and 10<sup>th</sup> EDF programme preparation periods?

<sup>15</sup> Similar problems are noted in different regions including countries in between roles at country and regional levels, underestimation of quality demands of preparation of projects.

<sup>16</sup> Including link between trade and development, support to regional integration and cooperation, transport, sustainable rural development and institutional capacity building.

<sup>17</sup> COM (2000) 422: prioritising sustainable transport in development cooperation.

Division of labour in development policy<sup>18</sup>.

Privileged partnership between AU and EU; experience of trans-European networks (TENs) for transport, energy and telecommunications (including principles for delivery of methodology for identification of trans-national axes and priorities; consensus building between countries and stakeholders on harmonisation of regulatory frameworks<sup>19</sup>.

Experience of best practises of a common transport policy and development of more reliable, safer and less expensive transport services<sup>20</sup>

Discussion of EU competencies in preparation of 9<sup>th</sup> EDF and 10<sup>th</sup> EDF (and evaluations) includes multiple references to relative strengths/added value and weaknesses of EU transport sector support. The most common assertions of EU added value refer to experience gained from long involvement in transport sector support and the size of EU support budgets. The most commonly expressed assertions of comparative disadvantage refer to complexity of EDF administration and financial regulations, delayed decision making and EUD capacity issues. Having stated perceived added value, there is little further discussion of how such competencies are to be applied in implementation of NIP/RIP.

Progressing from 9<sup>th</sup> to 10<sup>th</sup> and 11<sup>th</sup> EDF there are fewer and fewer discussions of EU sector competencies being taken into account in programme design. For 10<sup>th</sup> EDF it appears that claims of EU added value have been absorbed by the joint approach strategies.<sup>21</sup> Preparation instructions for 11<sup>th</sup> EDF make no reference to EU competencies or added value except by hinting that certain competencies are not available and such expertise should be sought in other institutions (e.g. EUDs should use capacities and expertise of European and other IFIs in preparation of financial proposals).

#### **Questionnaire response on EU added value:**

Only 16% feels the EU provides no or limited added value.

Experience and Expertise are seen as the “biggest” added value. The EU provides little added value in terms of Flexibility and EDF procedures (see summary graph on EU added value and graphs 5.1-5.9)

The additional comments stress the following added value:

- o The EU as ‘leading’ donor paving the way for other donors:
  - “The EU support acted as a trigger and a pacesetter for more support from other donors, after years of civil war and destruction”.
  - “capacity to promote blending with other international donors; allow public-private partnerships”
  - “only donor providing grants in the sector”
  - EU funds is grant, where major sources of funding for the transport sector are concessional loans”
- o The EU as experienced qualified partner”
  - “our presence in the field makes us a daily and competent interlocutor”
  - “The Sector Policy Support Programme had considerable value. It offered a real platform for discussions about policies and institutional

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<sup>18</sup> 2007 Code of Conduct.

<sup>19</sup> COM 2006 – Inter-connecting Africa: The EU African Partnership on Infrastructure.

<sup>20</sup> COM 2009 – Partnership between EU and Africa- Connecting Africa and Europe: Working towards strengthening transport cooperation.

<sup>21</sup> In accordance with the Paris Declaration.

reforms that none of the other donors could provide. However, this is now halted or at least suspended as the country does not comply with the general conditions for budget support such as the macroeconomic stability and the public finance management reforms”

- “The added value is not the fact that the EU has worked for decades in the transport sector but that we have developed (i) a strong regional network (axle load control and transport facilitation are major regional issues) and (ii) good working relations in the sector with national and regional administrations. It is also linked to EU political priorities such as Transport Facilitation and EPAs, for instance.”
- “significant added value is created by the presence of dedicated infrastructure staff in most delegations able to follow policy dialogue with the government as well as the actual implementation of works. The EU's regional approach to certain issues (transport corridors, axle load control) is also very positive”
- “Infrastructure is a capital-intensive sector and big money is needed. Without appropriate funds it is difficult to leverage for reforms and to bring about key changes especially when these run counter political vested interests. Save for a few countries, I don't think that the EDF has ever been able to mobilise big resources, especially if compared with cheap loans provided by the Development Banks or with Governments own resources. However, I think it is fair to say that, despite limited resources, we have been able to assert long-standing partnerships in several countries and, in doing so, fostering important sector governance changes (such as the creation of Roads Authorities). So, experience, expertise, neutrality and good policies may be on the long run more important than the quantity of funds provided.”
- o 90% see a continuing role for the EU support to the transport sector.
  - Various comments have been made on the fact that results have been achieved in the past and cooperation has been fruitful, but further support is needed and there is a clear risk (and fear) to lose what has been built up over many years.
  - Most mentioned thematic areas for continued support are regional integration/corridors development (including a more multimodal focus) and Road maintenance/preservation strategies incl axle load control)
- o In cases where respondents did not see a continuing role for the EU this related to the fact that the transport was not part or no longer the focus of EU cooperation in a particular country

***Indicator 1.3.1. Clear and appropriate identification of EU competencies, capacities and experience that could contribute to added value (e.g. evidence of application of EU experience and know-how in SWAp and regional integration effectively applied during the course of EU sector support in Africa).***

#### 9<sup>th</sup> EDF

All CSPs/RIPs examined restate the Statement on the European Community's Development Policy of 10/11/2000 which determined a limited number of areas selected on the basis of their contribution to reducing poverty and for which Community action provides added value i.e. of relevance to the transport sector; link between trade and development, support to regional integration and cooperation, transport, sustainable rural development and institutional capacity building.<sup>22</sup>

<sup>22</sup> Other areas stated to benefit from EU added value include: support for ME policies, food security, good governance and rule of law.

There is evidence of further discussion of EU competencies that could bring added value to EU support to transport sector (See I 1.3.2) although the most common assertion points to experience gained from long involvement as a major donor in the transport sector.<sup>23</sup>

#### 10<sup>th</sup> EDF

Programming orientations note the possibility that using more efficient delivery mechanisms may influence the selection of local intervention areas and that EUD/NAO should analyse what are the most efficient delivery mechanisms for the partner country region. However there is virtually no evidence of such a conscious choice between various modalities or of a discussion of EU competencies etc (or constraints) which are taken into account in programme design. There is also limited identification of EU added value in CSP/RSPs. Rather, the EU role, aims and target stated and the proposed support programme are described virtually without reference to EU resources, expertise, etc.<sup>24</sup>

On the other hand the increasing application of Joint Assistance Strategies<sup>25</sup>, mainly in Eastern Africa, in line with the Paris Declaration aims to harmonise donor support in line with national development plans. Whilst particular donor strengths and areas of interest are taken into account in the joint approach it would seem that claims of 'EU added value' have been subsumed in the joint approach.

#### 11<sup>th</sup> EDF

Programming instructions make little reference to identification of EU competencies etc except in connection with crisis/disaster/conflict affected/fragile countries/regions which may be subject to various EU strategies and instruments. In this case there is a requirement that specific expertise of these instruments is necessary for the programming exercises. Otherwise, apart from a reference that EU assistance focussing on smaller number of sectors will help keep EU assistance manageable for Commission Services and EUDs, there is no reference to EU competencies, capacities, etc. Rather, there is an acknowledgement that certain competencies are not available in EUDs and that calls should be made on other institutions to 'plug the gap'.<sup>26</sup>

**Benin:** Most human resources availed in Benin EUD over the reference period are basically civil engineers, with various degrees of experience (from none to a lot) practical and sectoral. Ability to carry on policy dialogue at high level was uneven, in some cases left to a learning-by-doing process, in others completely absent. Several loopholes in the sector approach can be related to the shared background: limited interest for transport facilitation (useful when dealing with axle-load control), economy (notably internal rate of return of road projects) and cross-cutting issues.

**Madagascar:** Il manque à la DUE à Madagascar des compétences pointues en matière d'appui à la gestion des réformes de politiques publiques et institutionnelles dans le Secteur infrastructures en général et transport en particulier.

<sup>23</sup> 9<sup>th</sup> EDF CSPs/RIPs for Zambia and Malawi are typical.

<sup>24</sup> An example is 10<sup>th</sup> EDF CSP/NIP 2009 - 2013 – Eritrea – 'The EU will take a lead role in implementing the Paris Declaration commitments on improving and delivery and it will capitalise on new MS experience to strengthen their role as donors'.

<sup>25</sup> E.g. JAST – Tanzania; JRS – Ethiopia; G-JAS – Ghana; JASZ – Zambia.

<sup>26</sup> E.g. EUDs should be aware of blending when preparing the programming but that EUDs should make use of the capacities and expertise of European or other IFIs in preparation (and implementation) of financing.



**Senegal:** Even if certain capacities are not available at the level of the Delegation, It is necessary to note their performance which is justified by the procedures but also by perfect coordination at all stages of implementation between the DDI, authorising officer, and technical services such as AGEROUTE.

This effective participation of the EUD actually supports projects at the technical level with the presence of qualified professionals which is a decisive factor. If there is a recommendation to make, it would be to strengthen this staff or to avoid, at default, to decrease it.

An achievement of size is the assets of the EUD: the appraisal of new projects that once took lot of time is much faster. The style of management introduced by the head of delegation, made of direct contacts, is one of the keys to the success of the representation of Dakar.

Finally, quarterly journals are held on a regular basis.

But most importantly, it is the daily work and the dialogue continues between the teams on the ground (regular visits of projects with all stakeholders). Information is shared and discussed in real time. Decisions are made by consensus without overlapping of responsibilities. In this regard, it should be noted regulatory work perfectly played by DDI.

Moçambique: EUD personnel cannot be expected to cover all infrastructure sectors even if some 'recycling' is undertaken. (i.e. combining EUD section 3: Infrastructure with Section 4: Rural Development, Agriculture and Food Security<sup>27</sup>).

**DRC :** Les Délégations de l'EU dans les Etats de l'Afrique Centrale ne disposent pas de toutes les compétences. Les effectifs en place sont en nombre insuffisant par rapport au volume de travail à accomplir.

### ***Indicator 1.3.2 Perceptions of sector partners and stakeholders that EU support policies and strategies offer added value component with other donors, especially EU Member States.***

There are multiple references to relative strengths (and weaknesses) of EU expressed at different levels some of which are summarized below.

#### Added value/comparative advantage<sup>28</sup>

- Importance of EU as major trading partner (1).
- EU experience in economic integration (1).
- Concentration on limited number of support areas (which largely match regional priorities of poverty eradication through regional integration, linking trade and development, the transport sector and capacity building) (1).
- Consistency and continuity in support for regional integration (3).

<sup>27</sup> Although EUD reports 'a loss of ~12.5% of infrastructure engineering management capacity'.

<sup>28</sup> Reference:

- (1) 9th EDF – RSP/RIP SADC 2002-2007
- (2) Evaluation of EU support to the Region of Eastern and Southern Africa and Indian Ocean 2008.
- (3) 9th EDF RSP/RIP ESA & IO (COMESA, EAC, IGAD)
- (4) European Consensus
- (5) 10th EDF – RSP/RIP SADC 2008-2013
- (6) EIB MTR, ADE 2010
- (7) Reforming TC and PIUs for External Aid provided by EC: A Backbone Strategy Europe Aid, July 2008
- (8) 10th EDF – CSP/NIP Mozambique
- (9) 10th EDF CSP/NIP Ethiopia
- (10) MoFED – Evaluation of 9th EDF Performance – Ethiopia May 2006
- (11) 9th EDF – CSP/NIP Zambia
- (12) 9th EDF – CSP/NIP Malawi
- (13) 9th EDF – CSP/NIP Gambia
- (14) 9th EDF – CSP/NIP Botswana

- Other donors not major players at regional level (2).
- EU support (alone) has allowed other initiatives facilitated by EU interventions (2).
- Complementarity of EU support with bilateral donors policies (EU MS and other donors) (4).
- Leadership of EU in many national transport sectors (2), (11).
- Combination of financial instruments through the Investment Facility and EIB's own resources brought added value in allowing financing of SMEs and specific projects (6).
- EIB brings credibility to projects and confidence to other lenders through acknowledged financial rigor, professionalism and technical competence.
- Specific EIB added-value in technical/financial structuring of investments (14).
- Comparative advantage in heavy investment in infrastructure and road rehabilitation (in Mozambique) (8).
- Long expertise, past involvement in transport sector and critical mass required to make a difference (8), (11), (12).
- Value of aid provided/ major donor in sector (11), (12).
- EU experience in rural development (13).
- EU experience in decentralization (13).

#### Comparative disadvantages

- Problems with EU programming and EDF regulations<sup>29</sup> (2).
- Limited regional added value (3).
- Delays in programme implementation 'due to difficult administrative and financial procedures' (3).
- 'RIOs perceive procedures to secure, commit and disburse EDF funds as complex and time-consuming and these aspects have been underestimated by RIOs. This has results in a slowing down of project and programme implementation and some frustration for both the EC and RIOs (3).
- Leadership of EU in national transport sector impaired by EUD staffing difficulties (2).
- Lack of skilled human resources (on EU side) (requiring focus on fewer, larger programmes at regional levels) (5).
- EIB and EU operate on parallel tracks with few synergies (6).
- Tendering and contracting procedures are lengthy and slow (7).
- Operational staff do not always have a clear understanding of how to use existing procedures with a view to promoting and complying with aid effectiveness principles (7).
- Limited experience in use of alternative forms of TC provision (e.g. twinning and South – South cooperation) (7).
- Capacity problems in EUD (9).
- Lengthy decision making processes of EC (9).
- Lengthy EC procedures (procurement and approval procedures) and limited room for flexibility (origin of goods, eligibility of tenders, awarding procedures) (10), (14).
- Lack of clarity in application of regulations regarding access to B envelope (10).

<sup>29</sup> Some quotes collected during the course of the ESA & IO evaluation: procedures for spending money are way too bureaucratic, not enough flexibility, too many constraints and demands, quality lacking, mess between AIDCO, DG Dev and RELEX, EC financial management very poor, overly bureaucratic (from internal and external points of view), RECS need a full-time person fully conversant with EC procedures in order to be able to actually obtain money desired from EC, EC financial management system absolutely poor – have to tender for everything, bureaucracy for financing whether national or regional programmes is more than overly bureaucratic, too heavy, way heavier than WB procedures, EC should stick to huge infrastructure projects that need to be planned well in advance with little need to be reactive, bad experiences of EDF procedures which are considered to be difficult to access and highly bureaucratic with danger of available funds not being accessed.

- Procedural delays in design, appraisal approval practices and project implementation (14).

**Benin:** Partners and stakeholders are focused on the amount of money brought by EU to the road network. They don't carry an added-value analysis beyond that basic fact. As for imagining doing so, they are not really impressed by the supposed added value of the long international experience of the EU in the sector: EUD are seen mostly if not only as managing procedures and contracts, TA were not impressive but the quality of technical expertise (provided through framework contracts) is appreciated. The fact that many road projects adopted a too thin paving and are thus quickly deteriorating does not advocate for a strong added-value.

**Madagascar:** Le Gouvernement, les populations ainsi que les principaux partenaires du secteur reconnaissent l'importance des politiques et des stratégies de soutien de l'UE dans le développement économique et social de Madagascar à travers les projets d'infrastructures de transports. En effet, l'UE reste le premier bailleur de fonds du pays en matière de coopération multilatérale. Ce, en sus du fait qu'il s'agit de dons non remboursables.

**Senegal:** The perception of the EU sectoral support by the various partners and stakeholders is very good. The activities of the operational thematic groups and non-state actors are somewhat evidence of satisfaction and enthusiasm of partners to work with EUD.

**Mozambique:** Some added value recognized. Also some subtracted value.

**DRC :** L'aide de l'UE dans les pays africains apporte une valeur ajoutée en matière des infrastructures et de facilitation des transports dans les Corridors.

#### **Questionnaire responses (on utility of EU transport sector policy documents) :**

What can be concluded from above answers on the usefulness of the EU transport sector policy documents in preparation of CSP/NIP and design of sector support intervention is amongst others that:

- COM (2011) 637 Final: Agenda for Change is the highest "rated" policy document
- At least 40% (range = 37%- 87%) did not know the policy documents or thought the documents were useless
- In particular COM (2012) 566 Final: The EU External Aviation Policy and COM (2009) 301 Final: Partnership between the EU and Africa were unknown (>50% was not familiar with the policies)

The following three quotes summarize the bottom line of all the (21) comments and help explain this rather low score. The policy documents are unknown or useless because the transport sector is not a focal sector or not anymore. Where it was a focal sector, ECD staff were not working at the Delegation at the time and were not involved in the preparation of the CSP/NIP and not familiar with the policies that (may) have guided the preparation at the time. Other comments focussed particularly on the Agenda for Change and its lack of focus on the transport sector.

- *"With several changes in the Operations Section in the EU Delegation over 2014 the institutional memory on preparation of CSP/NIP 9th EDF and the design of two sector interventions has faded"*
- *"The policies are very broad and obviously not country-specific. Respect of Regional or Continental perspectives might outshine national priorities. Also*

*in the Agenda or change the role of transport and roads maintenance and building not enough emphasized.”*

- *“In my opinion, policies encouraged by these documents are de facto known by colleagues and incorporated in the NIP and the formulation of new projects. However, colleagues are not familiar with the existence of these documents. I would advise to recall them whenever a new guidance document is produced and in particular when regional seminars and trainings are organised. Very often it seems that when a new EU aid policy document is validated (Agenda for Change) everything starts from scratch and we forget what was done before. In the case of transport policies, for instance, very little is said by the Agenda for Change and very few colleagues know what was stipulated before. Just because a new policy document does not say anything about a specific issue does not mean that previous documents don't apply”.*

#### **JC 1.4. EU policies and strategies demonstrate awareness of overall changes in the transport sector which are the result of a process of consultation, dialogue and coordination with national governments, regional organisations and other sector partners and donors (stakeholders).**

EU sector strategies have included processes of consultation in preparation of CSPs/NIPs which have varied in terms of implementation and extent between countries.<sup>30</sup>

All NIPs are compliant with national sector policies and strategies. Difficulties of donor coordination and dialogue reportedly have reduced in progressing from 9<sup>th</sup> to 11<sup>th</sup> EDF although there remain clear differences between regional and country level perspectives. EU sector policies are compliant with wider EU development policies although there are a number of issues of doubtful coherence between other EU policies and development policies (e.g. Sugar Protocol, EPA) which have influenced transport sector dialogue and programming.

National government (and regional organisation) management and administration of external assistance remains weak – this has a negative effect on coordination of both national and regional support programmes and between regional and national levels.

Although programming instructions for 11<sup>th</sup> EDF cover consultation and engagement of sector stakeholders at national and regional levels, no evidence has been examined as to the effectiveness of such consultations nor the levels of coherence achieved as a result of consultations between country and regional programmes, between development, cross cutting or sectoral EU policies and programmes or between EU policies, instruments and actions and those of EU MS, EIB and other European Development Financial Institutions (eg EBRD) or policies of other sector donors.

#### **Indicator 1.4.1 Evidence of consultation processes (joint donor coordination mechanisms) with national governments, regional organisations and other stakeholders (e.g. NGOs, CSOs).**

##### **9<sup>th</sup> EDF**

All CSPs/NIPs refer to EU consultation with (and among) transport sector stakeholders including partner government, NSAs, NGOs, CBOs, private sector

<sup>30</sup> e.g. some EUDs have arranged a series of consultation workshops in different parts of the country; in others consultation has consisted of a single meeting in the capital.

(in a minority of countries<sup>31</sup>), national parliament, other sector donors (including EU MS<sup>32</sup>), regional institutions, road sector institutions (e.g. Road Fund, Highways Authority). In some cases it is noted that such consultation has also covered preparation of national poverty reduction strategies.

The outcomes of consultation meetings and workshops are claimed to include better donor coordination (although some countries report difficulties in such sector coordination)<sup>33</sup>, consistency and complementarity of donor sector support and the institutionalisation of sector policy dialogue, processes and regular coordination meetings to be organised by government. Increasingly concerns about governance of the transport sector were reportedly raised in some countries<sup>34</sup>. Some countries have a 'tradition' of public dialogue and consultation (e.g. Botswana, Ghana) whilst others less so (eg Mozambique) and perhaps effectiveness and quality of consultations has been conditioned accordingly.

At regional levels there are suggestions that consultation could have been better although the adoption of multi-actor consultation mechanisms (and decentralised financial instruments) have increased participation of NSAs. As regards support to the transport sector at regional levels recommendations have been made<sup>35</sup> '...that there should be extensive, robust procedures for consultation with MS, RECs, and AU/NEPAD regarding identification and prioritisation of proposed investments and that there should be 'regular regional consultation mechanisms established to facilitate transport sector strategies and programmes including articulation of inter-modal strategies'.

## 10<sup>th</sup> EDF

Programming orientations<sup>36</sup> *Ownership and participation* point out that preparation of the CSP/RSP is a shared responsibility of EUD and NAO/RAO. Consultation should include local authorities, line ministries and NSAs and they should be given the opportunity of communicating and contributing during preparation of the CSP/RSP<sup>37</sup>. Orientations and all related guidelines should be shared with them.

*Enhanced harmonisation and coordination* covers donor coordination, harmonisation of procedures and alignment with partner country agendas<sup>38</sup> and the establishment of 'Road Maps' at country level. Diagnostic country assessments should have been carried out jointly with EU MS and to the maximum extent possible with other donors. A joint response strategy should be developed with EU MS (the process to be open to other donors).<sup>39</sup>

Of the CSPs examined, most made reference to consultations during preparation of the CSP/RSP and NIP/RIP but only a few CSPs gave a detailed description of the CSP drafting process (typically covering EU/NAO dialogue and consultation,

<sup>31</sup> e.g. in Namibia consultation included NCCI (Namibian Chambers of Commerce and Industry).

<sup>32</sup> The Treaty establishing the European Community provides that the Community and EU MS must coordinate their policies on development cooperation and consult each other on their aid programmes.

<sup>33</sup> e.g. Lesotho.

<sup>34</sup> Including sector coordination platforms as well as informal exchanges, meetings with non-resident missions...

<sup>35</sup> 'IGAD and AU have mentioned that inconsistent and, at times weak, level of understanding from the EC resulted in poor quality programming, consultation and delivery' – Evaluation of the Commission's Support to the ESA – IO Region 2008.

<sup>36</sup> 10th EDF: Programming Orientations – National and Regional Programming.

<sup>37</sup> Article 6.2 Cotonou Agreement and 'Guidelines on Principles and Good Practises for Participation of NSAs in development dialogue and consultations DEV/B/1 ref. Article 58(3) Cotonou Agreement states that 'NSAs...shall be eligible for financial support.....according to the modalities agreed in NIP/RIPs).

<sup>38</sup> As per Paris Declaration.

<sup>39</sup> Council Conclusions: Financing for development and aid effectiveness: delivering more, better and faster.

EU MS and joint programming, consultation with government, NSAs and consultation workshops).

All CSPs examined refer to efforts at harmonization and coordination including joint approaches (evaluations, external reviews), shared technical/industry resources (including 'Silent partnerships') and delegated contribution. However, a common feature is weak (or absent) government management and administration of external assistance (except as regards budget support). Fewer countries can be said to have gone ahead fully with the 'Road Map'<sup>40</sup> (only 4 countries were selected for the pilot over the period 2005-2007) although this represents an extension of on-going harmonisation processes, leading towards a joint response strategy.

Not all countries have moved through all the steps (some have hardly started) but there are examples of favourable comment on certain outputs (e.g. ODAMOZ – database of all donor support). References are made to EU added value in activities involving coordination and harmonisation of procedures as regards EU MS and in liaison with multi-laterals such as WB, AfDB and UN agencies.

### 11<sup>th</sup> EDF

Although 11EDF (and DCI) cover the programming period 2014 – 2020 (and thus outside the period considered by this evaluation 2005-2013) programming processes were scheduled to take place in 2012 and 2013.<sup>41</sup> *2.3 Guiding Principles* – Ownership notes the engagement of national government/regional organisation, national parliament, other representative organisations, CSOs, social partners (trades, unions, employers organisations) and private sector in defining priorities for EU programming documents. *2.2 Programming Process – Programming Services* requires programming processes involving partner countries and regions and EU MS are to complement national dialogue and consultation. *3.1 National/regional development plan and overall lines of EU response* requires and assessment of national/regional development plans jointly with EU MS and other key development partners<sup>42</sup> plus preparation of a joint response to the partner country/region development plan.

No information has been examined on the programming processes for 11EDF before 2014.

**Benin:** The process is still on-going. The reasons for exiting abruptly from the road sector are not understood by national partners and stakeholders: each interviewee has its own view, often very different from the official EU standpoint.

**Madagascar:** Le processus de programmation du 11<sup>em</sup> FED a été perturbé par la situation et la période de crise socio-politique traversée par Madagascar de 2009 à 2013. La qualité de cette programmation risque d'être compromise par des contraintes temps.

<sup>40</sup> Although the 11EDF processes take this concept forward.

<sup>41</sup> Instructions for the programming of 11EDF and DCI 2014-2020 in accordance with Agenda for Change.

<sup>42</sup> Council Conclusions November 2011

**Senegal:** It was in 2014 (not before) that information on the process of preparation of the 11th EDF has been known. Particularly the judgment of the EU to finance infrastructure of transport in the context of the PIN.

**Mozambique:** Dialogue and communication about changed 11<sup>th</sup> EDF policies/strategies have not been disseminated effectively to sector partners (although NIP has not yet been approved)<sup>43</sup>.

**DRC:** On niveau régional (CEEAC) les interventions vont porter sur les priorités exprimées par la Communauté dans les secteurs jugés prioritaires: paix et sécurité, commerce et intégration intégrant les infrastructures et la gestion des ressources naturelles.

**Indicator 1.4.2. Evidence of coherence (mutual reinforcement and coordination) between EU transport sector policies and strategies and the policies and strategies of other sector donors especially EU Member states.**

**9<sup>th</sup> EDF**

Most CSP/RIPs examined make at least passing reference to 'coherence'<sup>44</sup> whilst some CSPs include a wider analysis of coherence of EU response strategies with EU policies<sup>45</sup> (and EC BLs), whilst other CSPs discuss coherence with other issues such as trade and regional integration<sup>46</sup>, institutional capacity building, other donor's actions, cross cutting themes<sup>47</sup>, NSAs<sup>48</sup> and partner government policies and priorities.

All CSPs state full coherence with wider EU development policies<sup>49</sup> as regards transport sector support. All have poverty alleviation as overall objective. Also there is consistent coherence and complementarity stated with partner government priorities (some involving a SWAp and SBS) – SWAp are also evinced as an example of coherence of EU support with EU MS and other sector donors.

Although there is less discussion of coherence in RSPS/RIPs EU regional support programmes and strategies appear to be coherent with wider EU development policies<sup>50</sup> and in accordance the Cotonou Partnership Agreement (2000-2020)<sup>51</sup>. However, the coherence between 9<sup>th</sup> EDF strategies and the strategies of regional organisations has been questioned by some regional institutions<sup>52</sup> on the grounds that EU programmes in support of AU and RSPs do not include specific arrangements to ensure coherence – in effect these support programmes appear to run in parallel.

<sup>43</sup> The process required particular sensitivity as it coincided with electoral changes. EUD reports that this change was 'outside induced'.

<sup>44</sup> Although the perception of 'coherence' varies somewhere between coherence, consistency, coordination, consultation and complementarity.

<sup>45</sup> e.g. Lesotho, Malawi, Gambia.

<sup>46</sup> Although there is general perception that whilst CSP/NIPs and RSP/RIPs have been coherent, the NIPs/RIPs have not been effective in advancing regional integration and coordination between regional and national sector support programmes remains weak.

<sup>47</sup> 'References to coherence' in this context area possibly better expressed as 'mainstreaming' especially in regards to gender issues.

<sup>48</sup> 'coherence' in this context refers to 'consultation' e.g. Namibia CSP/RIP.

<sup>49</sup> albeit EPS and 'sugar' are mentioned as potential sticking points.

<sup>50</sup> Although coherence of regional CPRM programmes vis-a-vis country and continental initiatives is questionable – Evaluation of the Commission's support to the ESA – IO region, 2008).

<sup>51</sup> The partnership shall provide a coherent support framework for development strategies adopted by each ACP shall in the context of supporting regional integration strategies.

<sup>52</sup> e.g. IGAD, EAC.

## 10<sup>th</sup> EDF

Programming orientations refer to 12 EU policy areas of particular importance for achieving MDGs<sup>53</sup> and Council has agreed policy coherence for development (PCD) commitment. Although the aim of synergies between other policies and development policies is clear, there is no explicit reference to such coherence between EU policies/strategies and other sector donors including EU MS<sup>54</sup>. Before going on to examination of implementation of coherence in CSP/RSPS, a brief comment on PCD.

PCD aspirations go back to the 1992 Maastricht Treaty which imposed a legal requirement to improve coherence of policies promoting development – this requirement was extended by the Lisbon Treaty. The EU Consensus on Development 2005 also detailed a process for PCD.<sup>55</sup> However there have been several examples of interference (e.g. Sugar Protocol, EPA, EU Fisheries Policy...). In 2009 EC was requested by the EU Council to establish objectives, targets and gender-disaggregated indicators to measure PCD progress. However it is reported that this framework has serious shortcomings (i.e. indicators are not ‘SMART’, no baselines, confusion of targets and indicators, not gender disaggregated).<sup>5657</sup> The outcome is that EU and EU MS could move at their own pace (or not at all) as there is no effective baseline or time-bound indicators. Communication ‘Policy’ Coherence for Development - Establishing the policy framework for a whole of the Union approach’ 2009 sets out priority areas for a more pro-active approach to PCD.<sup>58</sup>

Most CSPs consider complementarity and coherence of EU response strategy. Typically, ‘harmonisation’ of proposed EU support with that of EU MS is noted together with reference to joint analysis, planned areas of concentration (EU and EU MS), participation in a development partners consultation forum and alignment of support with government development plans. Coverage of coherence typically refers to response strategies aligning with government development policies<sup>59</sup> and internal coherence of EU response (e.g. positive contribution to poverty reduction, HIV/AIDS, environmental concerns of investment in infrastructure). A more comprehensive response to coherence is to be seen in countries which have adopted a Joint Assistance Strategy (e.g. JAST – Tanzania, JASZ – Zambia, G-JAS – Ghana) although other countries were moving in that direction even though it has been concluded that a JAS was not yet possible (e.g. Mozambique – on the grounds that ‘...in a context of low government capacity for management of such a complex process and no alignment process at donor level in terms of programming cycles....’)<sup>60</sup>

## 11<sup>th</sup> EDF

Instructions for programming of 11EDF define a vision for the EU relationship with partner countries and regions as a basis for greater coherence;

- between country and regional programmes;
- between country and regional programmes and regional intra-country programmes directly managed from Brussels (e.g. Instruments);

<sup>53</sup> GAERC Conclusions, May 2005.

<sup>54</sup> Although most CSPs have a donor matrix annexed to the CSP.

<sup>55</sup> Although there is a legal obligation to take steps to improve coherence there seems to be no obligation to do any more than try – success seems not to be obligatory.

<sup>56</sup> This requirement and situation has parallels with transport sector monitoring frameworks in SSA countries.

<sup>57</sup> Source: EU Policy Coherence for Development, Niels Keijer, ECDPM, August 2010.

<sup>58</sup> Trade and finance, climate change, FS, integration, security and development.

<sup>59</sup> Reference is made to COM 2005 (134) EU Coherence for Development Constraints; EU Strategy for Africa, 2006, and European Consensus 2005.

<sup>60</sup> Source: Mozambique CSP/RIP Annex 2<sup>a</sup> p.5.



- between development, cross cutting or sectoral EU policies and programmes (thus promoting PCD);
- between EU policies, instruments and actions and those of EU MS, EIB and other European Development Financial Institutions.

The programming instructions also go on to note that EEAS and DEVCO should seek to ensure complementarity and coherence between centrally managed thematic programmes, instruments and regional multi-country programmes with country and regional programmes managed by EUDs.

**Benin:** The coherence between regional and national transport programme is globally ignored at national level. Road classification and prioritization of modernization of the network were aligned on regional planning. National authorities are focused on their national issues in managing EU programmes. The regional programme is seen as limited to the 2004 UEMOA decision on axle-load control, still pending implementation.

**Senegal:** Senegal has in 2006 a second Document of the strategy for growth and Reduction of poverty (PRSP II) for the 2006-2010 period, which is the reference document for the policy of economic development of Senegal. This national strategy is based on four pillars:

- Axis 1: The creation of wealth: for pro poor growth;
- Axis 2: Acceleration of the promotion of access to basic social services;
- Axis 3: Social protection, prevention and risk management and disaster reduction;
- Axis 4: Good governance and decentralized and participatory development.

The transport policies of the government are part of these strategic objectives of the PRSP II. The development of infrastructure, such as roads and other means of communication are indeed "a determinant to stimulate private investment, the opening up and integration at the regional and international economy. But they remain a significant lever to improve competitiveness. Transport is also likely to have a positive impact on the reduction of poverty in that they provide access to existing or potential resources. People are not only able to move more easily between rural and urban areas but they are more likely to be informed of existing potential».

Thus rehabilitation of roads on the corridor projects fit into a period of transition between the PSTII and PST III which will execute the letter of policy sector III, whose strategic directions for the period 2010-2015 are:

- the continuation of the internal and external opening up of the country, in harmony with the national spatial planning policy and deepening of regional integration, by developing road, rail, port and airport infrastructure;
- the improvement of the performance of transportation likely to contribute decisively to the competitiveness of the national and even African economy, maintaining a good level of service infrastructure, strengthening the capacity of operators and removing physical or non-physical ; barriers
- searching for a greater viability of the sector for the achievement of sustainable mobility of goods and the most deprived, in particular, ensuring a fair distribution of the financing of the infrastructure and transportation between the direct and indirect beneficiaries, by implementing sustainable financing mechanisms.

**Mozambique:** OK, but a sense of remoteness or irrelevance of regional programmes (may have something to do with poor implementation performance of regional programmes).

**DRC:** Le Plan Directeur Consensuel des Transports en Afrique Centrale est la consolidation des programmes nationaux. Elaboré en 2004, sa mise en œuvre est coordonnée et suivi par un Comité ministériel dont le Bureau comprend le Ministre des Transports de la RDC, et le suivi opérationnel est dirigé par le Président de la Banque de Développement des Etats de l'Afrique central (BDEAC) dont le siège est à Brazzaville. Le volet aérien qui reçoit l'appui de l'UE a mis en place un Comité de pilotage pour la mise en œuvre du Plan d'action 2010-2015 pour l'amélioration du transport aérien en Afrique centrale. Le Ministre des Transports de la RDC est membre du bureau de ce Comité.

**Questionnaire responses 23 (coherence) :**

Examples on the coherence of EU policies in the transport sector with that of other donors vary. Several comments point at the leading role of the EU in the sector as one of the few donors in the sector:

- o EU is practically the only donor in the field of transport
- o Very few donors working on the transport sector in Niger, being the EU and the WB the main ones

World Bank and African Development are most frequently mentioned as the most important partners with whom interventions are coordinated, whilst only few point at coordination with other EU member states:

- o Development Banks are present in the transport sector and objectives are very similar. Bilateral donors are traditionally not present in the transport sector.
- o We have had continuous collaboration with the WB and AfDB to sustain the sector was carried on together with the Government. AfDB is taking the lead from EU and focuses on multinational, corridor roads for regional integration. EU is in line with this approach
- o There are very few EU member states in Guinea-Bissau and they are not very much involved in Transport. The best coherence was with AfDB.
- o Nouakchott - Rosso co-financed by World Bank Rosso Bridge will be co financed (if approved) by African Development Bank and European Investment Bank.
- o Principaux bailleurs dans le secteur : Banque Mondiale et Banque Africaine de Développement. Bonne complémentarité avec la Banque Mondiale dans le cadre de notre appui institutionnel en cours (accent de la Banque Mondiale sur facilitation des transports et sécurité routière). Bonne complémentarité avec la BAD dans le cadre des investissements routiers (financement des travaux Koumra-Sarh par la BAD, la surveillance des travaux étant financée par le FED).
- o Currently the main stakeholders present in the road sector are: EU, World Bank, African Development Bank, JICA, China and Korea.
- o The funding on the National Road 1 has been attributed in a coordinated way with AfDB exchanging preliminary studies. A similar method has been used on RN2 between
- o EU and DFID EU Member States are not in the sector, but they support our interventions. Quarterly meetings are organised with Development Banks and other donors so that our policies and theirs have been very coherent and aligned with Malian priorities.
- o EU member states: very little interventions in the transport sector
- o EUMS are not really involved in the sector (a bit KfW through a support to rural roads and to the roads maintenance agency, all decided recently). The development banks are quite involved (BOAD, BAD, BIDC, EXIM bank China) mainly through road rehabilitation projects.
- o Very close cooperation and coordination with the african development bank in the road maintenance and protection and transport policy

Some comments point out that the EU has been most active in policy dialogue. Coordination of investments between EU and development banks is mentioned far more often than on policies:

- o There are good contacts and dialogue with the Development Banks: Coordination easier in terms of infrastructure interventions, less in terms of conditionalities or priorities of sectorial reforms
- o Only the EU is active in policy dialogue / institutional reforms in the transport sector in this country. Occasionally there have been opportunities for close partnership with the WB, especially in roads and rail. The partnership was quite effective as leverage increased considerably. No other development partners are engaged with transport policies.

Coordination with emerging donors, in particular China, is often labelled as absent or very difficult. Nevertheless one ECD also mentioned difficulties in coordination with other EU member states:

- o While the interventions of EU are closely coordinated with WB, AfDB and JICA, it has proved very difficult to have constructive discussions with China, which is clearly following a separate and confidential agenda.
- o The emerging donor most involved in Transport are the Chinese, but no coordination takes place with them
- o China is involved in road construction, but we have no evidence of coherence initiatives.
- o EU attempt was to support a national plan / strategy widely accepted as a valid strategy. In this sense, it is to the donors to respect the national ownership of this strategy as EU tries to overall do. Some of the donors tend not to respect it - mainly emerging donors, but sometimes also EU member states

### **JC 1.5. EU policies and strategies are informed by conclusions and recommendations of previous evaluations, reviews and studies.**

Overall findings, conclusions and recommendations are taken into account in formulation of policies and strategies and in support programmes and interventions at national and regional levels (and it is to these levels to which most evaluation findings and recommendations are directed). For example, the previous transport sector evaluation<sup>61</sup> recorded 15 recommendations. In the intervening decade only one recommendation has not been implemented; of the remaining 14 recommendations, 2 have been implemented to limited effect, 4 are 'works in progress' and 8 have been implemented (albeit with reservations on effectiveness of 5).

In terms of preparation and implementation of EU transport sector support at regional and country levels, most CSP/RSPs make reference to findings of evaluations although this reference only extends to detailed discussion of specific application to proposed future EU support in less than half of the 9<sup>th</sup> and 10<sup>th</sup> EDF CSP/RSPs examined.

Curiously there is little reference to application of findings of evaluations or reviews in programming of 11<sup>th</sup> EDF sector support programmes.

No evidence has been examined of recent application of findings and recommendations of evaluation to preparation of higher level EU transport sector policies.<sup>62</sup>

<sup>61</sup> Evaluation of EC interventions in the transport sector in third countries, 2004.

<sup>62</sup> There is reference to evaluation findings in 'Towards sustainable transport infrastructure – A selected approach in practise 1996 (upon which COM(2000) 422 prioritising sustainable transport in development cooperation, was largely based).

### **Indicator 1.5.1. Evidence of application of conclusions and recommendations of other sector reviews, ROMs and evaluations.**

#### **9<sup>th</sup> EDF**

Almost all CSP/NIPs and RSP/RIPs examined have reference to conclusions and recommendations of evaluations of past programmes and projects contributing to, or being taken into account, in preparation of EU support programmes, although few<sup>63</sup> actually identify specific lessons learned and how these are proposed to be applied in future or ongoing support.<sup>64</sup>

There are a number of evaluation findings which are common to a number of country support programmes<sup>65</sup>:

- sector institutional reform and underestimation of time required for institutional change;
- inadequate focus on maintenance (as opposed to capital investment);
- ineffective donor coordination;
- insufficient consultation;
- inadequacy of baseline and performance data for M&E;
- inadequate institutional capacities;
- lack of control over contract award<sup>66</sup> and weak PFM;
- doubtful sustainability.

All CSP/NIPs and RSP/RIP proposed careful M&E systems for future support management.

There is virtually no reference to recommendations of ROM being taken up in preparation of EU sector support although given that most ROM monitoring is undertaken on individual project interventions and is explicitly designed for immediate management of support activities, it is not surprising that reference has not been made at national or regional strategy levels.<sup>67</sup>

#### **10<sup>th</sup> EDF**

10<sup>th</sup> EDF Programming Orientations note that results of evaluations of CSP/RSPs should be taken into account during programming and evaluation conclusions should be disseminated to all EUDs for application of lessons learned.

Reference is made in all CSP/RSPs scrutinised to MTRs and ETRs of previous programmes (even if these reviews did not result in significant changes in almost all cases examined). For 10<sup>th</sup> EDF a decision was taken to bring forward the review suitable due to the world economic crisis but this resulted in little time for consultation with stakeholders and EDF implementation, perennially delayed, had hardly started. MTR results were only released in mid-2011. The outcome of this process was disquiet regarding lack of consultation/feedback from CSOs (and

<sup>63</sup> An example of such uptake is the 9<sup>th</sup> EDF CSP for Namibia which notes CSE findings of strong performance of EC support in certain sectors as an argument for continued support.

<sup>64</sup> By personal experience of the author, references to evaluations are often highly selective i.e. those that are consistent with orientations already selected (ie it is a component of the formal filling of the "lessons learnt" section in the CSP).

<sup>65</sup> e.g. Similar recommendations/findings of evaluations for transport sector support are reported from Uganda, Congo Republic, DRC, Mozambique, Botswana, Ghana and Zambia. Issues with donors coordination are more pronounced in Eastern Africa.

<sup>66</sup> i.e. 'backlog' – contracts awarded for which there is inadequate budgetary provision and/or inflation of contract value exceeds budgetary provision; either way some countries arrived at a situation of contractual obligation hugely exceeding approved budgetary provision.

<sup>67</sup> Although limited ROM monitoring has been carried out on SWAp/SBS support.

implied loss of transparency) and a somewhat rushed critical appreciation of 10<sup>th</sup> EDF.<sup>68</sup>

Most CSP/RIPs make reference to previous evaluations and reviews of EU and other sector donor partners<sup>69</sup> relevant to transport sector support. Predictably most reference is made to the most recent CLE and other EU Evaluations<sup>70</sup> although fewer CSPs go beyond acknowledgement of the existence of such evaluations and noting some of the conclusions and recommendations, even in reviewing previous EU support or lessons learned. This does not of course necessarily imply that such conclusions and recommendations have not been applied – of the CLEs scrutinised a majority of recommendations regarding transport sector support have been applied to at least some extent.<sup>71</sup> However a few CSP do discuss lessons learned in more detail, including coverage of major conclusions and recommendations of previous evaluations and specifically how these were applied.<sup>72</sup>

### 11<sup>th</sup> EDF

Instructions for the programming of 11<sup>th</sup> EDF make no reference to application of previous evaluations or reviews although *2.3 Guiding Principles – Synchronisation and flexibility* refers to ad hoc review of programming documents (including re-programming of unused funds) including specific strategies for post-crises and fragile countries. Such reviews (including MTR) are to be synchronised with the national/regional programming cycle and to truly and systematic monitoring of results.

### **Indicator 1.5.2. Evidence of application of conclusions and recommendations of the 2004 'Evaluation of EC interventions in the transport sector of third countries'.**

10<sup>th</sup> EDF programming orientations: *2.5 Evaluation* notes that results of thematic evaluations shall be taken into account (in this case the 2004 Evaluation of the Transport Sector).

The 2004 evaluation presented a plethora of conclusions leading to 15 recommendations, some which were divided into sub-recommendations for different stages in the project cycle.<sup>73</sup> All are set out in the table below with a brief summary of response and applications.

2004 Evaluation	Evidence of Response and Application <sup>74</sup>	
Conclusions	10 <sup>th</sup> EDF orientations	11 <sup>th</sup> EDF instructions
<i>Partnership and donor coordination</i>		
In ACP countries, the EC establishment of a close partnership with governments enhanced the relevance of interventions in the transport sector within national development objectives.	<ul style="list-style-type: none"> <li>Shared preparation of CSP/RSP based on national/regional PRSP/RRSP.</li> <li>Alignment with partners' country agendas.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of overall situation of partner country/region to define a vision regarding EU's relationship with aid support to partner country/region.</li> </ul>

<sup>68</sup> Source: Concord Cotonou Working Group, 21st session ACP-EU Joint Parliamentary Assembly, Budapest, May 2011.

<sup>69</sup> e.g. Namibia CSP Annex 14 – KfW Study on SwAP; Sierra Leone – CSP Diagnostic Trade Integration Study (DTIS); Malawi CSP – Doing Business in 2006 – Malawi Country Profile (WB/IFC); Ghana CSP – Follow-up study of Joint Evaluation of the Road Sub-Sector Programme, DANIDA, 2006; Tanzania CSP – ECA reports on Environment and GBS.

<sup>70</sup> e.g. Ghana CSP – Final Evaluation of 5th Micro Projects Programme, 8EDF, July 2005.

<sup>71</sup> Typically such CLE recommendations relate less to country specific transport sector circumstances than to wider issues of EU support which may be found in programming guidelines.

<sup>72</sup> e.g. Tanzania CSP 4.2.1 Lessons learned refers to alignment with the national PRSP, concentration of EU support on transport and education as FS and increased budget support.

<sup>73</sup> i.e. programming, identification, formulation, implementation and M&E.

<sup>74</sup> The evaluation outputs would only apply to preparation of 10<sup>th</sup> and 11<sup>th</sup> EDF and (partial) implementation of 9<sup>th</sup> and 10<sup>th</sup> EDF.

2004 Evaluation	Evidence of Response and Application <sup>74</sup>	
	<ul style="list-style-type: none"> <li>Choice of concentration areas to flow from country/region policy priorities, dialogue and analysis of needs.</li> </ul>	<ul style="list-style-type: none"> <li>Differentiated approach may result in different types of development partnership based on mutual interests and common concerns.</li> </ul>
<p>Noticeable but uneven progress was registered in ACP countries as regards commitment of partner governments to implement actions conducive to sustainable development of transport.</p>	<p>Reference to government commitment to governance reform.</p>	<p>Ref. to country situation and progress in terms of commitment to HR, democracy, rule of law, reform and meeting people's demands and needs.</p>
<p>A wide measure of agreement on sectoral approach principles existed between donors in the transport sector of ACP countries thus facilitating coordination of their interventions.</p>	<ul style="list-style-type: none"> <li>National/regional ownership plus harmonisation and coordination of EU diagnosis and response strategy with EU MS and other donors at the core of programming.</li> <li>Improved donor coordination, harmonisation of procedures and alignment with partner country agenda crucial for improved aid effectiveness.</li> <li>Matrix of intended donor interventions crucial for harmonisation and cooperation.</li> <li>Better coordination between NIPs of neighbouring countries.</li> </ul>	<ul style="list-style-type: none"> <li>Existing national/regional development plans as the main basis for coordination and dialogue with EU MS and other donors.</li> <li>Priority to be given to 'Agenda for Change' sectors for reasons of....coordination to be proposed by EUD in consultation with partner countries and other donors, especially EU MS.</li> <li>Joint EU MS programming for coordination including cooperation with and between EU MS and other donors.</li> </ul>
<p>Outside the ACP region, EC failure to enter into a systematic and continuous dialogue with partner governments on transport policy issues put at risk sustainability of interventions.</p>	<ul style="list-style-type: none"> <li>Involvement of national parliament in programming dialogue.</li> <li>Dialogue for choice of concentration areas.</li> </ul>	<ul style="list-style-type: none"> <li>Social dialogue with regard to migratory flows and regional mobility.</li> <li>Need for dialogue between EUDs, EEAS and DEVCO.</li> <li>Programming seminars to enhance political and policy dialogue with partner countries/regions on development strategies.</li> </ul>
<p>Despite progress in ACP countries, the involvement of non-government stakeholders, and more generally, of civil society, in the development and implementation of transport policy and of transport projects remained limited.</p>		<p>CSOs should be consulted in process of defining priorities in EU programming documents (as they are crucial to ensuring national ownership).</p>
<p>The lack of relevant and reliable data in all regions was a serious impediment to decision-making and to monitoring of development in the transport sector.</p>	<p>With increased budget support and SWAPs (where partner countries take full ownership and responsibility for interventions), results monitoring becomes more important.</p>	<p>Reference to be made to monitoring system that will collect and analyse data in a timely, systematic manner (where possible the system in the national development plan shall be used).</p>

2004 Evaluation	Evidence of Response and Application <sup>74</sup>	
Outcomes of EC interventions	10 <sup>th</sup> EDF orientations	11 <sup>th</sup> EDF instructions
In ACP countries, EC interventions contributed to the formulation and implementation of transport policies consistent with a sectoral approach to transport aimed at sustainable development of the sector.	<ul style="list-style-type: none"> <li>• Council Conclusions, Paris Declaration, European Consensus, EU strategy for Africa, Migration (COM 2005/390) lie at core of programming.</li> <li>• 12 EU policy areas of importance for assessing MDGs. Reference to coherence of EU policy mix in country or region. GBS and SBS to play increasingly predominant role (with reference to sector policies).</li> <li>• Response strategy to be aligned with partners own strategies, policy analysis (to the extent possible).</li> <li>• CSP/RSP to explore how non aid policies can contribute to attaining MDGs.</li> <li>• Choice of concentration areas to flow from partner country/region policy priorities.</li> <li>• Examination to check if new EU policies (different EDF instruments) are compatible with government sector policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Most references are to EU policies of EU and/or EU MS.</li> <li>• Reference to prior assessment of available national/regional policies (in formulation of CSP/RSP).</li> <li>• MIP to provide succinct summary of partner country/region organisation sector policies.</li> <li>• Sector policy commitments to take into account cross cutting issues.<sup>75</sup></li> </ul>
In particular, the EC played a very important role in ensuring adequate maintenance of transport infrastructure in ACP countries. Outside the ACP region the issue of transport infrastructure maintenance was not addressed.	Africa – EU partnership for Africa to secure sustainability of investments, particulars, operation and maintenance.	
In ACP and other developing countries EC interventions in the transport sector contributed to removing a major obstacle to economic growth and generated employment. These positive impacts could have been enhanced by a more comprehensive approach to the transport sector.	<ul style="list-style-type: none"> <li>• No reference to comprehensive approach as such but reference to SWAp approach.</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensiveness associated with coherence of EU approach to support (especially for crisis/disaster/conflict/fragile countries).</li> <li>• Reference to JFD providing comprehensive EU approach<sup>76</sup>.</li> </ul>
In countries that were implementing a PRSP, EC interventions, in line with government strategies, primarily aimed at supporting economic growth as a basis for poverty reduction.	<ul style="list-style-type: none"> <li>• PRSPs and national and regional development agendas to be start point of analysis and preparation of response strategy.</li> <li>• Poverty reduction main objective of EU cooperation with ACP partners.</li> </ul>	<ul style="list-style-type: none"> <li>• EU to base programming on partner country's PRSP.</li> <li>• Fight against poverty remains primary objective of EU development policy. EU should support inclusive and sustainable growth, creation of jobs and decent work.</li> </ul>

<sup>75</sup> Here taken to include HR, gender equality, democracy, good governance, children's rights, disabled persons, indigenous peoples, environmental sustainability and HIV/AIDS.

<sup>76</sup> As proposed in Joint Communication on Global Europe 2011.

2004 Evaluation	Evidence of Response and Application <sup>74</sup>	
	<ul style="list-style-type: none"> <li>• GBS or SBS can be included for support to poverty reduction strategies.</li> </ul>	
<p>In the ACP region, EC support to rehabilitation of the primary road network and maritime ports had a positive impact on the development of trade and on regional economic integration.</p>	<ul style="list-style-type: none"> <li>• Integration agenda to be confirmed by regions as contribution to definition of priorities for country programmes.</li> <li>• Assessment of regional integration and economic output should be key component of ME analysis of CSP.</li> <li>• Measures should be taken to deepen regional integration including capacity strengthening of regional organisations, support to tax and customs reforms.</li> <li>• Africa – EU Partnership merits special attention focussing on interconnectivity at continental level and promoting regional integration.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional integration (and international trade) identified as key driver for growth and sustainable development.</li> <li>• EU vision for relationship with country/region should be basis for coherence between country and regional programmes within context of integration frameworks.</li> </ul>
<p>EC interventions in Western Balkan countries created favorable conditions for development of trade within the region and between the Western Balkans and the EU.</p>	N/A	N/A
<p>In the TACIS region, EC interventions in the transport sector did not consistently address their stated objectives.</p>	N/A	N/A
<p>Little attention was devoted by the EC to the establishment of enforcement of a legal and regulatory framework supportive to the development of transport services.</p>	<ul style="list-style-type: none"> <li>• Reference to further regulatory reform.</li> <li>• Africa – EU Partnership facilitates (inter alia) regulatory frameworks in area of transport.</li> </ul>	
<p>Few attempts were made by the EC to support development of local capacities in transport-related activities. As a consequence opportunities to increase employment were not fully exploited.</p>	<p>CSP/RSPs to certain critical analysis of social situation including decent work and employment.</p>	<p>EU should focus support on sectors which build inclusive and sustainable growth, notably employment.</p>
<p><b>Cross cutting issues</b></p>	<p><b>10<sup>th</sup> EDF orientations</b></p>	<p><b>11<sup>th</sup> EDF instructions</b></p>
<p>Increasing attention was given to environmental issues, but the scope of EIAs and measures implemented in relation to environmental protection remained limited.</p>	<ul style="list-style-type: none"> <li>• Specific analysis of environment situation to be annexed to CSP/RSP:</li> <li>• In accordance with European Consensus, environmental sustainability to be mainstreamed.</li> <li>• Thematic evaluation (Environment) to be taken into account in development of response strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• Social dialogue should contribute to environmental protection, climate change, prevention and adoption.</li> <li>• EU vision for relationship with country/regional partner should be basis for coherence between development and other cross cutting policies including environment.</li> <li>• EU may support areas not included in national/regionals</li> </ul>



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		<p>strategies (e.g. environment) in order to encourage policies considered essential for country/region's development.</p> <ul style="list-style-type: none"> <li>• Sector policy commitments should take into account environmental issues.</li> </ul>
<p>Safety was not given the attention it should have in a sectoral approach to transport.</p> <p>Health risks associated with infrastructure projects were not addressed as part of a sectoral approach to transport.</p>	<p>No explicit reference to health and safety issues arising from transport sector interventions but may be covered under standard ESIA's and preparation of ESMPs.</p>	
<p>EC interventions in the transport sector failed to integrate gender issues.</p>	<ul style="list-style-type: none"> <li>• In accordance with European Consensus gender equality to be mainstreamed in CSP/RSPs.</li> <li>• Monitoring indicators to be gender disaggregated.</li> </ul>	<ul style="list-style-type: none"> <li>• EU should increase engagement in promoting gender equality and empowerment of women.<sup>77</sup></li> <li>• CSOs, social partners and private sector to play vital role in advocating gender equality.</li> <li>• Sector policy commitments in MIP should take into account gender equality issues.</li> </ul>
<i>Programmes and project management</i>	10 <sup>th</sup> EDF orientations	11 <sup>th</sup> EDF instructions
<p>Transport infrastructure projects delivered their planned outputs, but were not immune to implementation difficulties which could have been avoided.</p>	<p>A perennial issue which recognised but not necessarily addressed. Implementation difficulties continue with myriad causes, often linked to capacity issues in partner country/region (and EUD)</p>	
<p>The effectiveness of capacity building interventions was uneven.</p>	<ul style="list-style-type: none"> <li>• Capacity building for state and NSAs identified particularly in disaster prone countries/regions.</li> <li>• Little change – outcomes of decades of capacity building and TA to sector institutions are disappointing (although in many cases such institutions are deprived of the resources and powers to realistically address institutional mandates).</li> </ul>	
<p>EC Delegations made use of the analytical and management tools made available to them.</p>	<ul style="list-style-type: none"> <li>• EUDs to make use of thematic and coherence programming fiches, sector and thematic guidelines and policy documents.</li> <li>• Coherent information should be provided to EUDs.</li> </ul>	<ul style="list-style-type: none"> <li>• New framework<sup>78</sup> and role of EUDs in third countries will enable EU to reinforce role, enhance overall results and impacts of development policy and external assistance.</li> <li>• Need for close</li> </ul>

<sup>77</sup> In accordance with EU Gender Action Plan.

<sup>78</sup> Adoption of Lisbon Treaty and creation of EEAs.

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	<ul style="list-style-type: none"> <li>EUDs to identify to what extent areas covered by facilities and global institutions are priority sector for country/region.</li> <li>EUDs to analyse what are the most efficient delivery mechanisms and define relevant, quantifiable and verifiable results and impact indicators.</li> </ul>	<p>cooperation between EUDs, DEVCO and EEAS.</p>
<p>The outcomes and impacts of EC transport interventions were not systematically monitored. Not much use was made of evaluations to enhance the effectiveness of interventions.</p>	<ul style="list-style-type: none"> <li>Monitoring is increasingly important as partner countries and regions take responsibility for interventions. Partners should define relevant quantifiable and verifiable results and impact indicators based on country/region PRSP.</li> <li>Quality of monitoring can be poor due to inappropriate indicators, inconsistent data collection techniques and poor analysis. This is an issue that has continued for several EDF programmes (although there are signs of improvement)</li> </ul>	<ul style="list-style-type: none"> <li>Reference to monitoring systems to collect and analyse data in timely and systematic manner. Where possible the system in the national/regional sector development plan should be used – if insufficient support to strengthen national/regional system within sector and/or BS programme in MIP.</li> </ul>
Recommendations <sup>79</sup>		
<p>1. Ensure capitalisation of experience and provide support to Delegations through the maintaining of a properly resourced and sustainable transport thematic network.</p>	<p>Application of this recommendation appears to be a work-in-progress. DEVCO provides thematic support to EUDs and also 'education permanent'. DG MOVE and DG CLIMA provide similar support on issues such as maritime and aviation, road safety and climate change issues. EU has assumed the role of lead Cooperating Partner in the road transport sub-sector in many SSA countries which demands detailed knowledge/experience of policy dialogue for which DEVCO is providing back-up to EUDs. Concern has been expressed about knowledge levels in dealing with come issues arising from engagement with external stakeholders:</p> <ul style="list-style-type: none"> <li>application of division of labour approach between EU and EU MS;</li> <li>partnership with NGOs and private sector;</li> <li>sector dialogue at national/regional level;</li> <li>PCD and incorporation of EU transport policies on dealings with third countries.</li> <li>improving effectiveness of EU programmes and of SSA TP;</li> <li>application of new financial instruments;</li> <li>cooperation with EIB;</li> <li>cooperation with regional institutions and AU;</li> <li>new orientations from Lisbon Treaty.</li> </ul>	
<p>2. In ACP countries, broaden the approach to the sector to cover all transport modes and take a comprehensive</p>	<p>Recommendation only implemented to a very limited extent. There continues to be very little involvement of EU support in transport modes other than roads in SSA<sup>80</sup> although there is more engagement in North African Countries. Meanwhile there</p>	

<sup>79</sup> Due to the complexity and size of many transport projects, some recommendations were divided into sub-recommendations matched to different phases of the project cycle i.e. programming, identification, formulation, implementation, M&E.

<sup>80</sup> Although this should be considered in the context that >90% of land transport movement of people and goods in SSA is by road.

2004 Evaluation	Evidence of Response and Application <sup>74</sup>
view of the range of activities involved in a given transport mode.	is increasing private sector development and refurbishment of rail lines, mainly for bulk movement of mineral extraction products. Some CSPs include a short paragraph on transport modes other than roads for analysis of national transport sectors. RSPs acknowledge the 'corridor approach' which has been almost entirely roads but now is involving increasingly huge investment in rail links (within these transport corridors).
3. Promote the involvement of non-governmental stakeholders in design and implementation of the transport policy, and also involve them in the design and implementation of EC programmes and projects.	Recommendation implemented. Under 11 <sup>th</sup> EDF there is a requirement that CSOs should be consulted in process of defining priorities in EU programming documents (as they are crucial to ensuring national ownership). Under 10 <sup>th</sup> EDF preparation consultations processes in most countries included CSOs; in only a limited number of them a CSO specialized in transport could be found (Madagascar).
4. Support the development of the private sector in transport related activities.	Implementation of recommendation increasingly in progress. 10 <sup>th</sup> EDF preparation took into account a thematic evaluation of PSD. 11 <sup>th</sup> EDF recognised that the private sector plays a role in advocating transparency, accountability etc as well as being the engine for national economies and the private sector should be consulted in definition of EU priorities. The private sector is also being increasingly involved in the application of new financing modalities including blending.
5. Put sharper focus on the contribution of EC transport sector interventions to poverty alleviation.	Recommendation not implemented to any great extent. EU transport sector has been compliant with national PRSPs and regional development documents which have poverty reduction as the ultimate aim (as do the MDGs). The Lisbon Treaty and Agenda for Change support developing countries efforts to eradicate poverty and confirm this objective is a priority for EU support. That being said little analytical work has been done to identify the impacts of EU support to the transport sector, by attribution or contribution, on poverty levels. It is accepted that transport infrastructure has only a contributory or facilitation role in permitting other developmental activities and this identification and quantification of any related poverty impacts is difficult, however there appears to be a need to critically examine methodological of Poverty & Social Impact Assessments (PSIAs) of transport sector investments (especially rural roads support to which was linked to nutrition, FS and rural development following a withdrawal from transport/regional integration as a focal sector for EU support).
6. Ensure that the objective of supporting integration of partner countries into the world economy is properly reflected in both national transport policies and strategies and EC interventions.	Recommendation implemented. Most national PRSPs and regional development documents refer to integration into the world economy. 10 <sup>th</sup> EDF CSP/RSPs make reference to regional integration agendas and expected results on trade liberalisation and economic output (which feature in CSP ME analysis). EU support is also offered to regional organisations involved in economic integration and to customs and tax reforms, whilst the Africa EU Partnership for Infrastructure focuses on regional interconnectivity and economic integration. 11 <sup>th</sup> EDF supports sustainable growth, regional integration and international trade.
7. Give more attention to the protection of the environment.	EU transport sector support interventions have included ESIA's and preparation of ESMPs plus licensing in accordance national environmental legislation as appropriate for a number of EDF programme cycles including 7, 8, 9 & 10 <sup>th</sup> EDF. Under 10 <sup>th</sup> EDF preparation of CSPs should include: <ul style="list-style-type: none"> <li>• Specific analysis of environment situation to be annexed to CSP/RSP: implemented</li> <li>• In accordance with European Consensus, environmental sustainability to be mainstreamed. Not implemented: environment as one of the several cross-cutting issues</li> <li>• Thematic evaluation (Environment) to be taken into account in development of response strategy. Not implemented</li> </ul> 11 <sup>th</sup> EDF includes the following: <ul style="list-style-type: none"> <li>• Social dialogue should contribute to environmental protection, climate change, prevention adaption and</li> </ul>

2004 Evaluation	Evidence of Response and Application <sup>74</sup>
	<p>adoption.</p> <ul style="list-style-type: none"> <li>• EU vision for relationship with country/regional partner should be basis for coherence between development and other cross cutting policies including environment.</li> <li>• EU may support areas not included in national/regional strategies (e.g. environment) in order to encourage policies considered essential for country/region's development.</li> <li>• Sector policy commitments should take into account environmental issues.</li> </ul> <p>More recently EU has been involved in measures to counter climate change at international levels (e.g. Copenhagen &amp; Cancun Conferences) in pursuit of mitigation and adaptation agendas. As regards the transport sector the following issues have been identified for EU action:</p> <ul style="list-style-type: none"> <li>• toxic gas/exhaust fumes;</li> <li>• resilience of drainage systems and structures;</li> <li>• transport mode changes need to be more affordable;</li> <li>• focus on maintenance;</li> <li>• alternative technologies and construction materials;</li> <li>• focus on collective transport modes and electric vehicles;</li> <li>• air transport options;</li> <li>• design standards;</li> <li>• technology transfer.</li> </ul> <p>However, climate change mitigation has been considered to be a low priority in national and regional policy documents.</p>
<p>8. Adopt a comprehensive approach to safety in transport.</p>	<p>Implementation of recommendation a work-in-progress. There is no explicit reference to safety issues arising from transport sector interventions in either 10<sup>th</sup> or 11<sup>th</sup> EDF preparation guidelines but such issues should be covered in ESIA's and preparation of ESMPs. Also, some (not all) infrastructure construction projects in recent years include a road safety audit as a component of the design process. However, recent international initiatives have highlighted the disproportional dangers of African roads.<sup>81</sup></p> <p>EU response has been to endorse the 'Decade for Road Safety' and to draw up an action plan:</p> <ul style="list-style-type: none"> <li>• build road safety management capacity;</li> <li>• upgrade infrastructure safety;</li> <li>• develop vehicle safety measures;</li> <li>• improve behaviour of road users;</li> <li>• improve emergency response.</li> </ul> <p>Consideration is being given to 'Contribution Agreement' support to Global Road Safety Partnership (GRSP – IFRC), 'Global Road Safety Facility' (GRSF – WB) and UNECA with geographical (ACP) and thematic earmarking of activities.</p>
<p>9. Give more attention to health risks in relation to infrastructure projects and the effects of increased mobility.</p>	<p>Partial implementation of recommendation, There is no explicit reference to health issues arising from transport sector interventions but may be covered under standard ESIA's and ESMPs.</p>
<p>10. Mainstream gender issues in EC interventions.</p>	<p>Recommendations implemented albeit with reservations about the expected scope of 'mainstreaming'.</p> <p>10<sup>th</sup> EDF In accordance with European Consensus gender equality to be mainstreamed in CSP/RSPs, monitoring indicators to be gender disaggregated.</p> <p>Under 11<sup>th</sup> EDF EU should increase engagement in promoting gender equality and empowerment of women.<sup>82</sup> CSOs, social partners and private sector play vital role in advocating gender equality. Sector policy commitments in MIP should take into account gender equality issues.</p>
<p>11. Take measures to enhance the quality of the feasibility</p>	<p>Recommendations being partially implemented but EDF procurement procedures appear to be an impediment. 10<sup>th</sup></p>

<sup>81</sup> e.g. Global Burden of Disease, WHO 2004/2009 shows that road traffic injuries are expected by 2020 to be the 3rd leading cause of preventable death internationally.

<sup>82</sup> In accordance with EU Gender Action Plan.

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studies of investment projects.	EDF guidelines make no explicit reference to flexibility/due diligence. 11 <sup>th</sup> EDF guidelines note a need for ensuring the flexibility (and sustainability) of EU response with increasing use of blending so more attention is being paid to better quality feasibility studies and due diligence in general.
12. Enhance the effectiveness of capacity building projects.	<p>Recommendation implemented but effectiveness in doubt. There has been little change; outcomes of decades of capacity building and TA to sector institutions are disappointing (although in many cases such institutions are deprived of the resources and powers to realistically address institutional mandates). EU has produced the 'Backbone Strategy, AIDCO, 2008' as a guide to EU capacity development interventions. EUDs are expected to demonstrate compliance in support programmes. Lessons learned include that rapid (but arguably unsustainable results) may be achieved by:</p> <ul style="list-style-type: none"> <li>• TA as policy advisor to transport institution policy/planning unit;</li> <li>• support by demand driven short term TA (although arguable such support in practise fills a line function and thus operates as a 'proxy' PIU).</li> <li>• specific action plan of limited duration;</li> <li>• supervision/control by a steering group;</li> <li>• a long term commitment/horizon is necessary (but framework contracts have reportedly not always delivered high level consultancy services).</li> </ul>
13. Support the development of transport data collection, processing and dissemination.	Recommendations implemented but quality of monitoring data remains variable. Quality of monitoring can be poor due to inappropriate indicators, inconsistent data collection techniques and poor analysis. This is an issue that has continued for several EDF programmes (although there are signs of improvement).
14. Extend the scope of project monitoring to outcomes and impacts and make better use of evaluations.	<p>10<sup>th</sup> EDF guidelines notes that Monitoring is increasingly important as partner countries and regions take responsibility for interventions. Partners should define relevant quantifiable and verifiable results and impact indicators based on country/region PRSP.</p> <p>11<sup>th</sup> EDF preparation instructions make reference to monitoring systems to collect and analyse data in timely and systematic manner. Where possible the system in the national/regional sector development plan should be used – if insufficient support to strengthen national/regional system within sector and/or BS programme in MIP.</p>
15. Move to budgetary aid to Transport Sector Policy.	Recommendation implemented but perhaps budget support has not been extended as widely as was expected. 10 <sup>th</sup> EDF proposes the use of GBS for programming of support in 2 concentration areas <sup>83</sup> under an EU commitment <sup>84</sup> to double the percentage of assistance provided through BS or SWAp (SBS). EU Development Policy states that GBS and SBS will play an increasingly dominant role in implementation of EU aid and it should be considered the instrument of choice for better performing countries (because of perceived high levels of alignment and harmonisation and lower transaction costs). Under 11 <sup>th</sup> EDF BS will remain an important instrument of EU cooperation but that eligibility criteria be strengthened plus more transparency and oversight.

<sup>83</sup> In line with the European Consensus/Paris Declaration.

<sup>84</sup> 2nd High Level Forum on Aid Effectiveness.



## EQ2: Move from project-based to sector-wide approach

**EQ2: Did the change from a project-based approach to a sector-wide approach and budget support (SBS and GBS) meet expectations regarding outcomes for EU support to the transport sector in Africa?**

### **JC 2.1. Design, approval and implementation of SPSP and budget support were justified in view of the political, economic and social contexts and national government commitment.**

It is important to note that a Sector Policy Support Programme (SPSP) and sector budget support (SBS) are not the same thing. In many cases it may be appropriate to pursue a SPSP without starting SBS. The risks of the latter are very much higher as they necessarily involve the use of national systems whereas the former can be utilized using EU specific procedures (e.g. EDF procedures), pooled funds, and potentially twinning etc.

A more detailed review of EU sector policies and priorities reveals that they are broad and far-reaching, creating some challenges when linked to the sector budget support instrument, given the need not to overload this with conditions<sup>85</sup>. EU policies for the sector have also evolved considerably over the evaluation period, as has the guidance regarding the design of SPSP and SBS programmes. Most of the sector programmes have been prepared using the 2007 Guidelines, although the 2003 guidelines were used when preparing the first SBS programme for Ethiopia in 2005. The most recent changes in EU guidance, which was formalized in 2012, is too recent to have had significant influence on programmes designed during the evaluation period but taken as a whole design, implementation and financing decisions were compliant with extant EU transport sector policies and strategies and were based on good analysis of current political, economic and social contexts. However, changes in such contexts and government commitments were a feature of several countries which clearly impacted upon implementation of SPSP and SBS.

Generally the quality of programming and appraisal reports has been good and has reflected the situation prevailing at that time. The analysis shows that in some cases the conditions for SBS has appeared to be appropriate. Furthermore individual sources of data can be unreliable, highlighting the need for continuous and triangulated monitoring of sector performance and calling into account procedures to be followed in case of non-achievement of indicators for tranche disbursement.

Conditionalities regarding PFM have proven to be especially sensitive for partner governments although such specified norms were certainly not especially onerous compared with standard international good practices. Analysis also identifies an 'implementation gap' ie the difference between stated intentions and actuality as declared policies and strategies languish unimplemented by governments. This is perhaps an indication of the equivocal nature of some government commitments.

#### ***Indicator 2.1.1 Design, implementation and financing decisions were compliant with EU policies and strategies.***

<sup>85</sup> The initial thrust (early 2000) referred mainly to process indicators; the change for few result indicators dates to the late 2000s.

In each of the countries reviewed, efforts have been made to pursue Paris Declaration objectives aimed at increasing national ownership, encouraging coordination & alignment and strengthening development partner harmonization. This is consistent with EU policy objectives which are embedded in the partnership principles of the Cotonou Agreement, which predates the Paris Declaration, Accra and Busan meetings. Therefore at the highest level, this indicator has been confirmed. However to understand the degree of compliance with transport sector specific policies and strategies, considerably more granularity of analysis is required and this is provided below.

In the context of preparing SPSP and budget support programmes for transport it is important to note that sector policy support programmes (SPSP) have also been put in place in countries that have not been considered ready for sector budget support. The former concerns an approach; the latter concerns a financing modality. Therefore the two should not be treated as equivalents.

The principles of EU development policy for the roads sector in Africa has been in line with the countries covered by the Sub-Saharan Africa Transport Policy Program (SSATP). The EU's roads sector policy has been based on the principles of two of the five SSATP major components as follows:

- The Road Management Initiative (RMI).
- The Rural Travel and Transport Program (RTTP).

The RMI component is the basis for the EU development cooperation on road sector reform policies. The RMI has introduced four principles or “building blocks”, which were incorporated into the European Commission transport sector guidelines from 1996<sup>86</sup> These principles are:

- involving all relevant stakeholders, including road users, in the road management to ensure ownership and commitment to the sector policy and its implementation;
- securing adequate and sustainable financing of road maintenance by collecting revenues from road user charges to go into a road fund dedicated to maintenance (a “second generation” road fund);
- ensuring responsible and efficient institutions through road sector reform that implies a clear organisational structure and specification of functions, including an autonomous roads agency separated from the sector ministry;
- introducing sound business practices, by commercialising the roads agency procedures and involving private sector participation in the form of tendering out of consultancy services and road construction, rehabilitation and maintenance works.

The EU's basic principles of development co-operation have been specified for the transport sector and road sub-sector in *(COM (2000) 422 final*<sup>87</sup>. Referring to the broad development goals described in Article 177 of the EC Treaty, transport and roads contribute to these goals as follows:

- “fostering sustainable economic and social development” by providing access for trade, commerce and mobility;
- “the integration of the developing countries into the world economy” by facilitating integration and linking landlocked countries to regional and international trading routes;

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<sup>86</sup> EC 1996: Towards sustainable transport infrastructure. A sectoral approach in practice, Directorate-General for Development, July 1996.

<sup>87</sup> European Commission, 2000: Communication from the Commission to the Council and the European Parliament – Promoting Sustainable Transport in Development Cooperation.



- “the campaign against poverty” by enabling greater mobility of the poor and by creating employment opportunities.

COM (2000) 422 lists common development principles for transport:

- 1) transport must involve all stakeholders;
- 2) efficient transport provision depends on commercialisation and privatisation;
- 3) transport’s impact on the environment must be minimised;
- 4) travel and transport must be safe and reflect different gender needs;
- 5) transport decisions demand relevant and reliable data backed by research.

These principles for fostering sustainable economic and social development are in line with the RMI such as:

- 1) transport must have a right and proper share of national budgets;
- 2) finance for maintenance must come first;
- 3) transport efficient depends on optimising and integrating existing facilities;
- 4) transport delivery must optimise public-private partnerships;
- 5) transport regulations demand a new role of the public sector.

The principles for integrating developing countries in the world economy were formulated as follows:

- 1) transit traffic must move freely to improve trade competitiveness;
- 2) transport journey times must be reduced to increase trade competitiveness;
- 3) transport must take advantage of the most efficient technologies.

The principles for contributing to the fight against poverty were listed as follows:

- 1) rural areas must have appropriate transport infrastructure and services;
- 2) urban areas need different levels of public transport;
- 3) non-motorized and intermediate means of transport needs more support;
- 4) transport must employ small local contractors and favour labour-based methods.

COM (2000) 422 pointed out a range of measures addressing the following major components of a comprehensive implementation strategy for reaching sustainable transport: economic, financial and institutional sustainability; environmental sustainability; improved safety and social considerations.

To ensure *economic sustainability*, road sector investments should be prioritised correctly in the public expenditure framework and maintenance must have priority; road transport services must be supported by a fair competition for pricing of freight tariffs and passenger fares and road user charges.

Among the major requirements for *financial sustainability* of the roads sector, i.e. to secure sufficient revenue for road maintenance, the COM mentions a fee-for-service based road maintenance levy on fuel and the establishment of a dedicated road fund.

*Institutional sustainability* requires reforming of the public sector to clarify responsibilities (e.g. between the sector ministry and a roads agency), for the government to focus on policy, planning and regulatory functions, and contracting out road construction and maintenance. This implies that rural and urban roads will be designated to local governments, and that the central roads agency will concentrate on the main roads. It pointed out that contracting out services and works to the private sector is proving, in most cases, to be cost-effective compared to using government-employed and supervised force account.

Furthermore it flagged that contracting out design and supervision services would give road agencies the flexibility to call on expertise that is too costly to maintain at public expense. Contracting out also contributes to capacity building in the domestic consulting and construction industry, which is considered a prerequisite for institutional sustainability.

In terms of *environmental sustainability* it recommended starting with integrating national and international environmental standards in transport policy, updating existing regulations accordingly and improving environmental monitoring. Some of the requirements mentioned are to reduce vehicle emissions and use non-motorized transport, reduce pollution by easing congestion in urban areas, and make the polluter pay.

Among measures to improve *road safety* greater public awareness and effective enforcement of traffic rules are noted as priorities.

*Social considerations* imply the creation of job opportunities through support and training to small and medium sized contractors on the use of labour-based methods; improved access to local markets and services; and introduction of intermediate means of transport such as bicycles and animal drawn carts.

Given such a range of policies and objectives, it is unsurprising that the emphasis given to each differs between individual programmes and over time, country-by-country. Not every policy dimension mentioned in COM documents is covered in individual Country Strategy Papers (CSPs) and SPSP or SP financing agreements. For example CSPs have generally summarized key sectoral issues and well as linking transport for which there is a derived demand with key development objectives such as the promotion of trade and strengthened connectivity.

EU policies and strategies for the development of sector approaches and the use of sector budget support have been articulated through SPSP guidelines, the first version of which were issued in 2003<sup>88</sup> and which were subsequently revised in 2007<sup>89</sup> with a further major change of approach 2012. The heart of the approach required by the EU has been the “seven assessments” which required a comprehensive assessment of:

- The macro-economic framework,
- Sector policy and overall strategic framework,
- Medium term expenditure framework for the sector,
- Accountability and public expenditure management systems,
- Donor coordination systems,
- Performance monitoring and client consultation systems,
- Institutional capacity.

Following a negative appraisal<sup>90</sup> revised guidance in 2007 led to a down-playing of the need for a medium term expenditure framework, which was instead articulated in terms of medium term funding predictability, an acknowledgement that most African (or European) countries do not operate formal MTEFs.

The most recent modifications in the assessment process relates to a challenge by Member State countries, wanting to see a better articulation of budget support

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<sup>88</sup> “Guidelines for European Commission Support to Sector Programmes”, EC, February 2003.

<sup>89</sup> “Guidelines No 2 Support to Sector Programmes Covering the three financing modalities: Sector Budget Support, Pool Funding and EC Project Procedures,” July 2007.

<sup>90</sup> actually related to the education sector in the Philippines, not a transport sector appraisal.

in terms of poverty reduction (i.e. taking equity considerations into account) and closer alignment with the fundamental principles<sup>91</sup>. It has been noted that “.....Budget Support reflects political choice, it is important to see how those choices are reflected in the budget of a country. Issues such as Democracy, Rule of Law, Human Rights, were important in our discussions of how Budget Support modalities could be improved,”

**The European Court of Auditors** also required improvements in methodology, in the ways Budget Support eligibility and conditions are assessed, and in how to treat related risks.

In 2010, after wide consultation in Europe, with partner countries, and international organisations such as the World Bank, IMF and regional banks, the Commission revised its Budget Support policy. With previous policy set in 2000, there were ten years of implementation, lessons learned and evaluations upon which to base the revision. The new Communication was released in October 2011, and Member States voiced strong support for it in May 2012. In September 2012 the new Guidelines were approved in September 2012<sup>92</sup>.

While the new Guidelines build upon what was successful in the former policy - for instance, the focus on results and performance - there are also important changes. The main difference, as reported by Commission staff, of the new approach is that there is now a strong emphasis on evaluating fundamental values (eg PFM, governance) before Budget Support operations can be started. Another important criterion that has been added is the evaluation of the transparency and oversight of the government budget of the recipient, for use by third parties such as civil society. A third major improvement is that there is a well-structured **risk management framework**. Finally, now there are three types of Budget Support contracts - Good Governance and Development, Sector Reform, or for fragile countries, a State Building contract whilst in the past there were only two.

This new approach has been welcomed by the European Council<sup>93</sup>. It notes that the proposals contained therein adapt EU budget support to the changing environment and have the potential to improve impact and value for money for achieving development results.

During the evaluation period transport sector budget support was provided under the 9<sup>th</sup> EDF to Ethiopia and Zambia and under the 10<sup>th</sup> EDF to Benin, Ethiopia, Malawi, Morocco, Mozambique, Tanzania and Zambia. Therefore the development of SPSP and SBS programmes during the evaluation period has predominantly reflected the guidelines from 2003 and 2007. None the less it is important to take note of the more recent evolution in budget support trends because of their implications for transport sector management.

The three eligibility criteria for sector budget support that were predominantly applied during the evaluation period concerned macro-economic stability, having a credible programme to strengthen public finance management (PFM) and sector policy. Policy dialogue concerning macro-economic stability has not been strongly dominant in the transport sector, in most cases, as this has typically been part of the General Budget Support (GBS) dialogue, and the IMF has remained the key interlocutor on many macro-economic issues. However there

<sup>91</sup> <http://capacity4dev.ec.europa.eu>.

<sup>92</sup> “Budget Support Guidelines: Executive Guide A modern approach to Budget support, September 2012” EuropeAid Development and Cooperation Directorate-General European Commission Brussels, September 2012.

<sup>93</sup> “The Council welcomes the Commission Communication1 on “The Future Approach to EU Budget Support to Third Countries” Doc. 15561/11 - COM (2011) 638.

are exceptions such as in Tanzania in 2011 where high transport sector arrears, together with arrears incurred in the energy sector, attracted IMF attention because their scale had macro-economic implications.

In general the focus of dialogue concerning eligibility at sector level has focused on PFM and on sector policies, especially in relation to investment prioritization and network management particularly regarding maintenance, overloading of lorries/axle load control and road safety. Technical issues have concerned design standards, procurement and contract management. Funding and sustainability issues have also been flagged in many instances, especially in relation to maintenance. In Morocco, the later issue was the core of the rural roads SBS.

The need for secure and sufficient maintenance funding has been the catalyst for establishment and operation of 2<sup>nd</sup> generation Road Funds, although in many cases this pre-dated the evaluation period. It also has been linked to the need for multi-year budgeting and predictability of funding releases. In many instances the World Bank has played a role in this, especially through the evolution of First and Second Generation Road Funds, promoted amongst others by the Sub-Saharan Africa Transport Programme (SSATP), a World Bank led initiative.

There was an interesting internal dialogue in 2005 within the EU. Headquarters-based macro-economists, responding to the **Ethiopia** Appraisal report for Sector Budget report<sup>94</sup> who were less familiar with the sector felt that the earmarking of funds for road maintenance was inappropriate as it was not in the interests of sound macro-economic management. By contrast sector specialists, reflecting the evidence gained from SSATP, considered that the establishment and proper functioning of Road Funds had potential to strengthen sector management. The view of the latter prevailed and the EU has continued to be an active supporter of Road Funds, for example providing TA to support the Uganda Road Fund as part of a broader institutional support programme<sup>95</sup>. In ENPI countries such as Morocco, with more stringent PFM discipline, the EU demonstrated flexibility regarding resource mobilisation for rural road maintenance. The EU has played a significant role in supporting the focus on road maintenance funding, in some cases linking this to variable tranche indicators. In addition the design of programmes has sought to strengthen PFM accountability and prioritization.

The Road Fund issue illustrates the somewhat fluid situation in terms of interpreting EU policies and strategies. The guidance given to Delegations regarding the use of budget support for the transport sector evolved during the evaluation period. Transport sector workshops were held under the Aid Delivery Modalities (ADM) training and support umbrella, with regional workshops being held in **Ghana** (2006) **Zambia** (2007), **Brussels** (2009) and **Mozambique** (2010) as well as in Francophone Africa (Cotonou, 2010).

Extensive use of case studies has assisted discussion of sector management and best practice principles. Where sector shortcomings have been identified, as in Zambia in 2010, this has been discussed by Infrastructure staff working in Delegations. Participants, working collaboratively, confirmed some of the challenges of applying EU rules and regulations at sector level.

This has particularly concerned PFM, especially given the strong focus since 2009/10 on adherence to contractual conditions in relation to both the fixed and

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<sup>94</sup> "Ethiopia: Sector Policy Support Programme for the Road Sector Revised Appraisal", ADE Report N° 2004/95037 – Version 1 Framework Contract AMS/451 - LOT N° 11.

<sup>95</sup> *Ugandan Road Sector Policy Support Programme (GRIS Decision number: 2008 / 019711).*

variable tranches of budget support. A notable feature has been that there has been significant emphasis placed on ensuring that payment dossiers provide evidence to justify payment releases, as that decision remains in Brussels and has not been decentralized.

Payment dossiers have to be based on the conditions built into Financing Agreements. Overall it appears that whilst the assessments of eligibility have been appropriately conducted the subsequent financing agreements are insufficiently tight to assure effective implementation of reforms. This finding is consistent with that of the European Court of Auditors findings regarding the variable tranche<sup>96</sup>. It noted that: *“Sector budget support programmes examined by the Court set as a general condition the implementation of road sector policy reforms but frequently do not indicate clearly how satisfactory progress is to be assessed. It is subsequently difficult for the Commission to assess in a structured manner whether the condition has been met. The Commission’s position in policy dialogue is also weakened”*. This point was demonstrated also with Transport SPSP I in Ethiopia<sup>97</sup>: achieving a given result can be achieved by several ways, some being unsustainable such as the temporary increase of staff by ERA to increase the production of feasibility studies rather than developing existing capacities through training.

*“The performance indicators set for the variable tranches of sector budget support are relevant but often affected by problems of data reliability or unrealistic targets (see paragraph 27). In Tanzania, for instance, the road agency’s management objectives are less ambitious than those defined in the EDF sector budget support programme, which indicates either that the latter do not provide the necessary incentive to the partner country or that they are overly optimistic”*. Another practical issue that arose is when the targeted component of the transport strategy changed on the way or was too strongly predetermined by the tranche indicators, as for Morocco rural roads maintenance SBS.

It is appropriate to note a potential tension between the broad nature of EU policies and strategies, as noted above, and the guidance given by Quality Support Group (QSG) and headquarters based sector specialists not to overload financing agreements with too many variable tranche indicators. This selectivity means that choices have to be made regarding which sector policies are prioritized, and which component(s) of the sector strategy are targeted. Attribution is a common issue for almost all result indicators.

**Senegal:** no information with DUE or with the Ministry of Economy and Finance.

**Mozambique:** No Evidence of application of 2012 Guidelines in BS; Trends in overall PFM appear broadly positive as reported under SBS indicators.

***Indicator 2.1.2. Design, implementation and financing decisions were based on realistic analysis of political, economic and social contexts (e.g. SBS eligibility criteria and disbursement conditionalities realistically assessed).***

Generally the quality of diagnosis has been good, aided by the above-mentioned sector guidelines and consultancy teams that have encompassed the requisite range of skills.

<sup>96</sup> “The European Development Fund (EDF) Contribution to a Sustainable Road Network In Sub-Saharan Africa”, European Court of Auditors Special Report No 17, 2007.

<sup>97</sup> ECO-Consult 2011, Ethiopia Country Level Evaluation, DEVCO Joint Evaluation Unit.

For example in Kenya the quality of diagnosis by the EU appears to have been good, especially in the earlier years (pre-2008) when the momentum for reform was greater. In 2004, the EU supported Scott-Wilson Study<sup>98</sup> was published. Based on a comprehensive analysis of the transport sector as a whole, but with focus on the roads sub-sector, important conclusions were formulated related to management, transport planning and funding issues. Among other things it was found that the then current institutional arrangement in the management of the road sector was sub-optimal for delivery of a road system that would meet the user needs.

The EU's Kenya Country evaluation (2014)<sup>99</sup> noted there has been an early change in the overall aim from the provision of a well maintained physical infrastructure partly on the basis of labour based methods in 2000; to the building and maintaining of durable quality standard roads in 2003 with emphasis on safe and efficient transportation through accelerating the implementation of the Roads 2000 Strategy and strengthening the Northern Corridor and some other national roads of regional importance.

While recognizing the need for financing the increased investment through public and private sector involvement, such as concessioning; the level of ambition in Vision 2030 has been increased considerably, viz. for a country firmly interconnected through a cost-effective, world-class network of roads, railways, ports etc. Throughout the whole period considerable attention was devoted to institutional issues, including how to increase the involvement of the private sector<sup>100</sup>.

**Ethiopia** was the first country to benefit from transport sector budget support with the design of the programme taking place in early 2005 and implementation beginning in 2006<sup>101</sup>. The EU has been supporting the sector through highway reconstruction using EDF procedures, and the Delegation was engaging with the Ethiopia Roads Authority on a continuing basis. As noted in the 2012 Country Evaluation<sup>102</sup>, a comprehensive and relatively realistic road sub-sector policy and programming framework was in place prior to 2004. This was further improved with the support (TA) and incentives provided by the EU through its major road projects, which had identified several programming and contract management weaknesses. These were addressed through two SPSPs which that provided TA support to address identified weaknesses and, from 2009 onwards, more general capacity development through the CBS project.

The policy dialogue was supported by strong Delegation involvement in terms of integrating international best practices and adjusting planning targets. However the 2012 Ethiopia country evaluation noted that engagement suffered from limits in quantity and quality of externalized inputs selected by the FWC procedures. Implementation of the first EU transport sector budget support to transport in Ethiopia was delayed due to political unrest which led to a Government crack-down on the media and widespread arrests in late 2005/early 2006. This highlights the issue of political risk: in comparison to project modalities, the transfer of fungible resources to national Governments can be seen as an endorsement, and in the case of unpredictable political situations budget support

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<sup>98</sup> Scott Wilson: *Kenya Transport Sector Policy and Roads Sub-Sector Policy and Strategy, 2004.*

<sup>99</sup> Source: Evaluation of the European Union's Co-operation with Kenya, Final Report Volumes 1 and 2 Annexes, Particip-led consortium, Contract No EVA 2012/304196, June 2014 page 176.

<sup>100</sup> Source: Evaluation of the European Union's Co-operation with Kenya, Final Report Volumes 1 and 2 Annexes, Particip-led consortium, Contract No EVA 2012/304196, June 2014 page 176.

<sup>102</sup> Source: drawn from Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 Volume 1 page 30.

may be more vulnerable to delays in disbursement, whereas in most instances the EU will continue to support implementation of existing contracts.

In several countries the EU has run SPSP programmes in parallel to executing projects using EDF procedures and other financial instruments (BEI, FEMIP in North Africa). In cases, such as Uganda, attempts have been made to establish whether conditions are appropriate for sector budget support, whilst continuing to support the sector using project modalities.

It is appropriate to note that in some cases sector budget support has not been pursued despite a policy environment that is apparently positive, at least in terms of strengthening public finance management. In **Burkina Faso** the SP-PPF's coordinating role was strengthened by the introduction of the PRGB in 2002 and the development of a coordinated framework for the management of Budget Support, with the signing in 2002 of the MoU for the *Soutien Budgétaire Commun au CSLP* (SBC-CSLP). Based on the lessons learnt from the PRGB implementation, the Burkina Faso Council of Ministers adopted a Strategy to Strengthen Public Finance (SRFP) in April 2007. The SRFP has a time-line of nine years (until 2015), and is accompanied by a rolling three year action plan (Plan d'Action Sectoriel Triennal – PAST).

The implementation of both the PRGB and the SRFP have been overseen by a Steering Committee chaired by the Minister of Economy and Finance comprising: (i) representatives of the ministries and institutions which are involved in implementing the SRFP, (ii) the Development Partners (DPs) providing financial support to the SRFP, and (iii) representatives of Civil Society Organisations (CSOs). The Steering Committee meets twice a year. The SPPPF comprises the technical secretariat of the Steering Committee and has responsibility for monthly monitoring of progress with the PRGB/ SRFP. In addition, six technical groups have been set up under the responsibility of the SP-PPF: budget management, resource mobilisation, public procurement, internal control, deconcentration and decentralisation, and capacity strengthening.

A challenge that comes across in many countries is that whilst the environment may be conducive at the start of the programme, it was no longer conducive once the programme was underway. This is partly a challenge reflected to the sector budget support instrument, which is structured in a way that gives comparatively little flexibility

In some cases, as in Tanzania in 2011, the EUD has felt the need to defend the creation of arrears by the road authority (TANROADS) which committed itself to more road construction and rehabilitation contracts than was affordable within existing national budget resources<sup>103</sup>. Although the evaluation of multi-donor funded budget support to Tanzania which covers both general and sector budget support including the provision of EU budget support, was very positive overall, it acknowledged the risks that budget support could be jeopardized by arrears, which in this case occurred in the transport and energy sectors<sup>104</sup>.

Even in countries that have not been considered suitable for transport sector budget support, such as Uganda, considerable effort has been put into strengthening the analysis of the prevailing conditions to establish whether an SPSP can be put in place. Furthermore although project modalities remain the

<sup>103</sup> Tanzania "Mid-Term Evaluation of the Road Transport Sector Policy Support Programme for Tanzania" Reference code : EuropeAid 127054 C SER Multi Specific contract no.: 2011/259827, March 2011.

<sup>104</sup> Independent Evaluation of Budget Support to Tanzania, 2006 -2012, ITAD, 2013.

dominant mechanism during the evaluation period, accounting for approximately 90% of EU transport sector funding during the evaluation period, the EU has placed an increasing focus on supporting sector management, often through a combination of policy dialogue and technical assistance.

### **Questionnaire responses 30 (government commitment to SWAPs):**

As becomes clear from the following statements, main reasons for not preparing a SWAP include: political instability, lack of political will and/or lack of institutional capacity:

- Institutional instability as a result of the overall political instability of the country
- A cause de l'instabilité politique, les bailleurs de fonds ont quitté le pays (sauf l'UE) et car le gouvernement n'a pas les capacités techniques pour gerer ce domaine
- Periode crise jusqu'a 2011
- There was a series of coup d'état in Guinea-Bissau. This prevented any sectoral policy development
- Inadequacy of Government policy on transport
- Institutional weaknesses: 12 transport ministers have come and gone over the last 10 years, with more instability in the Road Agency
- Problème de capacités et manque de volonté politique
- There's no such sensitivity and interest, not enough habit to transparent procedures
- It's too early for a SWAP
- There are too limited resources for the transport sector (non focal)
- I do not know why a more sector wide approach is not adopted; it's a lack of political will perhaps?
- Some elements of a SWAP do exist, but the approach is not entirely integrated.
- Bad experience with SWAPs in other sectors
- The only partners active in the sector in the last 5-10 years have been EU, AfDB and WB. The only partner interested in institutional support and policy dialogue has been the EU. The EU moved to SBS in transport in 2010. the other two partners continued with project approach, mainly concerning roads rehabilitation projects
- The approach as such more or less exists but there was no 'need' to formalise it as there was no outlook for any SBS
- EDF 10 has GBS and also SBS for the water sector, nothing anymore on transport
- A SWAP will be prepared in the 11th EDF, in my opinion previous EDF projects where not a SWAp but where formulated in order to prepare the sector for a SWAp.

### **Summary of questionnaire responses on SWAPs:**

The majority of EUDs have indicated that they believe that governments do not have sufficient capacity or demonstrated adequate commitment for a change from a project-based to a sector-wide approach. 60-70% (N=29) of the EUDs' found the capacity and commitment of human resources, finance and institutions to adopt a SWAP are not adequate.

The majority of countries did not adopt a SWAp. According to EUDs, 7 of the 28 countries adopted a SWAp. Political instability, lack of political will and/or lack of institutional capacity are the main reasons for not preparing a SWAp.

In countries where a SWAP has been adopted, EUDs replied that this approach in most cases did not have sufficient quality (41%, N=17) and that had not been



developed in close coordination with sector partners (41%, N=17). In 29% of cases the EUDs found that the Swaps were of adequate quality and had been prepared in coordination with sector partners, whilst also 29% of the EUDs indicated that they did not know the quality of the SWAp or the level of coordination with partners in its development.

Also the SWApS have not been supported with SBS (59%, N=17) in most cases

**Indicator 2.1.3. Design, implementation and financing decisions took into account policies and strategies of government and other sector donors (e.g. consultation with sector stakeholders in SPSP/SBS-design including assessment of any disbursement conditionalities).**

Generally there is good evidence that the EU has taken into account the policies and strategies of governments and other sector donors, at least at national level. It should be noted that the EU has been supporting the transport sector in Africa, generally through project modalities, since long before the evaluation period. In no country has the EU started engagement in the transport sector by providing transport budget support without having prior experience of the sector using project modalities.

The SPSP/SBS appraisal undertaken by EU consultants generally contracted under Framework Arrangements, has utilized the seven assessments, and this methodology requires *inter alia* the assessment of: i) the Government's sector policies; and ii) donor coordination at sector level. The appraisal reports prepared have generally provided a satisfactory and realistic assessment of the state of sector policy and donor strategies to support the sector. Several cases, such as **Kenya** and **Uganda**, appraisal reports have been prepared which have concluded that transport sector budget support would be risky, due to institutional weaknesses and/or lack of commitment to reform.

A summary of the SPSP assessment for Kenya is provided in Table below, using a traffic-light system. It may be seen that the overall conclusion of this study was that sector budget support (SBS) provision by the EU for the road sector, at this stage, would be 'a bridge too far'. There are, however, several processes underway within GoK/MoR were moving the sector-wide approach in the right direction. Therefore, capacity building (CB) support to accelerate these processes was strongly recommended, and has been subsequently implemented by the EU.

**Table 1: Kenya: Summary of the SPSP Assessment<sup>105</sup>**

Seven Assessments		Traffic-light system	Consultant's Observations
1	Sector policy & strategy	Amber	Policy but just on paper (not implemented)!
2	Sector medium-term expenditure framework/MTEF	Amber	Underway, but realistic RSIPs under MTEF-constraints needed)
3	Sector & donor coordination	Amber	No pro-active attitude
4	Sector performance monitoring	Red	Not yet substantially underway – get indicators right!
5	Sector institutions & capacity development	Red	New reform structure underway, but take-off of new Authorities calls for re-thinking of

<sup>105</sup> Road Transport Sector Policy Support Programme (SPSP) Formulation Study Formulation Report March 2009, Parsons Brinckerhoff Consortium.

			Organigrams / Staffing & Training
6	Macro-economic context	Green	Promising enough
7	Public finance management	Amber	Underway, but too slow

Fiduciary risks including the incidence of corruption in the sector has been a particular deterrent to the introduction of sector budget support. In Uganda, for example, the European Court of Auditors investigated a suspected fraud related to an EU transport sector project, and the Uganda National Roads Agency (UNRA), which was established in 2008 to manage the national roads network, has been under investigation by the Office of the Auditor General, resulting in a number of key staff changes at senior level.

Often these challenges do not relate to the policies and strategies *per se*, but rather to their implementation. The key point is that the EU, through the EUD, has been fully aware of the issues arising, and invested in appraisals and update reports to establish whether sector budget support would be an appropriate instrument.

There are certain limitations to ‘one-off’ assessments that are worth flagging in relation to the scope of work of EU studies in relation to the “seven assessments”:

In some cases there is a significant difference between policies and actions. Governments can have satisfactory policies but fail to implement them, and distinction could be strengthened in some appraisal reports. For example, most African beneficiaries of EU transport sector funding generally have satisfactory legislation in place concerning axle load controls, but enforcement remains extremely uneven, and sometimes goes backwards, as in **Uganda** in 2010 when the President instructed that axle load controls should be relaxed to assist hauliers. A similar issue occurred, also in Uganda, with the reversal of the stated policy to cease Force Account (direct labour) operations with the procurement of some US\$100m of Chinese sourced equipment for use by districts.

The second limitation has been that the focus of policy dialogue at sector level. This has particularly concerned national roads which represents only one element of the total roads sub-sector. Rural roads have in some cases been marginalized from policy dialogue and analysis. For example in **Tanzania** rural roads come under Prime Minister’s Office, Regional Administration and Local Government (PMO- RALG) which had played a comparatively minor role in policy dialogue prior to 2011, when difficulties emerged with management of the national roads programme for which the executing agency was TANROADS. A similar situation was encountered in Morocco, where the EU provided a pivotal role to rural roads with limited links with the rest of the roads sub-sector policy.

Policy dialogue has also been limited regarding inter-regional transport movements, especially in the earlier part of the evaluation period. The impact of COM 2006 – Inter-connecting Africa: The EU Africa Partnership on Infrastructure on SPSP/SBS preparation and implementation. This may have been less clearly articulated because in most cases the engagement has been with national stakeholders, rather than being focused on the Regional Economic Commissions (RECs) such as SADC, EAC and ECOWAS. It may also reflect the evolution of EU and other dialogue partners from a focus on implementing road rehabilitations at national level to a more holistic interpretation of sector policies and strategies. It appears that this is now addressed through the 11th EDF, with is greater focus on regional cohesion and growth.

**Benin:** BS was only a modality facilitating financial transfers to the road fund and easing administrative workload of the EUD. However, an issue was faced with transfers between the Public Treasury and the Road Fund (delays and retention).

**Madagascar:** Les financements externes sous forme d'appui budgétaire se sont arrêtés durant la période de crise socio-politique de 2009-2013. Une reprise progressive de l'appui budgétaire a été annoncée par le Gouvernement et les principaux PTF en 2014 (Banque Mondiale, Union Européenne et Banque Africaine de Développement). Le niveau de risque y afférent est encore jugé assez élevé.

**Senegal:** According to a report from the African Development Fund by June 2013, Senegal is little exposed to debt.

**Indicator 2.1.4. Partner government commitment to and capacity for changing approaches were correctly assessed**

In answering this it is important to differentiate between “correct assessment” at the time of the appraisal, and subsequent performance which may be better or less good than envisaged. Together with Ethiopia, **Zambia** is unusual in receiving sector budget support under both 9<sup>th</sup> and 10<sup>th</sup> EDF: the **Road Sector Budget Support was EUR 88.5 million 9th EDF & EUR 69.3 million under the 10th EDF**. Zambia appeared to be well placed to benefit from sufficient and improving partner government commitment.

Implementation of the 9<sup>th</sup> EDF budget support appeared to go well until 2009 but was then suspended “*in the light of questionable PFM practises related to budget commitment and execution control, poor financial and contractual road management at the level of RDA as well as the absence of a viable policy framework, as the JAR noted could still not be not be disbursed in 2011*”.

**Table 2: Contrasting Performance of the Roads Sector in Zambia**

Experience to 2008	Experience since 2009
<p>According to the Mid-Term review of the 9<sup>th</sup> EDF SPSP for Zambia<sup>106</sup> Sector Policy and Strategy “Sector policy and strategy had been <u>well developed</u> through the Roads Strategic Investment Programme (ROADSIP) and transport strategy that are aligned with the Fifth National Development Plan (FNDP). However, some targets are not realistic and an update of ROADSIP was required.</p> <p>Sector budget and Medium Term Expenditure Framework Sector budget is adequate defined in Annual Work Plans that were aligned with national MTEF and FNDP. However absorptive capacity is an issue for administration via the</p>	<p>By contrast the 2011 Joint Annual Review (JAR)<sup>107</sup> for Zambia notes that “<i>the pre-electoral period was not conducive for effective programming or implementation of development cooperation. This was marked by limited dialogue with the MMD Government and the stalling of reforms in many areas such as Public Finance Management, Agriculture, Roads and Health. ....Road Sector Budget Support was once again not possible to disburse due to protracted discussions within Government on the revision of the policy framework ROADSIP II</i>”.</p> <p>The sector dialogue with the former</p>

<sup>106</sup> Zambia Framework Contract Beneficiaries EuropeAid/119860/C/SV/multi Mid Term Review & Seven Key Area Assessment Study for the EDF9 sector policy support programme (SPSP): “Periodic Maintenance of Trunk, Main and District Roads”, Parsons Brinckerhoff Consortium, Final Report July 2008.

<sup>107</sup> “Co-operation between the European Union and The Republic of Zambia: Joint Annual Report, 2011” published April 2012.

Experience to 2008	Experience since 2009
<p><i>Road Development Authority (RDA) and Local Road Authorities and execution via the domestic contracting industry”.</i></p> <p>The report identified “good sector and donor coordination. There also noted a good working relationship between EC, World Bank and Danida. Particularly effective committees are: ROADSIP II steering committee, biannual Joint Donor Fora and Sector Advisory Group Meetings (SAGs) on FNDP implementation regarding infrastructure”.</p>	<p><i>Government had initially been overshadowed by the consequences of the Auditor General's report of March 2010, i.e. dismissals of Road Development Agency (RDA) board and senior managers, but at the time of the September 2011 elections there had been significant improvements though no Joint Donor Forum could take place. The change of Government and the dismissal of the RDA Board at the end of the year resulted in a standstill in the sector dialogue..... the dismissal of the RDA board and the uncertainty at RDA had its impact on project implementation and the absorption of funds.</i></p>

The **2008 Zambia Roads mid-term review** noted that new agencies were in place and predicted that as the new institutional framework matures, efficiency would increase. It did note some weaknesses, observing that the relationships between the National Road Fund Agency (NRFA), RDA and Ministry of Local Government and Housing (MLGH) was not ideal due to a lack of clarity in the demarcation of responsibility and authority for management of various parts of the classified network and payment and control of contracts. Capacity in the sector is fair for trunk paved roads, but low for rural and urban roads both in terms of administration by the authorities and execution by contractors. A simple, practical performance monitoring process was reported to be in place through the criteria for release of SBS tranches.

The 2008 JAR noted that “*The turmoil in the road sector continued in 2011 though there were positive developments in the first half of 2011 with the appointment of a new Director/CEO and senior managers at RDA, the agreement between the Cooperating Partners and the Government on medium to short-term remedial actions as response to the audit findings, and the first draft of the revised ROADSIP II road sector investment plan for the period up to end of 2013. However, the adoption of the Addendum to the ROADSIP II was delayed. The total accumulated withheld sector budget support since 2009 amounted at the end of 2011 to **EUR 61.95 million (EUR 11.65 million from the 9th EDF and EUR 50.30 million from the 10th EDF)**. It concluded that “There is a high risk that this Sector Budget Support will not be implemented and there is a need to look at an alternative use of this financing”.*

In the case of Morocco SBS, the issue faced was the gap between initial broad commitment of the government to identify and then approve a specific policy for maintaining rural roads, setting in place a dedicated national commission, and the demonstrated ability to provide a timely arbitration between views and interests expressed by the two key ministries (public works on one side, decentralization on the other side) afterwards.

Whilst Zambia and Tanzania (which has been covered above) represent extreme examples of deteriorating sector performance, in other cases sector capacity proved to be more in line with what was anticipated. The main finding from this indicator is that sector performance can change in unforeseen ways, and this can have implications for disbursement of budget support. Where problems have

occurred, the most common reason relates to deteriorating public finance management, which is explored under JC2.2 below.

## **JC 2.2. Implementation of SPSP and budget support contributed to improved PFM and sector management**

It is not possible to confirm, on the basis of the evidence available, that implementation of SPSP and sector budget support has contributed to improved sector PFM and sector management. To begin with the timeframe for SBS has been comparatively short, with only two countries receiving sector budget support under the 9<sup>th</sup> EDF. Furthermore whilst performance has been strong in one of the countries (Ethiopia) it has been very variable and ultimately unsatisfactory in the other (Zambia). Of the 10<sup>th</sup> EDF countries performance has also been variable with particular challenges being experienced in Tanzania and Malawi due to high unfunded commitments and related arrears.

In addition to the small sample, the Court of Auditors (COA) correctly points out weaknesses with the structure of financing agreements (giving weak incentives for good performance), and challenges with management. COA favours the greater use of pre-conditions, which justifies further consideration, but could cause difficulties in terms of the N/N+2<sup>108</sup> rule and this COA recommendation has been the subject of strong negative reaction to such principles of conditionalities informally expressed to the evaluators.

The sector is particularly vulnerable to PFM challenges, because it involves high value contracts, frequently with limited competition. PFM risks may be linked to the electoral cycle, including entering into un-budgeted commitments and creating arrears of payments to contractors, the scope of such arrears in some countries being so huge as to threaten national macro-economic stability.

Overall it is tentatively indicated that shortcomings in wider governance issues coupled with electoral pragmatism and opportunism have, in some countries, overwhelmed SPSP and SBS provisions and incentives for potential improvement of PFM and sector management

### **Indicator 2.2.1. PEFA assessments and PFM evaluations showed continuous improvements**

Various statistical analyses have been undertaken regarding PEFA and other PFM assessments. The most comprehensive is by Paulo de Renzio et al, published by the Overseas Development Institute (ODI)<sup>109</sup>. The **analytical study of quantitative cross-country evidence** of the impact of PFM reforms was completed in November 2010 drew on information from PEFA assessments undertaken in 100 countries over 2006–2010, financial data on donor support to PFM reforms collected from the donor agencies most active in this area, and a large data set on economic/social, political/institutional and aid-related variables.

It should be noted that this uses data up to 2010, so it is more appropriate for analysing the 9<sup>th</sup> than the 10<sup>th</sup> EDF. Furthermore there are inevitable challenges drawing any conclusions about a statistical association between the EU's

<sup>108</sup> Application of the "n+2" rule under article 31.2 of Regulation 1260/1999 Article 31.2 of Regulation 1260/1999 reads as follows: "The Commission shall automatically decommit any part of a commitment which has not been settled by the payment on account or for which it has not received an acceptable payment application, as defined in Article 32(3), by the end of the second year following the year of commitment.

<sup>109</sup> De Renzio, P., M.Andrews and Z.Mills (November 2010), Evaluation of Donor Support to PFM Reforms in Developing Countries: Analytical Study of quantitative cross-country evidence, Overseas Development Institute, London.

transport sector budget support and overall PFM changes. However Table 3 below is interesting because it covers each of the EDF countries for which the EU has provided transport sector budget support, namely:

- 9<sup>th</sup> EDF: Ethiopia and Zambia
- 10<sup>th</sup> EDF: Benin, Ethiopia, Malawi, Mozambique, Tanzania and Zambia.

The datasets are presented in terms of three clusters of information: Transparency and Comprehensiveness (INFO); Linking Budgets, Policies and Plans (POL) and Control, Oversight and Accountability (CTRL).

**Table 3: Quality of PFM Systems across 19 African HIPC Countries**

Country/Year	INFO				POL				CTRL				TOTAL							
	2001	2004	2007	2010	2001	2004	2007	2010	2001	2004	2007	2010	2001	2004	2007	2010				
Benin	9	9	7	-	6	7	5	=	9	8	7	-	24	24	19	-				
Burkina Faso	8	8	10	11	+	8	8	7	7	-	8	9	9	10	+	24	25	26	28	+
Cameroon	8	8	8	=	4	5	6	=	8	8	7	-	20	21	21	=	+			
Chad	10	10		7	-	5	5		5	=	5	8		6	=	20	23		18	=
Ethiopia	8	10	8	=	5	5	7		+	8	8	10		+	21	23	25		+	
Gambia	8	8		8	=	5	4		4	-	8	5		5	-	21	17		17	-
Ghana	6	8	9	9	+	5	5	6	6	+	4	9	10	8	=	15	22	25	23	=
Guinea	8	9	8	=	4	4	5		+	7	8	6		=	19	21	19		=	
Madagascar	10	10	10	9	-	5	6	5	5	=	7	7	7	7	=	22	23	22	21	=
Malawi	9	8	8	9	=	6	5	5	6	=	8	7	6	7	=	23	20	19	22	=
Mali	9	10	10		+	6	7	8		+	10	9	8		-	25	26	26		+
Mozambique	7	7	8	8	+	5	5	6	5	=	9	7	10	10	=	21	19	24	23	=
Niger	9	9		10	+	4	4		5	+	6	8		5	=	19	21		20	=
Rwanda	10	8	9		=	7	7	5		-	6	6	7		+	23	21	21		-
S. Tome & Principe	8	9	8	7	=	3	3	3	4	+	7	6	4	5	=	18	18	15	16	=
Senegal	9	9	7		-	5	6	6		+	8	9	8		=	22	24	21		=
Tanzania	8	9	9	8	=	7	7	7	7	=	9	9	10	9	=	24	25	26	24	=
Uganda	10	8	8	8	-	7	6	7	7	=	8	9	8	8	=	25	23	23	23	-
Zambia	7	6	9	=	3	4	6	7	+	7	8	8	9	+	17	18	20	25	+	

Source: IDA/IMF (2005) and PEFA assessments. Based on authors' calculations.

Note: Numerical scores are based on methodology described in de Renzio and Dorotinsky (2007). '2007' denotes PEFA assessments carried out in 2005-07. '2010' denotes PEFA assessments carried out in 2008-10.

What the results show is that only five of the 19 countries (**Burkina Faso, Cameroon, Ethiopia, Mali and Zambia**) for which historical data is available saw an uncontroversial improvement in the quality of their PFM systems as measured by the subset of HIPC indicators. However in the case of **Zambia** PFM weaknesses have become very evident more recently and this is explored elsewhere in this EQ. Four countries saw their PFM quality deteriorate (**Benin, Gambia, Rwanda and Uganda**). For the other ten countries, it is more difficult to detect a clear trend. **Ghana**, for example, recorded impressive improvements between 2001 and 2007, to then suffer a slight worsening of its overall score in 2010. **Mozambique's** overall score has improved over the whole period, but has seen some considerable fluctuations.

**Tanzania** has consistently performed among the best in the 19-country sample, but has seen a recent slide, and as explored elsewhere in this EQ problems have been particularly prevalent in the transport sector. In terms of performance across the three different clusters, most improvements happened in linking budgets, policies and plans, where nine countries increased their score, while the area where the least progress was made was control, oversight and accountability.

The analysis made use of two different scoring methods. The correlation with the overall PEFA averages used for the large-N sample is quite high (0.76), which ensures broad consistency between the two scoring methods. At the same time, there are some considerable differences. For example, the overall PEFA scores for Rwanda, Malawi and Mozambique are considerably higher using the 64 dimensions average than the sub-set of indicators that can be mapped back onto the previous HIPC assessments.

These results therefore need to be taken with some caution, probably as describing broad (albeit somewhat incomplete) trends rather than specific changes in the quality of PFM systems. The study emphasised that these results suffered from a number of limitations, including weaknesses in data quality and problems in interpreting causality rather than merely association. The study authors accordingly stressed the need to interpret the results with a lot of caution, and noted that the results *'highlight the need to complement these quantitative findings with in-depth qualitative research at country level'*<sup>110</sup>.

The overall lack of progress with PFM outcomes between 2001 and 2010 is interesting from another perspective. Under the 9<sup>th</sup> EDF transport sector budget support was provided in only two countries, **Ethiopia** and **Ghana**, but for the 10<sup>th</sup> EDF a further four countries, **Benin**, **Malawi**, **Mozambique** and **Tanzania** were considered ready for transport sector budget support. Yet according to the summary data above **Benin** was trending downwards from a PFM perspective and Malawi, Mozambique and Tanzania were broadly 'level-pegging'.

It should be noted that overall the *"Analytical Study of quantitative cross-country evidence"* report finds that the share of total aid provided as general budget support is positively and significantly associated with better PFM quality. Thus, the choice of aid modalities contributes to explaining differences in the quality of PFM systems in the poorer countries where donor efforts are concentrated. It is not clear whether this extends to sector budget support, although since accompanying measures to strengthen PFM as well as supporting institutional reforms, improving prioritization, enhancing VFM etc., have been included in most transport sector budget support programmes so some positive linkage might be anticipated<sup>111</sup>.

Taking **Malawi** as an example it, together with Burkina Faso and Ghana, were subject to a detailed PFM assessment that was published in 2012<sup>112</sup>. One chart from this is reproduced below (Marked as Figure 3), highlighting the variable nature of PFM performance over time. Although it is not easy to see visually this chart also summarizes average PFM performance across the 19 HIPC countries which was almost level between 2001 and 2010, just below the 20 mark on the left hand axis, with improvers more or less balancing those with deteriorating PFM.

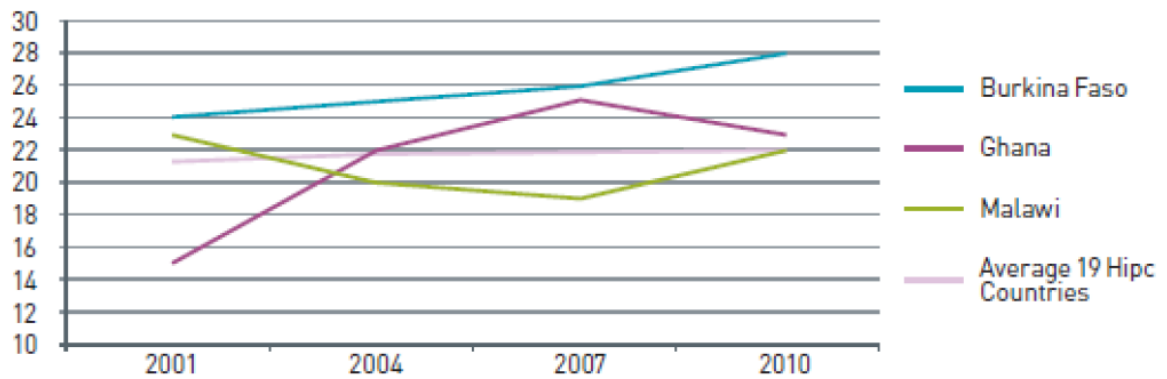
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<sup>110</sup> To the best of the evaluator's knowledge this country level qualitative research has not taken place.

<sup>111</sup> In fact the link existed in Zambia. In most cases, it was limited to the elaboration of sector MTEFs by Ministry of PW or transport; other key issue was procurement – thus fight against corruption by way of strengthening RF and RAs; some improvements were achieved in this respect.

<sup>112</sup> "Evaluation of PFM Reform in Burkina Faso, Ghana and Malawi, 2001-2010" by Andrew Lawson, Fiscus, Final Synthesis Report 2012 for SIDA, DANIDA and AFDB.

**Fig 1: Overview of PFM Performance in Study Countries 2001-2010**



Source: HIPC AAP & PEFA studies, compiled following the methodology in de Renzio & Dorotinsky, 2007.

This is an important overall finding and it is possible to draw some preliminary conclusions from this, and from other evidence about PFM. These are:

PFM in different countries is demonstratively variable, and can get better or can get worse. Given the trajectory cannot be readily extrapolated with confidence, it is important to monitor the sector closely, especially in areas of risk.

Often the deterioration is related to broader governance issues, for example in the run-up to elections, as shown in Tanzania and Zambia. In such circumstances budget support as the choice of instrument by the EU may prove to be less appropriate.

It is not evident that the additional scrutiny and policy engagement that budget support offers development partners, including the EU, is sufficient to offset the increase in risk. The transport sector may be especially vulnerable to PFM failures because (like the health sector) it involves high value contracts. Furthermore Governments are prone to making unfunded commitments to new contracts for political reasons (as in Zambia and Tanzania), because upgraded roads are geographically specific and attractive to voters.

**Madagascar:** Le processus de réforme de la Gestion des Finances Publiques a repris depuis 2014 avec la reprise des financements extérieurs et des projets d'appui à l'amélioration de la gouvernance publique.

Les documents disponibles sur la gestion des Finances publiques à Madagascar concernent les résultats des évaluations PEFA

**Senegal:** Quality of PFM standards and practices is considered good by actors of the Ministry of Finance

**Indicator 2.2.2. Reviews and reports on performance of sector institutions showed continuous improvement in sector management including sector financial management (e.g. procurement processes, technical audits, annual reports).**

The evidence shows that the use of sector budget support has not generated continuous improvement in sector management including sector financial management. However as noted by the Court of Auditors many roads sector financing agreements lack specificity. For example the 10<sup>th</sup> EDF sector budget support financing agreement for **Malawi** has as a General Condition “*Satisfactory Progress in the Implementation of the Malawi sector policy and strategy*”, whilst the PFM indicator relates to “*satisfactory progress in the annual CABS review*”.



This is somewhat vague and open-ended, and does not clarify whether the release can be made in situations where there is progress in some areas and negative trends in PFM in other areas.

The control of corruption is an acknowledged issue in the sector, in part due to high contract values, risks associated with land acquisition, procurement and contract management. Countries that have experienced PFM challenges at sector level include:

**Malawi:** A Roadmap for Mitigating Consequences of Audit of Public Arrears from Contracts in the Roads Sector, published in 2010 and appended to the Financing Agreement, identified a series of sector PFM-related shortcomings. These included:

- Changes in the scope of works at tender evaluation stage;
- Contracts awarded with inadequate designs;
- Funding not secured;
- No-pre-contract meetings held;
- Single sourcing;
- Inadequate contract reporting;
- Lowest compliant tender not awarded contract;
- Inadequate filing and archiving;
- Potential cost over-runs due to contractors claims.

It is encouraging to note that these issues were at least identified at the start of the 10<sup>th</sup> EDF sector budget support programme, although given their prevalence, it may be queried as to whether Malawi was actually eligible for sector budget support<sup>113</sup>.

**Zambia:** The World Bank cites reports from Zambia suggest the scope of one form of fraud, furnishing substandard materials during contract implementation, has been extremely widespread<sup>114</sup>. Zambian contractors, engineers, and government officials surveyed in 2008 reported that providing materials of lower quality than the contract called for was the single most “unethical” practice in the industry. An audit conducted in 2010 of 18 Zambian roads projects jointly financed by the government and donors, shown in Table 4 confirmed their view. As the data there reveals, substandard cement was supplied in all projects while in half the projects the concrete was weaker than required.

**Table 4: Results of Audit of Zambian Roads Projects**

Defect Found in Project	Percentage of contracts affected
Improperly sized aggregate particles	44%
Too much clay	75%
Aggregates did not meet crushing strength	67%
Base thinner than required	81%
Surface dressing layers thinner than required	82%
Cement content less than specified	100%
Concrete samples weaker than required	50%

Source: Government of Zambia (2010).

<sup>113</sup> 10<sup>th</sup> EDF Financing Agreement Road Transport Sector Support Programme (MA1/002/09) CRIS 21360.

<sup>114</sup> World Bank Integrity Vice Presidency: “Curbing Fraud, Corruption, and Collusion in the Roads Sector”, June 2011.

PFM issues were also identified by the Auditor General with respect to the Road Development Agency (RDA) for the audit period January 2006 and September 2009. It was also identified that the RDA committed government to an unbudgeted for K1,015 billion in 2008 which resulted in serious cash flow problems. The report also revealed that there was irregular use of fuel to an extent that fuel worth over K70 million was charged to the agency using tom cards not registered with the agency. Between May and June 2009, fuel worth K28 million was drawn without requisitions.

**Liberia:** According to the Country level evaluation<sup>115</sup>, the planning capacities of the government for the physical reconstruction and the lack of a governmental master plan for infrastructure have been serious shortcomings. The EU support has not strengthened the capacities for policy design and implementation in the sector, which needs to be seen as a high priority due to the massive lack of adequately trained staff (engineers, technicians) at this level. The lack of capacity ultimately also threatens the possibility of adequately maintaining the investments, and thus the sustainability of the initial achievements.

**Tanzania:** As noted by an independent evaluation of budget support to Tanzania<sup>116</sup>: *“Unfortunately, the payment arrears [of some US\$300m] have affected the balance of costs and benefits from the expansion of the road network, which budget support facilitated. Payment delays have compelled contractors to slow down or stop work and are precipitating legal action against TANROADS. This has had a number of negative consequences:*

It has undermined private sector confidence, impacting on tender prices and construction costs, potentially also for government contracts in other sectors.

It has reduced sector credit ratings, eroding prospects for Public Private Partnerships (PPP), which had been identified as a means to develop transport infrastructure.

It has reduced Value for Money (VfM), as contractors were forced to stop executing projects, or to “go slow” and may raise future tender prices to cover increased risk.

Where the intention is to support a Government’s PFM reform programme then the activities undertaken must logically form a part of that programme, and therefore be subject to a set of common rules and norms on reporting, monitoring and evaluation. Burkina Faso, Ghana and Malawi were generally able to make reasonable progress in the establishment of common monitoring frameworks but it was not always clear which TA activities were expected to be conducted within that framework, and which outside of it. This is not to suggest that all technical assistance was misdirected. Overall, TA was well appreciated by the recipient governments but more attention to its precise objectives, outputs and outcomes and a greater sensitivity to the role of TA in relation to the Government PFM reform programme might have raised significantly its efficiency and effectiveness.

Would common basket funds for TA provision to the PFM reform programmes have been helpful in improving its effectiveness? No such “TA fund” was operating in any of the case study countries during the evaluation period, so there is no empirical basis for answering this question except for some years in

<sup>115</sup> Liberia: EU Country Level Evaluation, Final Report Vol 1 3<sup>rd</sup> December 2010.

<sup>116</sup> Independent Evaluation of Budget Support to Tanzania, 2006 -2012, ITAD, 2013, page 69.

Mozambique and similar arrangements are in place in some other developing countries. There should therefore be sufficient experience internationally on which to reach some evaluative judgements, although to our knowledge no formal evaluations for TA funds for PFM reform have been conducted.

Drawing on the wider experience of common basket funds for TA, created for different types of SWAps and Sector Programmes in Developing Countries it seems that such funds often face a number of practical problems which have tended to undermine their effectiveness:

In the first place, not all Development Agencies are legally and constitutionally capable of signing up to such arrangements. As a result, some potentially good providers of TA (such as the IMF, with regard to PFM) are excluded.

Secondly, those Agencies that do have the legal capability to contribute to TA common basket funds often find it difficult to reach agreement over the precise management arrangements. As a result, the transaction costs incurred in the set-up process are frequently high.

Thirdly, the use of joint arrangements often complicates the sourcing and contracting of technical assistants, which creates additional delays and transaction costs, while not always succeeding in sourcing better quality TA than would be available through more ad hoc, bi-lateral arrangements.

The elements of TA common basket funds, which are more commonly found to operate effectively and to be useful, are the joint identification of TA needs, the sharing of terms of reference and the use of joint reporting and monitoring frameworks. None of these elements in fact require a common basket fund in order to be introduced as common working norms for support to a Government PFM reform programme. To a degree these elements were present in each of the PFM reform coordination frameworks in the study countries but they were not established as standard, agreed norms.

**Senegal:** There is no formal evaluation of TA in Senegal because TA was too limited.

**Mozambique:** No lack of detail in Financing Agreements (FAs) rather than that some FAs exaggerate potential outcomes and impact that could reasonably not be expected to be generated. As there is almost never an ex-post evaluation carried out, potentially over-stated outcomes and impact are rarely tested. No information on existence of formal evaluations of TA funding for PFM reform.

### **JC 2.3. Increasingly effective sector policy dialogue, coordination and harmonisation of donor approaches and programmes and alignment with policies and approaches of the governments and regional organisations.**

The quality of sector dialogue has improved in many cases, but it remains uneven between countries and is prone to change (both for the better and for the worse) over time. Similarly the quality of coordination and harmonization remains variable. Whilst most traditional donors are committed to more effective sector working, issues such as differing donor reporting cycles and procedures hinder joint review processes.

As found in the fieldwork case studies, there is some evidence that the quality of sector dialogue and consultation has generally strengthened, in part because of the move towards SPSP and SBS. However this change has been insufficient to prevent serious PFM difficulties occurring, such as in Zambia and Tanzania

### ***Indicator 2.3.1. Timely and effective delivery of non-financial inputs.***

Evaluations not specific to the transport sector have found that economic factors are most important in explaining differences in the quality of national systems. Specifically, countries with higher levels of per capita income, larger populations and a better recent economic growth record are characterised by better quality systems. By contrast, state fragility, has a negative effect on the quality of national systems. Donor support is also positively associated with the quality of management and of national management systems. On average, countries that received more technical assistance have better PFM systems. However, the association is weak.

*Senegal:* TA is limited in Senegal. The quality of PFM is considered Very Good because there are appropriate indicators for monitoring and assessment.

### ***Indicator 2.3.2. Improving coordination and focus of TA and capacity building on national and regional sector priorities as identified by national sector institutions [government, link ministries, sector agencies (e.g. Road Fund, Roads Agency)] and regional organisations, i.e. demand-led.***

In **Uganda** the project approach rather than a sector budget support was selected as the preferred modality following an extended period of analysis and consideration of alternatives. The Capacity Development Component (CDC) was originally designed in conjunction with a programme for SBS but it was decided at identification stage that conditions were not right for budget support and it was therefore decided to prepare a separate financing proposal for the CDC. The TA component was tendered under the financing implementation modality of Project Approach.

The problems originally identified have changed considerably during the roads sector reform process mainly taken off in 2007. In 2008 RAFU was transformed into UNRA and, following considerable delays (in part due to resistance from the Ministry of Finance. Planning and Economic Development (MoFPED) which was reluctant to lose control of part of the recurrent budget), in 2009 the URF became operational.

In three countries (**Ghana, Burkina Faso and Malawi**) examined in the above mentioned Lawson report (ibid), a significant proportion of donor funding was directed towards technical assistance activities other than the Government's PFM reform priorities and for which there was little or no political support and commitment. These activities resulted either in reports, which generated no real output or in outputs, which never achieved full functionality: in short, in PFM reform activities, which were both inefficient and ineffective.

In general, the number of cases of uncoordinated (and inefficient) technical assistance support to PFM reform appears to have declined over time but such cases were commonplace over much of the evaluation period. Was it a consequence of the respective Governments having weak donor coordination mechanisms? Or did it derive from inappropriate policies on technical assistance? Would the use of different modalities for provision of technical assistance have improved efficiency and effectiveness?

In relation to coordination mechanisms, it should be stated that all three countries exhibited good progress in the development of harmonised frameworks for the provision of donor support to PFM reform and for dialogue on PFM reform issues. At an early stage of the reform process, the three Governments were successful in establishing harmonised frameworks for support to PFM reform, based around explicit programmes of PFM reforms, joint monitoring processes, common dialogue frameworks and formalised agreements to work within the joint programmes (such as memoranda of understanding). In each case, the majority of Development Partners supporting PFM reforms signed up to these agreements and collaborated actively in the establishment of these harmonised frameworks.

There were weaknesses in these frameworks in Ghana, there was a three year gap between the close of the PUFMARP in 2003 and the launch of the Short & Medium Term Action Plan on PFM (ST/MTAP); in Malawi, there were consistent weaknesses in the PFEM Action Plan, which the Malawi country report is reported in the Lawson report to be *'an amalgam of different reform interests, rather than a coordinated and sequenced response to PFM weaknesses'*. It is often said of harmonisation frameworks that "the devil is in the detail", and more attention to the definition of PFM priorities and to the establishment of rules and norms governing technical assistance support to the respective PFM reform

*Senegal: TA has been limited in Senegal. However the quality of PFM is considered Very Good because there are appropriate indicators for monitoring and assessment.*

### **Indicator 2.3.3. Improved coordination and harmonisation of sector donor support programmes.**

It should be kept in mind that the EU has been a path-finder with the development of sector budget support to the transport sector. Most other donors have continued to predominantly provide project support. This has impacted on the nature of coordination and harmonization in the sector in Africa. The World Bank has been an important contributor to the sector, and has been heavily involved in institutional reforms. Therefore in many countries it has been a natural partner.

By contrast EU engagement with the African Development Bank (AfDB) is increasing relatively recently in the sector. For most of the evaluation period the AfDB has maintained only small "Field Offices" in some 22 African countries. However this is changing with the establishment of a Decentralization Roadmap, and the establishment of Regional Resource Centres (RCR) in Nairobi and Pretoria, and further strengthening of its field offices. Its return to Abidjan following ten years of operations from its Transitional Headquarters in Tunis is expected to enhance its presence in West Africa. In addition although the AfDB is not currently providing sector budget support to transport, it is interested in doing so, and is permitted to utilize up to 25% of its African Development Fund (ADF) resources in the form of budget support. In some countries such as Malawi the EU and AfDB are the joint biggest donors in the transport sector, stimulating closer cooperation.

In some East African countries the EU is working closely with EU Member States. In Ethiopia DFID was the first bilateral donor to contribute to the EU led roads transport budget support. In Uganda the EU and DFID are co-financing capacity development support to strengthening the roads contracting industry. In some

West African countries, a similar coordination was achieved with DANIDA (notably in Benin, with a rural roads programme). In many cases, the EU support was so overwhelming that most member States withdrew from the sector (unless a few limited interventions linked to other sectors, like rural or urban development with AFD).

There is, however an issue of causality – although the SPSP approach does involve greater scrutiny of sector policies, PFM, performance measurement, institutional development etc. it is difficult to draw a direct relationship between it and improved coordination. In many countries even without sector budget support, efforts are being made to improve coordination through joint reviews etc. Furthermore the performance is uneven, as is evident from the example of Kenya given below.

In **Kenya** the EU together with EU Member States, other development partners and the GoK made various attempts to improve donor coordination in line with aid effectiveness principles. The institutional set-up for donor coordination was changed various times, but donor coordination remained problematic and affected EU performance.

In 2006 new donor coordination mechanisms were initiated. These donor coordination mechanisms were intended to be linked to a Kenya Joint Assistance Strategy (KJAS) that was still being formulated in 2006, and implementation of KJAS only started just before the 2008 political crisis. In the years 2006-2007, there was some momentum in sector donor coordination in some specific sectors such as transport and PFM, where good policy dialogues were taking place. This contributed to policy and institutional reforms in the case of transport. However, as the drafting of the Kenya Joint Assistance Strategy (KJAS) was delayed and the post-election crisis changed the context dramatically, the momentum for improved donor coordination got lost.

In 2009, in response to a critical review of the donor coordination mechanisms at the time, the institutional set-up was changed and the Aid Effectiveness Group was set up with clear responsibilities for the government and donors. However, this institutional change did not lead to the expected improvement in donor coordination and harmonisation. Misperceptions that limited donor coordination under the previous set-up were still existent and valid. The main explanatory factors were lack of trust between development partners and the government as well as limited leadership on the part of the government, as indicated in a joint review of donor coordination. This has contributed to weak coordination.

The **Kenya** country evaluation noted *“existing platforms were ineffectively utilized for coordination. They tended to serve the purpose of information exchange rather than being mechanisms for effective coordination and harmonisation. Government consultations on aid effectiveness have been less frequent compared to those of donors. The absence of agreement on division of labour has led to limited coordination and harmonisation”*.

**Benin:** Even if MS were active in the road sector (Denmark, then Nederland), the EU did not develop a joint assistance strategy as such. It is perceived as rather looking for empty niches (sub-sectors, themes or areas) to develop its own rationale and procedures.

## JC 2.4. Increasingly reliable M&E systems and realistic indicators at project, sector, national and regional levels and follow up.

Monitoring of transport sector condition, implementation progress (maintenance and new construction) and measurement of key sector indicators remains weak, especially at output and outcome levels. Impact levels are outside the reach of almost all monitoring systems examined. Data reliability remains problematic in the transport sector due to weak monitoring system design, monitoring indicators which are impractical or of limited utility, variability and subjectivity in data collection methods, lack of adequate quality assurance measures and quality control, limited analysis or feedback<sup>117</sup>. Also, monitoring systems and conditionalities attached to EU transport sector support have been reported as not indicating clearly how progress of EU support implementations are to be assessed. Further, monitoring systems of some sector donors vary; this does not facilitate harmonisation of sector support programmes.

Be that as it may, and despite such concerns, some slow progress towards coherent and logical hierarchies of information may be discerned.

### *Indicator 2.4.1. Evidence of regular reporting and overview of sector activities including external/independent reporting.*

The EU Court of Auditors observed that *“Sector budget support programmes examined by the Court set as a general condition the implementation of road sector policy reforms but frequently do not indicate clearly how satisfactory progress is to be assessed. It is subsequently difficult for the Commission to assess in a structured manner whether the condition has been met. The Commission’s position in policy dialogue is also weakened”*.

Part of the problem is that despite considerable work on harmonization and in some cases the introduction of joint monitoring missions, in practice governments and donors work to different timelines. For example in many cases joint annual reviews are prone to slippage. Any such delays are particularly challenging if the findings are to be used for the basis of the submission of budget support disbursement applications.

The capacity building support to the roads sector in **Uganda** did reflect the findings of previous SPSP preparation studies undertaken between 2008 and 2010<sup>118</sup>. Subsequently there is evidence that overview was strengthened by external reporting such as such as a ROM mission undertaken in October 2011. The mission dealt mainly with the TA to UNRA and URF and to a lesser extent with the TA to the DFID/EU CrossRoads programme. The recommendations have been followed up well as far as the EU Delegation was concerned (better supervision TA to UNRA, monthly progress meetings with the TA teams). One annual review mission was organized by DFID, resulting in the recommendation to focus more on Institutional change and advocacy.

Subsequent to this 2013 report a further mission has taken place organised by DFID, to assess the Crossroads programme. This programme did not score highly in the 2013 Output-to-Purpose review. It is of note that despite the joint funding, it does not appear that the review mechanisms have been fully harmonized. This appears to be because the EU and DFID have different internal reporting requirements.

<sup>117</sup> The Court of Auditors has been especially critical of monitoring systems and of loose specification of Financing Agreements.

<sup>118</sup> Source: Mid Term Evaluation of the “Ugandan Road Sector Policy Support Programme (SPSP) –Capacity Development Component CDC” under the 10th EDF in Uganda, EDF contract no.: 2013 / 315446 Parsons Brinckerhoff, July 2013 see pages 11 and 12.

**Senegal:** Given the Organization of EUD which is present on-site in Senegal with adequate resources, there is no mission of joint supervision with other donors. However the exchange of information makes sure that common positions are often taken on strategic issues.

**Indicator 2.4.2. Validity and reliability of sector reporting (project, programme, national) at output and outcome levels.**

The quality of performance measurement within the sector has been a critical importance for many years. It is expensive to measure road conditions and traffic on a comprehensive basis. Where this is attempted, it has generally been done as a periodic rather than an annual exercise. Yet if it is done on a sample basis, there are risks that biases may occur. For example if a regional engineer knows that particular road segments will be monitored annually to assess their condition, additional resources may be put into maintaining that section. Alternatively it is possible it could be neglected in order to attract further resources into the sector. A further risk is that a “Station” engineer, responsible for part of the network, could have an incentive to report that the network is in very poor condition when he/she takes over, and then records that conditions have improved during his tenure of responsibility for that part of the network. In essence subjectivity and lack of QA mechanisms are common.

The risks or unreliable condition reporting would appear to increase if road condition is included as a variable tranche indicator, because of the high financial implications of reaching or not reaching a particular condition.

Specific issues have arisen in **Uganda**, because the national road agency, UNRA, was given a further 20,000kms (of unclassified, mainly rural roads in poor condition) to manage in 2010. As little was known about the condition of these additional (previously district managed) roads, the entire road monitoring system had to be redesigned<sup>119</sup>. Interviews with relevant Ministry of Works & Transport (MoWT) and Ministry of Finance, Planning and Economic Development (MoFPED) staff revealed that some of the condition data included in public reports such as the Medium Term Expenditure Framework (MTEF) and Annual Reviews was not evidence based.

In **Ethiopia** some dis-continuities in the system of road condition monitoring were identified in the first Ethiopia Roads SBS preparation<sup>120</sup>. It appears that the 19 indicators, including a comprehensive set of sub-indicators, had not been an effective part of the monitoring system for Roads Sector Development Programme (RSDP) II that commenced in July 2002. Instead the yearly or half-yearly assessments carried out for RSDP II were based on a set of seven aggregated indicators for the definition of targets and assessment of progress.

In preparation for the Mid-Term Review (MTR) of the RSDP II in April 2005, the ERA’s Planning and Programming Division started assembling and updating the 19 monitoring indicators with assistance of a local consultant. The appraisal report noted that for several indicators there was a risk that time-series information would not be entirely consistent with that collected and analysed earlier, and this could make trend analysis problematic. It was also considered

<sup>119</sup> Feasibility Study: Building a Uganda Road Sector Policy Support Programme Sector Support Component (Formulation Stage) Update & Options Report, November 2010, NTU/Parsons Brinckerhoff Consortium.

<sup>120</sup> Source: Ethiopia: Sector Policy Support Programme Or The Roads Sector ADE Revised Appraisal Report – May 2005 Page 92.



that data reliability would constrain the use of some indicators. Indicators on road conditions and vehicle operating cost (VOC) were based on roughness surveys carried out by ERA's Pavement Management Branch,

This situation appears to have improved over time: the 2012 Ethiopia country evaluation cited external sources such as: "*Reflections on the Updating of the RSDP Performance and MDGs Transport Indicators, UN ECA Implementation Assessment of the 12 Year-Performance of the RSDP*" prepared in Nov. 2009 to demonstrate overall improvements in both the quality of independent reporting<sup>121</sup>.

#### **Indicator 2.4.3. Indications of lessons learned and follow up based upon monitoring of progress of sector programmes.**

The ROM system provides the widest ranging, most frequent and most immediate of the EU monitoring systems. There is evidence of take up of most ROM recommendations although such recommendations are short term only and focus on implementation of an on-going EU project intervention or programme support. The annual meetings of infrastructure advisers have provided an important opportunity for lesson learning. Furthermore a considerable body of knowledge is held by geographic coordinators, infrastructure advisers, contract agents, local agents and TA provided to support programmes. In addition the EU has been strengthening its online offering with the Capacity4Development website, and through training programmes which have been offered through the Aid Delivery Methods website. Despite all of this, Head of Operations at EUD level and infrastructure advisers advise that knowledge management and follow-up based on monitoring of sector programmes requires further strengthening.

The main problem is not the lack of information, but rather information overload, which inhibits accessibility. That is combined with staff turnover which damages institutional memory. However the situation does vary from country to country, with staff in Benin, for example, facing a paucity of information.

**Mozambique:** Not information overload as such, rather overload in adequate coverage of implementation (including dialogue) coupled with a lack of relevant information and examples of good practice from other countries or Brussels.

#### **JC 2.5. Implementation of SPSP and sector budget support has streamlined aid delivery.**

Whilst some streaming has taken place as a result of SPSP, budget support has not proved, in many cases, to be the fast disbursing instrument originally envisaged. At its best it can function very well, but in the transport sector its performance has proved to be variable. Delays have generally resulted from poor delivery of commitments by partner governments and/or serious shortcomings in national management systems (eg PFM, procurement procedures) although shortcomings in monitoring systems, indicators and conditionalities for disbursement have not facilitated streamlining of aid delivery at any level.

#### **Indicator 2.5.1. Timely disbursements of budget support according to the agreed programme (improved predictability).**

Sector budget support had originally been promoted as a fast disbursing instrument, and this has proved to be the case in some instances, such as

<sup>121</sup> Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 – see Volume 2 page 91.

Ethiopia. However in Zambia and Malawi significant delays have occurred. Of course budget support may still be faster disbursing than the alternative of using project modalities, especially in good performers such as Ethiopia (which had faced major delays implementing using project modalities under the 8<sup>th</sup> EDF<sup>122</sup>). Indeed in the case of one contract the Government of Ethiopia had been so concerned about the potential for delays using EDF procedures that it had decided to manage the programme internally using national resources.

However the sample size is small, and experience is relatively limited, and it would be premature to draw conclusions about the timeliness of SPSP and sector budget support. It should also be noted that, in part due to the increasingly rigorous application of conditions and greater oversight by the European Court of Auditors, budget support (both GBS and SBS in all sectors) has been increasingly prone to delays.

Zambia example: According to the 9<sup>th</sup> EDF Transport SPSP mid-term review, targets related to institutional reform, rehabilitation, maintenance and funding have largely been achieved although the results of one of them, “regular periodic audits” identified deficiencies in the procurement process that delayed the disbursement of the 3<sup>rd</sup> tranche of the SPSP1 (9<sup>th</sup> EDF Financing). Subsequently, disbursements have been heavily held up as noted above.

*Moçambique: SBS implementation has been characterized by late and limited disbursement.* There is a strong perception that SBS has not delivered improved predictability of disbursements albeit that SBS is a centralised programme (i.e. controlled from BXL) and some delays are reported to have resulted from delays in processing of EUD disbursement requests and long periods of time in issuing addenda to FAs.

#### **Indicator 2.5.2. Causes of delays in disbursement investigated and resolved.**

In the cases of Zambia and Tanzania, delays have been caused by major PFM scandals, and their resolution has formed part of the IMF’s dialogue with the country.

**Benin:** BS was limited to refund temporarily the RF. Disbursements of the RF were hindered by slow procurement with the MPW.

**Mozambique:** SBS implementation has been characterized by late and limited disbursement. As noted above there is a strong perception that SBS has not delivered improved predictability of disbursements albeit that SBS is a centralised programme (i.e. controlled from BXL) and some delays are reported to have resulted from delays in processing of EUD disbursement requests and long periods of time in issuing addenda to FAs.

#### **Questionnaire responses 33 & 34 (measures taken when sectoral commitments are not met):**

As can be seen from the answers provided, the most common measures included: suspension of the payments of fixed or variable tranches:

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<sup>122</sup> Relating to construction of major roads radiating out from Addis Ababa eg Addis – Modjo – Awassa; Addis – Jima. These projects were characterised by huge cost and time over-runs.

- Quotes from 2012 ECA report: page 17 'THE COMMISSION'S USE OF CLEAR PRECONDITIONS FOR EDF SUPPORT IN CAMEROON Some road support programmes under the 9th and 10th EDFs included conditions with which the government had to comply before the Commission would launch the procurement procedure for roadworks. These conditions related to clearly identified issues, such as the government's annual financial allocation to road maintenance and the adoption of several policy reform measures before a given deadline. The conditions have since been met and the road works could begin.' page 20 'THE FOCUSING OF EDF SUPPORT ON SUSTAINABILITY OF THE EXISTING ROAD NETWORK IN CAMEROON The 2004 mid-term review of the 9th EDF identified deterioration in the condition of the road network. Only 22 % of the network was found to be in good condition, compared to 43 % 5 years earlier. Insufficient road maintenance was identified as the major cause of the rapid deterioration of the road network. In view of this downward trend, the Commission decided to maintain the envelope allocated to the transport sector but to modify its focus from the construction of a new road — as initially agreed — to the rehabilitation of existing roads. This helped to improve the overall condition of the road network. Part of these funds also served to finance the construction and rehabilitation of weighbridges in order to improve controls of vehicle overloading, an important cause of the premature deterioration of road infrastructure. Through this firm and pragmatic reaction, the Commission sent a message that adequate road maintenance and a commitment to reducing overloading were clear priorities for its support.'
- In 2011-2012 the payment of a fixed tranche of the SPSP 2 programme has been suspended for one year and half following the Government of Ethiopia's refusal to allow the publication of the IMF Article IV report. Variable tranches payments have been partially reduced in the past when specific targets have not been achieved / completely achieved.
- The next SYSMIN (III) will not be affected to the ENER because they haven't respected their commitment. They have the monopole of the maintenance, not allowing private enterprises to work on the maintenance sector.
- Cut of the variable performance tranche based on the overall PFM performance
- Implementation of Article 96 of the Cotonou Agreement
- 2nd tranche of SBS was first delayed and finally cancelled for PFM reasons.
- Delay in signing financing agreement/works contracts for new road projects until conditionalities on axle load control/maintenance financing/institutional reform were met
- The performance indicator in the PAF GBS on transport (number of kilometres of roads being rehabilitated) in FY 2014/2015 has not been met, and is proposed to lead to reduction in payment of variable tranche GBS.
- Dialogue politique pour le rehaussement de la relevance d'entretien routier avec à la clé l'endossement - ou non - de la convention de financement n°022-661 (Appui à la politique sectorielle des transports - 10ème FED - 72 MEUR).
- No disbursement. the on-going SBS is so far unsuccessful
- Blocage des fonds de coopération (passations de marchés non autorisée) jusqu'au respect des conditionnalités introduites dans la CF (financement de l'entretien routier à hauteur de X, mise en place d'un mécanisme de financement direct du fond d'entretien routier, etc.)
- Ex blocage des déboursement du programme désenclavement des populations isolées (appui budgétaire) par absence de mise en place d'une stratégie d'entretien et de régionalisation.

- Following the break out of massive public finance plundering scheme in 2013, which involved politicians, civil servants and private sector the EU (and all other BS donors) decided to suspend BS.

### 2.5.3 Acceptable accountability and auditing of national sector institutions

The European Court of Auditors is highly critical of the way in which the Commission structures its budget support<sup>123</sup>. It notes that for road infrastructure investment projects, the Commission uses conditions in a way that gives partner countries little incentive to comply with them. The conditions set are not legally binding but presented in the financing agreements as ‘accompanying measures’ to be taken up by the partner country. In practice, the Commission generally endorses works contracts between partner countries and contractors regardless of whether these accompanying measures have been taken. It is then under an obligation to pay EDF money under these contracts, and it has little leverage to compel the partner country to comply with the conditions. The Commission rarely sets preconditions which must be met before it will agree to sign a financing agreement, launch tendering for works or endorse a works contract. In the few cases in which the Commission has adopted this approach, the Court of Auditors observes that it has proved more effective (see Boxes 1 and 2).

#### Box 1: The Commission’s Use of Clear Preconditions for EDF Support in Burkina Faso<sup>124</sup>

*Following the lack of progress in the fight against vehicle overloading, the Commission identified clear and relevant measures to be taken concerning:*

- *the use for overload controls of existing weighbridges at the borders;*
- *the construction of six new weighbridges;*
- *the operation of the body newly established to enforce overloading legislation.*

*The need for these measures was discussed by the development partners and the partner country during the 2009 joint annual review. It was agreed that the measures would be implemented by March 2010. As this was not done, the Commission decided to postpone signing the financing agreement for a new road infrastructure investment project until the government took the necessary action. Although delayed, this was ultimately successful, and the financing agreement was signed in February 2011.*

#### Box 2: The Commission’s Use of Clear Preconditions for EDF Support in Cameroon

*Some road support programmes under the 9th and 10th EDFs included conditions with which the government had to comply before the Commission would launch the procurement procedure for road works. These conditions related to clearly identified issues, such as the government’s annual financial allocation to road maintenance and the adoption of several policy reform measures before a given deadline. The conditions have since been met and the road works could begin.*

**Source: Court of Auditors**

A further concern is that the EU may be over-dependent on national audit authorities, of varying capacity and independence. For example the Office of the Auditor General of **Malawi** lacked independent funding, and its independence was therefore compromised<sup>125</sup>. A key finding is that it is necessary to triangulate sources of information, because over-reliance on individual sources may lead to

<sup>123</sup> Court of Auditors Special Report No 17/2012 – The European Development Fund (EDF) Contribution to a Sustainable Road Network in sub-Saharan Africa.

<sup>124</sup> The programme ‘*Appui sectoriel infrastructures et transports*’ in Burkina Faso.

<sup>125</sup> Source, direct interviews as part of another assignment.

unreliable evidence being taken on board as representing the whole truth. The following example illustrates this point:

Very mixed findings were identified regarding accountability and auditing of TANROADS, the lead agency in **Tanzania** for the roads sector. In July 2009 TANROADS received a strong endorsement for its Compliance with the Public Procurement Act and its Regulations. In a letter from the Public Procurement Regulatory Authority (PPRA) the Procurement Audit performance of TANROADS was assessed as follows:

*“Your entity was assessed to have attained a compliance level of 91% as compared to a compliance level of 76% when it was audited in 2006/07. Based on the above achievement the Monitoring and Compliance Committee (MCC) of the Board of Directors of PPRA...was impressed by the tremendous improvements made by your entity. I would like to take this opportunity to congratulate you as accounting officer for discharging your functions as stipulated under Section 33 of the PPA, (signed Abuyu O Kaswiri, Acting CEO, Public Procurement Regulatory Authority)”.*

By contrast a special report by the Tanzania Auditor General (National Audit Office Mar, 2010) found that performance was much less satisfactory. The Performance Audit Report on Road Works (MoID & TANROADS Performance in Controlling Road Construction Time, Cost and Quality), highlighted the following problems:

- Time management, i.e. road works are not completed within the agreed time and benefits of the works to the public are delayed.
- Cost overruns, i.e. additional but avoidable costs to the decided budgets for varying reasons, and
- Weaknesses in quality control system of the road works which results into early wear and tear necessitating repair and maintenance.

This performance audit, based on an examination of a sample of 10 road projects found that there have been delays in all 10 projects. The difference between original time and actual time was an average delay of 43% and an average increase of 57% over budget.

This audit found that there is still need for improvement. The quality control in the design phase not been effective. There are also several problems in the construction phase. Inspections and monitoring were not conducted as expected, documentation was not in order and the engaged consultants were given conflicting tasks without any proper follow up by TANROADS. Soon after the finalising inspection – where all studied ten road constructions were approved – most roads built started to undergo repairs (not only regular maintenance) suggesting inadequate design and/or poor construction quality.

Even the Tanzania Audit Office found it difficult to access documents due to lack of transparency and of disorder of document files. The national audit report concluded that as a consequence roads built in Tanzania end up to be more expensive than needed and with many quality problems.<sup>126</sup> These roads were part-funded by EU budget support.

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<sup>126</sup> Tanzania “Mid-Term Evaluation of the Road Transport Sector Source: Policy Support Programme for Tanzania” Reference code : EuropeAid 127054 C SER Multi Specific contract no.: 2011/259827, March 2011 Page 49.

**Benin:** The use of conditionalities was not effective in inducing major change in MPW practices and efficiency in implementing maintenance. 65% of the €25 m was a fix tranche. The tranche indicators were almost fully achieved, in some case by shifting execution from one line to the other. Indicators were km constructed or maintained.

The one technical assistant recruited in parallel to the BS was dedicated on road database and maintenance prioritisation, with limited scope for improving the MPW organisation, ethics and efficiency. He had limited competencies and poor relationship with the beneficiary but was not replaced. The National Audit authority was not involved in the SBS. However 6-months external audits were financed under the EU project and provided reports that were appreciated by all stakeholders.

**Madagascar:** L'efficacité des conditionnalités relatives à l'appui de l'UE dans le Secteur des Transports reste limitée. D'une manière générale, ces conditionnalités concernent des décisions relatives à des actions bien déterminées et ne portent pas sur les principaux changements ou résultats attendus

**Senegal :** The leading role that the EUD has played should be noted, particularly in relation to conditionalities, in the resolution of policy issues affecting the infrastructure sector as the establishment of the autonomous road maintenance fund (FERA), the implementation of Community policy for the control of the axle load etc.

**Mozambique:** It may be observed that conditionalities seen as strongly counterproductive by the Government – perceived as 'excuses' for late payment of fixed tranches and partial payment of variable tranches. However, there is wide misunderstanding of SBS terms and conditions on the side of the Government. On the other hand DFID, which has now withdrawn from SBS, considered it was important to disburse fully and on time (unless there were major governance issues) in order to comply with the spirit of SBS (i.e. predictability and timeliness of disbursements).

***Indicator 2.5.4. Perceptions of sector stakeholders, national governments and regional organisations of EU support to SWAp, SBS and GBS based on past performance and future strategic orientations.***

**Benin:** EU support to SWAp is not perceived as effective. No major improvement can be identified over the reference period in financing and implementing road maintenance. Issues identified by the 2004 country level evaluation are still prevailing: a road fund without resources from fuel levy (smuggling with Nigeria), slow and ineffective procurement, widespread corruption in road works and lack of axle-load control.

**Madagascar:** L'appui de l'UE selon l'approche sectorielle a permis certes l'amélioration significative de l'état du réseau de routes nationales de Madagascar. Son efficacité est cependant limitée par les problématiques presque statiques de l'insuffisance cruelle de capacités nationales en matière de financement et de mise en œuvre des programmes d'entretien routier. Ce qui remet en cause la durabilité des infrastructures.

**Senegal:** *In Senegal, there is no support to SWApS and SBS but for GBS, EU support perceived effective.*

**Mozambique:** *GBS support perceived as effective; SBS ineffective and SWAp, on the whole, as effective.*



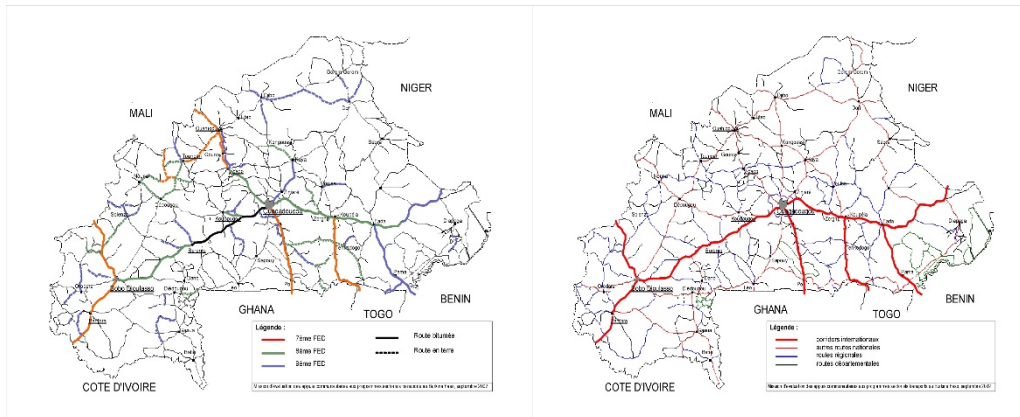


## EQ3. Transport sector management

**EQ3: To what extent has EU institutional support and capacity building resulted in enhanced transport sector management in Africa?**

### JC 3.1. Physical network condition, connectivity and inter-modal links have improved as a result of EU sector support

The public roads networks have expanded in most African countries. This is due, mainly in Eastern and Southern Africa, to the recognition and takeover of maintenance responsibility of at least part of a wide network of rural roads, many of which were un-engineered tracks with limited cross drainage structures. Thus the road network density has increased overall although there continue to be wide variations between countries. This increasing density (i.e. increasing road length) raises doubts about the affordability of some national networks which are in excess of basic connectivity needs. In Western and Central Africa, paved roads network extension was almost exclusively linked, during the reference period, to the construction of regional corridors for developing regional integration through trade and transport facilitation. The trunk road networks between major cities were reinforced beforehand, under EDF6-8, and are decaying by maintenance neglect and unregulated transport services.



Despite reservations about quality and of consistency of national data on network condition, including mechanisms for regular updating, there are undoubtedly trends in improving condition of the main roads – and given the intense donor support to capital investment of such roads (of which EU support played a major role) over the past decade, such an outcome is to be expected. A key test of national capacities and commitment is the extent to which these ‘new’ or ‘improved’ main roads are adequately maintained. Past experience has not been encouraging in this respect, while the trend remains that upgrading to paved road standard is (politically) favoured over preservation of assets. In all cases, huge amounts of EU capital investments under EDF 6 to 8 are already lost.

Accessibility has increased (usually measured by population within 2 to 5 km of an all-weather road and/or percentage of rural land > y km of an all-weather road). Such improved accessibility depends on better rural roads themselves but also on connection of such rural roads to a primary and secondary network in better condition. All-weather rural roads undoubtedly open possibilities for better physical access (to social facilities, markets, agricultural land) for the majority of people in African countries who dwell in rural areas, but there are doubts about whether regular transport services on such rural roads may actually be economically viable without subsidies.

EU support has concentrated overwhelmingly on road transport (which reflects nationally expressed needs and requests for support). EU has supported various inter-modal studies but support has not gone any further in most cases. And yet the commercial landscape is now changing dramatically as regards rail transport in bulk mineral products, mainly in Southern and Central Africa. Mega developments in mineral extraction are resulting in major investments in rail lines (new and refurbishment), bulk handling facilities and port installations, though they are not interconnected with the rest of the transport networks.

### **Indicator 3.1.1. Statistics of road (rail, IWT, air) network coverage (spatial and demographic)**

Most African countries have registered an increase in the total length of their road networks (maintainable at public expense), for which the EU contribution was often key. However, such an increase has been recognition (and in some cases 'take-over') of rural roads in Eastern and Southern Africa (a significant proportion are un-engineered tracks; almost all are un-surfaced; most are in poor condition<sup>127</sup>), and regional corridors in West and Central Africa.

Specific examples are given below of a sample of countries:

In **Ethiopia** (population 92M, GDP 43B US\$<sup>128</sup>), over a 17 year period (1997-2014), the Classified Road Network has *expanded from 26,550 km to more than 99,500 km*, the paved (Federal) roads from 3,708 km to 12,640 km (growth factor 3.41) and the unpaved (gravel and rural roads) from 22,842 km to about 86,288 km (growth factor 3.78); for landlocked Ethiopia, rail is important for import/export by Djibouti seaport; Addis Ababa is an international air hub thanks to a well-run airline company. According to insurance company data, the active (insured) motor vehicle fleet is about 350,000, which is a relatively small fleet size for providing the road user charges needed for maintenance of the rapidly extending road assets.

In **Tanzania** (population 48M, GDP 28B US\$), the length of the National Roads network increased from 25,846 km in 2008, to 29,428 km in 2011 (+ 3,582 km, 14% in 3 years); Tanzania could provide potentially important railway services for a number of landlocked countries (Zambia, Rwanda, Burundi, East part of DRC).

In **Zambia** (population 14M, GDP 21B US\$), during the period 2002-2011 (9 years), the (classified) Core Road Network expanded by about 10% (from 36,761 to 40,454 km) while a total of 2,927 km (+ 45%) has been added to *paved* road assets; the share of paved roads went from almost 18% to more than 23%; landlocked Zambia could benefit from improved future railway connections in potentially three directions (Tanzania, Mozambique, Namibia).

In **Uganda** (population 36M, GDP 21B US\$), the total length of 9,300 km *National Roads* in 1996, rose to 10,500 km in 2003, and 10,800 km by mid-2008 (+ 16%), when a government decision was made to gradually transfer some 10,000 km of district roads into the national network, getting to a *total classified network of 64,770 km by mid-2014* (20,543 km National Roads with 3,565 km paved; 30,000 km District Council Roads, none paved; 1,218 km Kampala roads

<sup>127</sup> This goes some way to explain trends in network condition – see I3.1.2 below.

<sup>128</sup> Rounded figures for year 2012.

with 467 km paved; 13,000 km Town/Municipal Council Roads with 1,489 km paved), and an additional 42,250 km of community access roads; landlocked Uganda could benefit from improved future railway- and seaport services in Kenya total number of motor vehicles today is likely to exceed 800,000 and could be around one million, including probably 250-300,000 motorcycles; the growth of the vehicle fleet and its fuel consumption in particular, is of great importance for the growth of the for road maintenance.

In **Malawi** (population 16M, GDP 4B US\$), the public road network coverage is 15,451 km (*classified*) of which about 28% are paved, the rest being unpaved and mostly earth surfaced. A road reclassification study carried out in 2006 identified a *further 9,478 km of undesignated* roads that serve rural communities, and are instrumental for rural access and connectivity with the higher level network; landlocked Malawi will benefit from an improved railway connection with Nacala seaport thanks to a Mozambican minerals export flow that justified the investment.

In **Burkina Faso** (population 16M, GDP 11B US\$), the total classified network of 15,272 km comprises 6,698 km of National roads, 3,581 km of Regional roads and 4,993 km of Local roads, with 2,690 km paved (18%) and 115 km 'engineered' unpaved. Landlocked Burkina Faso depends on (paved) road connections only with nearest sea ports in Ghana, Togo and Ivory Coast; a Cotonou (Benin)–Niamey–Ouagadougou Railway link option has been studied.

In **Cameroon** (population 22M, GDP 25B US\$), the total road network length increased from 49,598 km in 2006 (4,830 km bitumen, 16,468 km classified earth roads, and 28,300 km rural 'pistes') to 100,730 km in 2013 (5,701 km bitumen, 15,415 km classified earth roads, and 79,614 km rural 'pistes') . During the 8 year period, EU contributed 364 km (>40%) of the added bitumen road length (871 km). About 6,080 km of the national road network has a regional corridor function, serving land locked Chad and CAR. The national fleet counted 673,895 motor vehicles in 2014, of which 516,283 (76,6%) using petrol and 143,027 (21,2%), mostly heavy goods vehicles, running on diesel; the growth of the vehicle fleet and its fuel consumption in particular, is of great importance for the growth of the Road Fund for road maintenance.

In **Benin** (population 10M, GDP 8B US\$), the classified network of 3,425 km National roads and 2,651 km of Secondary roads (with 2,211 km paved, i.e. >36 % of 6,076 km paved) is supplemented with 1,800 km of urban roads and some 47,000 km of rural roads/paths. The two north-south regional corridors and the coastal corridor are fully paved. Accessibility is almost everywhere ensured by the road network except for a few agricultural areas in the north.

In **Ghana** (population 25M, GDP 40B US\$), the trunk (national) roads network length is 11,628 km, urban roads total 12,400 km and the feeder roads 42,192 km for a total classified network length of 66,220 km.

In **Mozambique** (population 25M, GDP 14B US\$), the classified road network comprises 30,464 km of road (7,344 km surfaced; 23,120 un-surfaced). In addition there is a network of unclassified roads, mostly rural roads in very bad condition. The length is not known but estimated to be >20,000 km.

In **Madagascar** (population 22M, GDP 10B US\$), about 13% of the total (classified) road network of 32,000 km is paved. The road density is low: 9.7 km per thousands of square km, compared to the SSA average of 31 km/km<sup>2</sup>.

The **Democratic Republic of Congo** (DRC, population 66M, GDP 27B US\$) has fewer all-weather paved highways than any country of its size and population number in Africa — a total of 2,250 km, whilst the road distance across the country in any direction is more than 2,500 km (e.g. Matadi to Lubumbushi, 2,700 km by road). But there is another 169,000 km of unpaved roads (15,000 km) and local roads/tracks/paths mostly in deplorable condition. However, the DRC has more navigable rivers and moves more passengers and goods by boat and ferry than any other country in Africa.

In **Senegal** (population 14M, GDP 14B US\$), the total length of the classified network is 16,355 km (paved and gravel roads). The rural network is estimated to be around 30,000 km and is not covered by the national road maintenance strategy. The total length of the paved network increased by more than 1,100 km during the last decade from 4,554 km in 2004 to 5,697 km in 2014 through upgrading gravel roads to paved roads. Senegal is having only one railway line linking Dakar port with Bamako (Mali) with 400 km on Senegalese territory. Rail transport takes a declining share of all transit transport to Mali and eventually Burkina Faso. The road haulage fleet consists of an estimated 37,000 number of trucks, with 85% of the vehicles aged more than 10 years; in 2004, the commercial transport fleet was estimated at 30,000 vehicles.

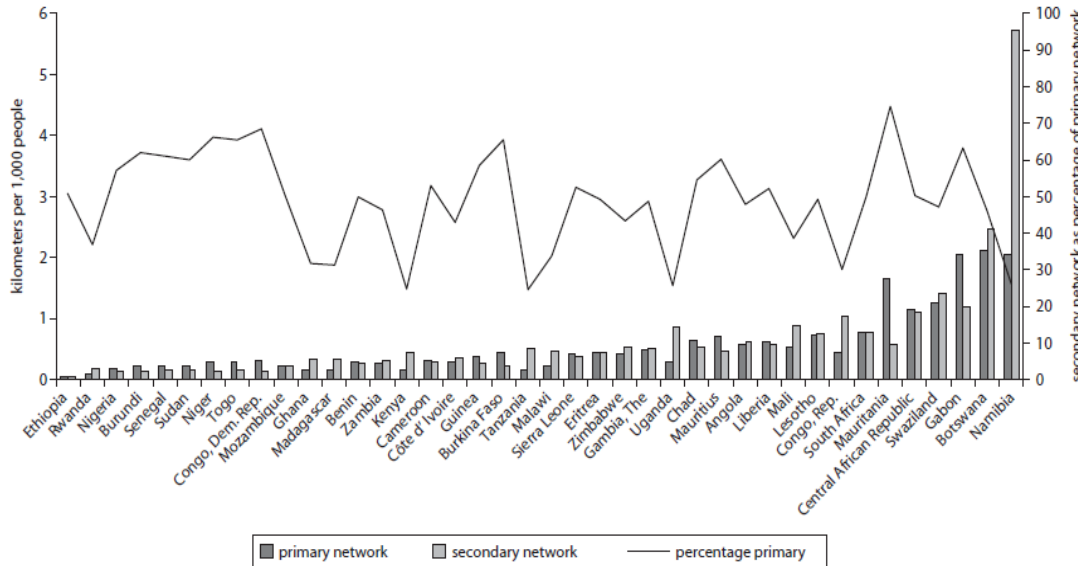
In **Mauretania** (population 4M, GDP 4B US\$), total road network length was estimated (in 2010) > 11,000 km (3,069 km bitumen roads, 1,134 km earth roads and 6,844 km rural 'pistes'), but the bitumen road length was almost doubled between 2005 (2,813 km) and 2015 (5,303 km). Le parc automobile n'est pas non plus connu, faute de statistiques fiables. Selon une estimation grossière de la DGTT, le parc automobile serait passé d'une moyenne de 116,450 entre 1980 et 2004 à 169,574 en 2010, soit une augmentation de 53,124. Le parc automobile immatriculé dans la ville de Nouakchott représente à elle seule 119,454 véhicules, soit 80% du total du parc. Ce parc est composé surtout de véhicules acquis d'occasion.

In **Morocco**, ENP-S country (population 33M, GDP 96B US\$), the classified paved road network length was increased from 32,086 km in 2005 to 41,431 km in 2013 (incl. 736 km 'motorways'), a 'world' rather different from most of SSA (low and lower middle income) countries. The motor vehicle fleet exceeded 3 million in 2013, a growing basis for sound road maintenance financing.

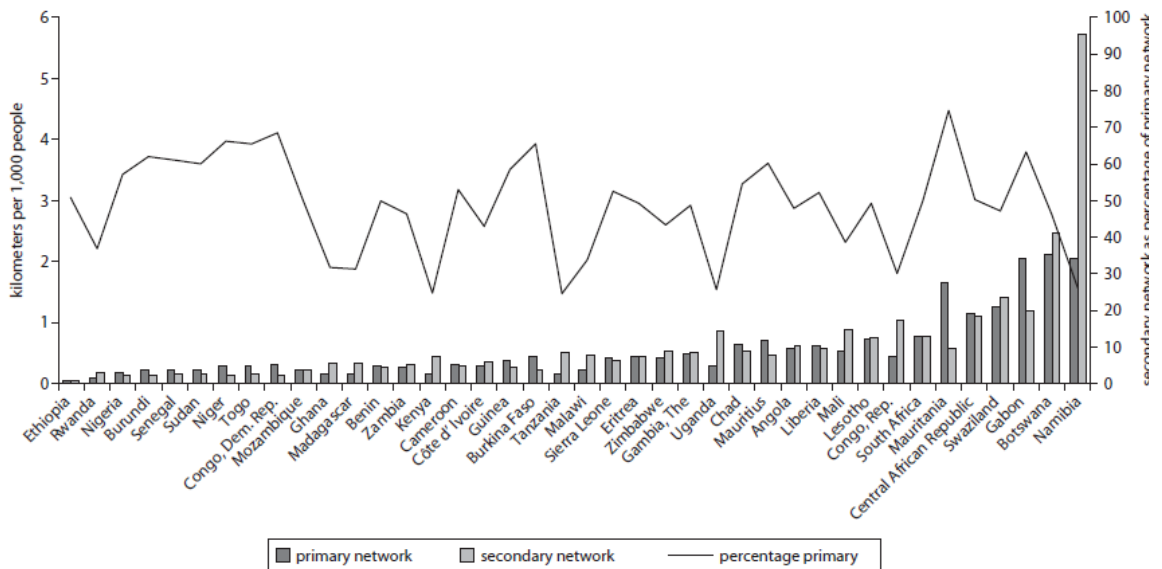
One may expect that the EU supported capacity building interventions have contributed to a growing awareness and attention for the relationship between affordable (classified) road network size in the light of the country's GDP (growth) and the road asset preservation needs. Countries that succeeded in a (sustained) 2-3% annual allocation of GDP for road works, *with a thoughtful mix of (i) maintenance/rehabilitation and (ii) upgrading/paving*, are likely to show better trends in condition of (road) transport infrastructure<sup>129</sup>. This is a crucial road sector management/governance issue.

<sup>129</sup> According to the AICD study (2008) spending on roads in Sub-Saharan Africa averaged just below 2 percent of GDP, with substantial variance across countries.

AICD Background Paper 14 (The Burden of Maintenance: Roads in Sub-Saharan Africa, June 2008) noted already that the density (per 1,000 km<sup>2</sup> and per 1,000 population) of *national primary and secondary road networks* varies substantially across countries. But there are also a number of countries where *the length required to provide basic connectivity between primary and secondary cities and key ports and land border crossings* is well exceeded; notably in Madagascar, Malawi, Mozambique, and Niger<sup>130</sup>, the estimated asset value of the road network exceeded 30% of GDP, which is an indication of a serious road maintenance (financing) problem.



Source: Tabulation by A. Nogales based on data from Gwilliam and others 2009.

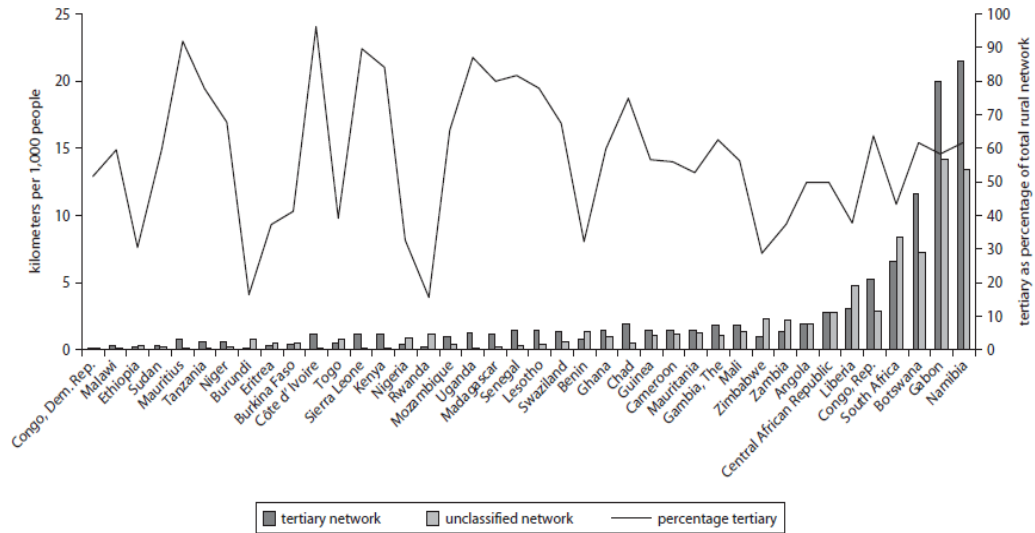


Source: Tabulation by A. Nogales based on data from Gwilliam and others 2009.

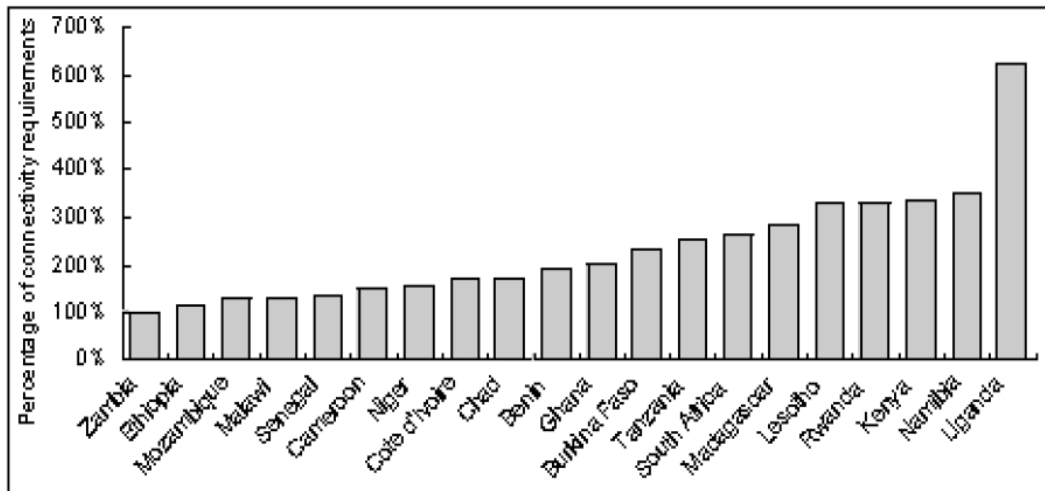
Most countries present primary network densities of between 100 to 300 kilometres per million of population. At one extreme, countries such as Ethiopia, Nigeria and Rwanda have around 50 kilometres of primary road per million of population. At the other extreme, countries like Namibia, Botswana and Gabon

<sup>130</sup> Although subsequent deterioration in road service levels have cancelled out at least part of this relative advantage.

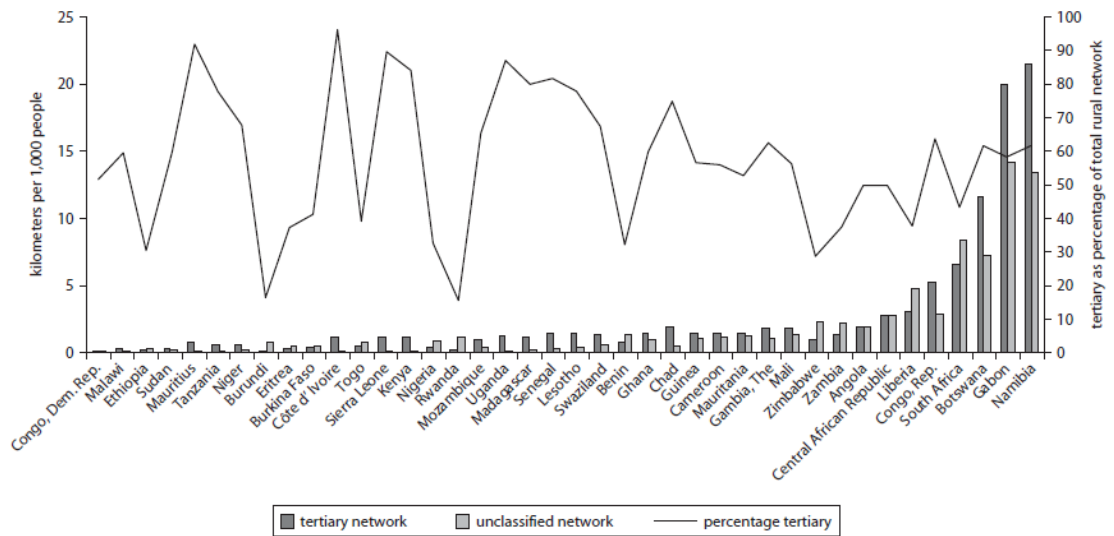
have more than two thousand kilometres of primary road per million of population.



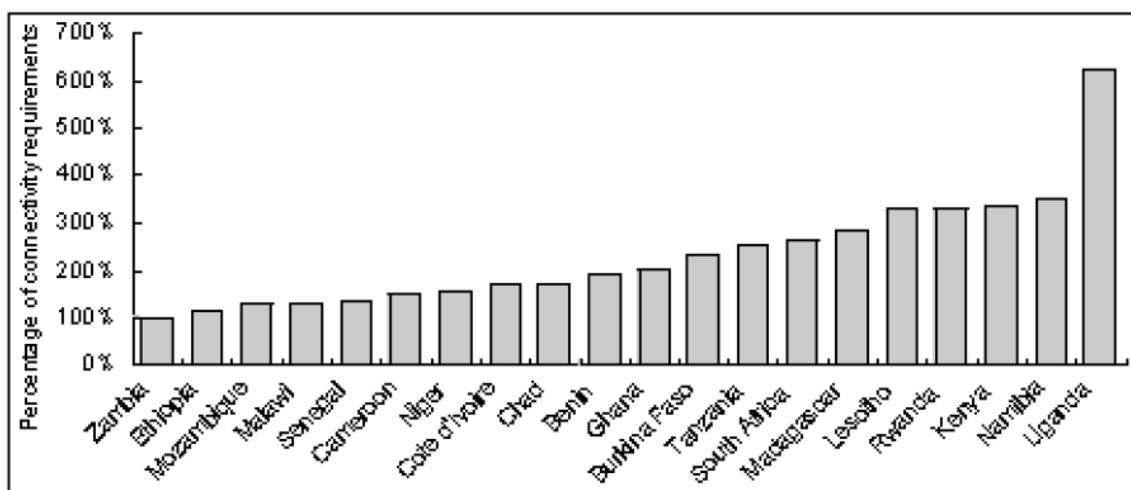
Source: Tabulation by A. Nozales based on data from Guillian and others 2000



Source: AICD RNET Analysis, 2008.



Source: Tabulation by A. Nozales based on data from Guillian and others 2009



Source: AICD RNET Analysis, 2008.

Regional connectivity is defined as the network needed to link national capitals and any other cities with more than 250,000 of population to international frontiers and deep sea ports. National connectivity is defined as the network needed to link all provincial capitals and any other cities with more than 25,000 of population to the regional network. On the assumption, that the main goal of the primary and secondary network should be to achieve regional and national connectivity, the ratio of the actual primary and secondary network length to the network required to reach these connectivity standards can be calculated to assess the extent to which these networks may potentially be over- or under-extended (given more or less correct application of definitions, road classification and/or data interpretation).

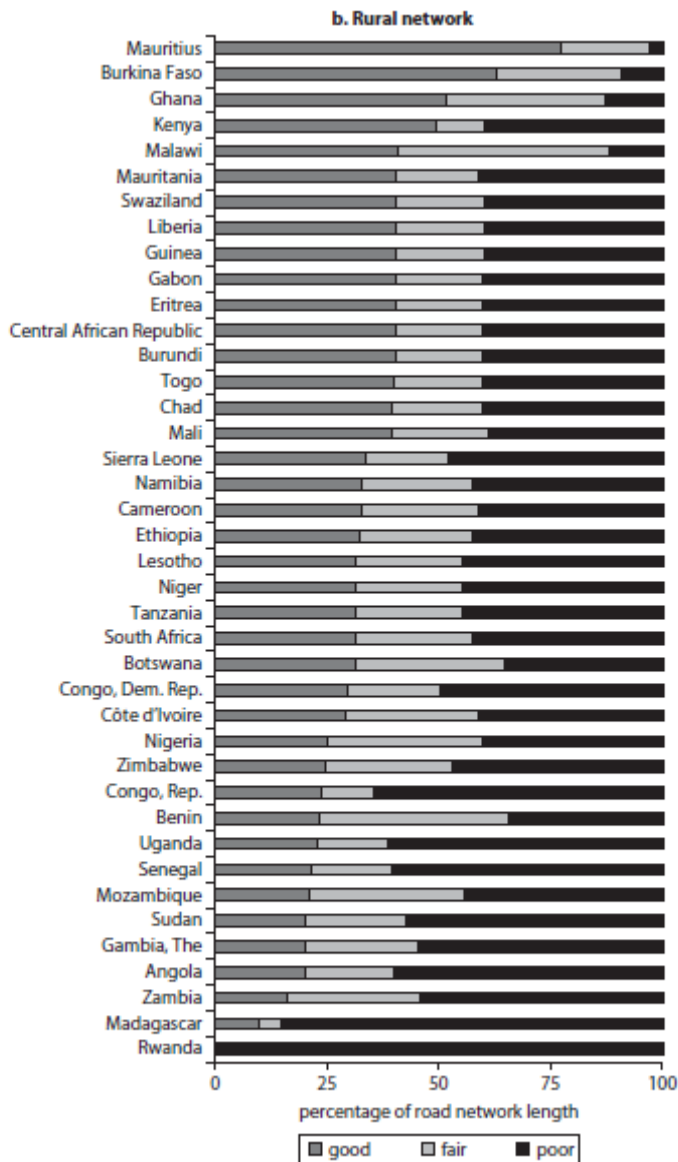
### **Indicator 3.1.2. Trends in condition of transport infrastructure.**

A time series of assessments of road network condition (good, fair, poor condition of pavement) is the most common indication of the condition of a national road network. However, there are reservations about the quality of data collected whilst methodologies vary between countries not only for collection of data (e.g. some countries collect condition information before rains, others after rains) but also for assessment of condition (e.g. some countries have a purely subjective assessment<sup>131</sup>, others use an objective method such as IRI, usually for the surfaced roads only). Thus it is contended that comparisons between countries may be suspect, but that trends within a country should be apparent even with doubts about absolute data quality.

<sup>131</sup> In Comoros, for example, a recent (2014) road inventory assessed that only 16% of the network was in good condition, compared to 60% for a previous (2012) extrapolation of an inventory limited to the main roads.







Source: Tabulation by A. Nogales based on data from Gwilliam and others 2009.

Given that most donor support during the evaluation period has been to reconstruction (and some backlog periodic maintenance of major paved roads) it would be expected that the overall condition of paved roads should have improved. This is indeed the case. The continuation of percentages of 'good' or 'fair' roads would thereafter be an indication of adequate maintenance.

A further complication is that most countries have expanded the national road network. This is not a result only of construction of new roads but rather a 'take-over' of unclassified/feeder roads in rural areas i.e. unpaved roads which are usually in poor condition (e.g. Malawi – 2009 & 2010 unpaved roads).

Examples are presented below for 14 SSA countries. Trends may be broadly summarised as follows:

- Steady State: Tanzania, Uganda, Benin, (Ghana)
- Improving: Ethiopia, Zambia, Burkino Faso, Malawi, Senegal
- Deteriorating: Cameroon
- Insufficient data: Mozambique, Madagascar, DRC, (Ghana), Congo Rep.

In **Tanzania**, while the national roads network expanded in length from 25,846 km in 2008, to 29,428 km in 2011 (+ 3,582 km, 14% in 3 years), the condition score of the roads has kept pace during this period, indicating that the maintenance system was functioning well enough (but the period is short).

- 2008: good 42% - fair 44% - poor 14%
- 2009: good 36% - fair 48% - poor 17%
- 2010: good 39% - fair 45% - poor 16%
- 2011: good 40% - fair 46% - poor 14%

In **Ethiopia**, the condition of the (classified) road network improved significantly over a 17-year period, thanks to the RSDP approach, but fears were expressed of a growing shortfall in road maintenance funding as the newly refurbished network begins to age.

- 1997: good 22% - fair 26% - poor 52%
- 2004: good 37% - fair 28% - poor 35%
- 2012: good 64% - fair 22% - poor 14%
- By mid-2014, 74% of the paved roads, 58% of the gravel road and 55% of the rural roads was considered to be in good (or fair) condition; at the start of the RSDP in 1997, these figures were 17%, 25% and 21% respectively.

In **Zambia**, the paved road length in good/fair condition: increased from roughly 4,500 km (70% of 6,476 km) in 2002 to around 8,000 km (85% of 9,403 km) in 2011, an increase of 75% (but it concerns a minor part of the total network).

In **Uganda**, until 2009 little attention has been given to regular road condition surveys. Developments in road conditions of the national road system since 2009 are shown in the table below. Year 2013/2014 data illustrate the pitfalls of expressing sampled survey data in percentages (good, fair and poor).

Surface Type		Very Good	Good	Fair	Poor	Very Poor	Total
Unpaved roads	Km	133	1,310	2,821	2,557	248	7,071
	%	1.8	18.5	40	36.2	3.5	100
Paved roads	Km	457	623	1,005	546	281	2,914
	%	15.7	21.5	34.5	18.7	9.6	100
Total	Km	591	1,933	3,827	3,104	529	9,985
	%	5.9	19.4	38.3	31	5.4	100

Year	Paved roads condition (km)					Paved roads condition (%)			
	Good	Fair	Poor	Rest	Total	Good	Fair	Poor	Rest
2009/10	1,230	1,180	709		3,119	39%	38%	23%	
2010/11	1,742	680	843		3,265	53%	21%	26%	
2011/12	1,717	856	744		3,317	52%	26%	22%	
2012/13	1,794	893	803		3,490	51%	26%	23%	
2013/14	2,033	336	96	1,100	3,565	(82%)	(14%)	(4%)	31%
Year	Unpaved roads condition (km)					Unpaved roads condition (%)			
	Good	Fair	Poor	Rest	Total	Good	Fair	Poor	Rest
2009/10	1,535	2,340	3,436		7,311	21%	32%	47%	
2010/11	3,719	7,215	6,186		17,120	22%	42%	36%	
2011/12	3,926	7,853	5,904		17,683	22%	44%	33%	

2012/13	3,852	7,705	5,954		17,511	22%	44%	34%	
2013/14	3,463	4,601	2,147	6,767	16,978	(34%)	(45%)	(21%)	40%

Source: UNRA  
Note 1: Rest = not surveyed  
Note 2: 2013/14 results are based only on surveyed roads, road sections with on-going works or contracts awarded at the time of surveying were not surveyed.  
Note 3: In 2010, almost 10,000 km district (feeder) roads have been added to the National Roads Network

In **Mozambique**, recently 64% of the classified network (30,464 km) is considered to be in good or reasonable condition, 21% in poor condition, 9% in very poor condition and 6% not transitable. There are no (reliable) historic time series on road condition available.

In **Burkina Faso**, the road condition data collection system was apparently quite well established for the classified network (15,272 km), as shown for the period 2003-2007 (later data are probably available in-country).

#### Evolution d'état du réseau routier classé depuis 2003 (en %)

Catégories de routes	Niveau de qualité	2003	2004	2005	2006	2007
Routes revêtues	Bon	54	44	49	53	55
	Moyen	36	36	40	31	28
	Mauvais	10	20	11	16	17
Routes non revêtues	Bon	51	55	56	56	62
	Moyen	25	23	23	19	21
	Mauvais	24	22	21	25	17

Source : DGR

In **Cameroon**, after EDF7 and 8 road projects, 40% of the main road network was in good condition. In 2011, this share reportedly went down to 10%<sup>132</sup>, but according to data from 2013 (see table below) the situation seems not that bad (but bad enough), and as to be expected, different for different road classes.

Classement	Linéaire			Etat du réseau		
	Routes bitumés	Routes en terre	Total	Bon	Moyen	Mauvais
Routes Nationales	4061	3045	<b>7107</b>	38%	36%	26%
Routes Provinciales	846	4849	<b>5695</b>	17%	40%	43%
Routes départementales	340	7521	<b>7861</b>	11%	22%	67%
Routes en cours de classement	386	440	<b>826</b>	33%	38%	29%
<b>Total</b>	<b>5634</b>	<b>15855</b>	<b>21495</b>	<b>22,4%</b>	<b>32,4%</b>	<b>45,3%</b>

In **Madagascar**, recently about 52% of the trunk road network (routes nationales primaires) is in good condition, 36% in fair condition and 12% in poor (to very poor) condition. Historic time series are not available, and trunk roads constitute only part of the network, while the funds available for road maintenance were way below needs and the ARM (Autorité Routière de Madagascar) was not in a position to implement any substantial maintenance contract<sup>133</sup>.

The **Democratic Republic of Congo (DRC)** has fewer all-weather paved highways than any country of its size and population number in Africa — a total of 2,250 km, of which 1,226 km is currently in good condition, but there are no historic time series available. A road fund (FONER – Fonds National d'Entretien

<sup>132</sup> Particip 2013, Cameroon Country-Level Evaluation, DEVCO Evaluation Unit.

<sup>133</sup> ADE 2013, Madagascar Country-Level Evaluation, DEVCO Evaluation Unit.

Routier) was established in 2009 as a conditionality of the donors. Fuel levy and tolls are collected but are insufficient for coping with the huge road maintenance backlog.

In **Congo Republic**, the road data management system was not established by 2011.

**Malawi** was able to show the trend over several years (see table below), but the latest Road Condition Survey (RCS), carried out in the last quarter of 2011, was concerned with a 58% sample of just the *paved* road network (2,520 km). An outcome, from a sample like this: “17% of the paved network is in *fair* condition” can nevertheless be a meaningful indicator for the likely “*periodic* maintenance” task ahead.

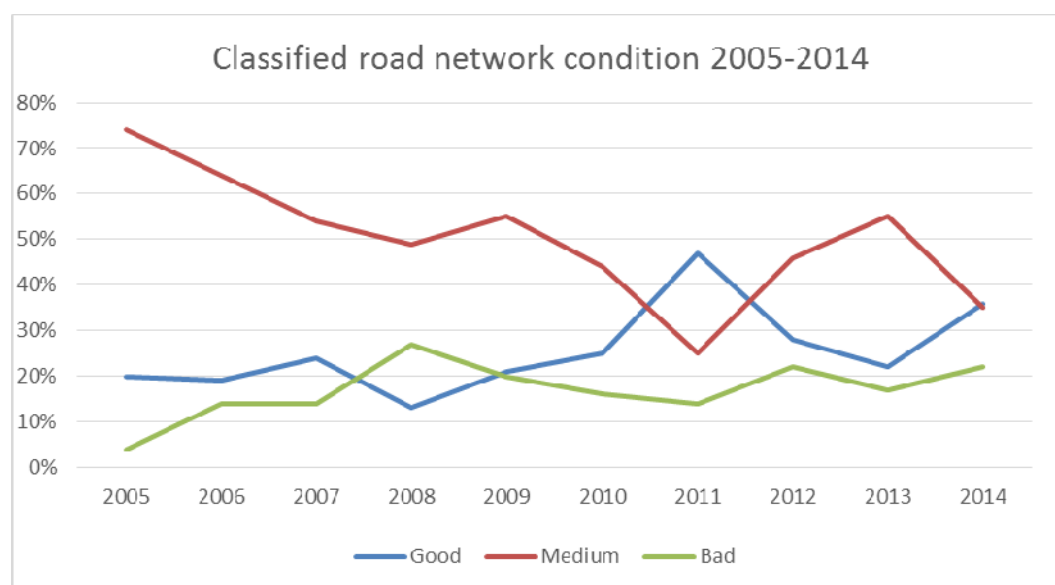
#### Public Road Network Condition (%)

Network Condition	Paved			Unpaved			Total			
	% in:	2007	2009	2010	2007	2009	2010	2007	2009	2010
Good		54.6	60.0	61.0	21.7	44.0	42.0	30.3	48.0	47.0
Fair		29.6	33.0	32.0	61.5	23.0	23.0	53.2	26.0	25.0
Good & Fair		84.2	93.0	93.0	83.2	67.0	65.0	83.5	74.0	72.0
Poor		15.8	7.0	7.0	16.8	33.0	35.0	16.5	26.0	28.0

Source: Roads Authority (RA).

In **Ghana**, at transition from EDF 9 to 10, about 41% of the (national) road network was considered to be in good condition, 27% is in fair condition and 32% is in poor condition (time series should be available in-country, but concerned reports could not be retrieved for the desk study).

Time series of the condition of the classified network in **Benin** is presented in the figure below: 35% of the network is in good condition, another 35% in fair condition and 22% in bad condition. The remainder (8%) is ranging from bad to very bad. The share of the network in bad condition has been increasing to a level of 20%, but the overall situation seems more or less stable.



In **Senegal**, conditions of the paved roads (increased by almost 1,150 km during the last decade from 4,554 km in 2004 to 5,697 km in 2014 through upgrading gravel roads to paved roads) improved significantly: about 73% of the paved roads are now in good or fair condition, against 28% ten years ago. The length of the gravel road network amounts now to 10,658 km of which 42% is reported in good or fair condition.

The earlier mentioned AICD study (2008) concluded that, on average, roughly half of the main road networks in Africa were in good condition and a further third in fair condition, which was not the case for the rural network where perhaps only about a quarter of the road network was in good condition and a further quarter in fair condition. But the time series evidence available was limited, as seems to be confirmed by what could be found in readily accessible EU documentation<sup>134</sup>.

EU has supported RCS activities in many countries, more so because road condition data are among the key indicators for the release of (mostly variable) tranches of SBS funds. But there are very few, if any Road Agencies that have 'internalized' an annual RCS routine in their annual work plans with a secure budget provision whilst entire 'essential planning and management data systems' that otherwise tend to fade away. (See also I3.1.1. above)

An important AICD finding (2008) was that countries that devoted a larger share of their road funds to maintenance, and that also have road agencies, show significantly better quality indicators for their main road network; again, no such clear relationship was found for rural roads.

This raises hope that continued capacity building efforts focused on the importance and design of road funds and road agencies, will eventually pay off in terms sustainable (main) road networks.

In 2008, during the EDF 9 implementation period, the AICD report endeavored to rank countries according to their performance on the three variables—institutions, expenditures, and network quality. It was concluded that South Africa and Namibia stood out as being the strongest performers overall, with countries in the second tier: Ethiopia, Ghana, Kenya, Mozambique, Nigeria, and Tanzania.

### ***Indicator 3.1.3. Improved all-weather rural accessibility***

Beyond the classified network of (mainly surfaced) primary and secondary roads, there is a vast unsurfaced unclassified network of tracks providing varying degrees of service to rural areas. The AICD study (2008) estimate was that less than 40% of rural Africans live within five kilometres of an all-season road—by far the lowest level of rural accessibility in the developing world, and found evidence that physical isolation is preventing large areas of the African continent from reaching their true agricultural potential. However, owing to low levels of population density, reaching a 100% target for rural accessibility would imply at least doubling or tripling the length of the existing classified network in most countries—a Herculean task.

While 60% of road fund revenues are typically allocated to the main interurban road network, some countries have to varying degrees attempted to channel portions of the road fund toward the maintenance of rural road networks, to the noticeable exception of most West and Central Africa countries<sup>135</sup>. Any analysis of the rural network is necessarily more speculative than that of the main

<sup>134</sup> In any case, not only the results but also the methodological details of the Road Condition Survey (RCS) need to be published, as there is seldom standardization from-year-to-year within a country, let alone between different countries.

<sup>135</sup> Where up to 100% of allocations have been to main roads (although the situation may change under 11EDF).

network, due to the lower quantity and quality of the available data both on network condition and (particularly) on network expenditure.

**Ethiopia** is clearly the front runner in improving rural access and connectivity. More than 39,000 km of “Woreda” (community) roads/paths have been (re-) constructed during the last 4 years. The proportion of land area farther than 5 km from an all-weather road which was 79% in 1997 has reportedly been reduced to 41% in 2014; thus, the average distance of the rural population from a road is estimated to be reduced from 21km in 1997 to 5.5 km in 2014. Another comparative measure of access propagated by the World Bank and accepted by the African Ministers of Transport, the Rural Access Index<sup>136</sup> jumped from 13% (1997) to 50% (2014).

**Rural Accessibility Index (% of population within 2 km of an all-weather road)**

Year	Total Population	Rural Population	Rural Pop'n. Density	Road Network	Rural Pop'n Within 2km Access	Rural Access Index (%)
1997	58,117,000	46,493,600	58	26,550	6,203,041	13
2002	67,220,000	53,776,000	68	33,297	8,997,887	17
2007	74,186,830	61,259,132	77	42,429	13,061,124	21
2010	79,777,690	65,680,187	83	48,793	16,104,158	25
2011	82,100,000	68,143,000	86	53,997	18,483,797	27
2012	84,500,000	70,135,000	88	63,083	22,232,795	32
2013	86,000,000	71,380,000	90	85,966	30,835,443	43
<b>2014</b>	<b>87,000,000</b>	<b>72,075,185</b>	<b>91</b>	<b>99,522</b>	<b>36,045,561</b>	<b>50</b>

Rural Accessibility Index				
Year	Estimated Rural Population	Rural Population Density	Rural Population Within 2km Access	Rural Access Index (%)
2006/07	61,260,000	77	13,060,000	21
2009/10	65,680,000	83	16,100,000	25
2010/11	68,143,000	86	18,480,000	27
2011/12	70,135,000	88	22,260,000	32

Source: ETH 5

Percentage of rural land of Ethiopia further than 5 km of an All-weather Road				
Year	2008/09	2009/10	2010/11	2011/12
Percent Area	65.3	64.0	61.2	56.4

Source: ETH 5

RSDP-IV (2010-2015) has formulated a very ambitious ‘Universal Rural Roads Access Program (URRAP)<sup>137</sup> that should build an additional 71,000 km of all-

<sup>136</sup> RAI = proportion of total rural population living within 2 kilometres, the equivalent of a 20-30 minutes' walk, of an ‘all-season road’.

<sup>137</sup> URRAP will, in the course of its 5 year delivery, expand and improve the condition of the rural and community road network in all regions by:

- rehabilitation/ construction of 71,500 km of all-weather access roads to a maintainable condition;
- introduction of sustainable road maintenance regimes on improved road networks; developing and strengthening small and medium scale private enterprises;
- creating massive employment opportunities for community and middle-level professionals;

weather roads (14,000 km per year!), connecting all rural Kebeles with the nearest all weather road (at ETB 26 billion). The subsequent routine and periodic road maintenance load will become enormous (total network length to become approximately 135,000 km).

In several countries (**Ethiopia, Zambia, Ghana, Malawi, DRC**) rural roads components have been added or strengthened during the course of capacity building interventions, while in others (**Benin, Burkina Faso**) they were more in focus from the start. Still, in many countries in West and Central Africa (**Chad, Mali, Cameroon, Congo Republic, DRC**), insufficient coverage of main road network's maintenance needs did not allow to extent on a programmatic way rural road maintenance.

In **Malawi**, the Income Generating Public Works Programme (IGPWP) adopted a network of 2,184 km of rural roads. In the period 2005 to 2011, a total length of 1,845 km was rehabilitated, 63 bridges upgraded, while a total length of 3,820 km received routine maintenance. Communities provided labour, earned income and are using the roads. There are 268 road maintenance clubs with a 2,193 total membership. Whereas the level of Unit *Routine Maintenance costs* averaged MK 43,000 during IGPWP phase 1 (2006-2008), they went up to MK 106,000 (incl. tools and design/supervision) during phase 2 (2009-2011). *Unit Rehabilitation costs* were at an overall average (2006-2011) of MK 722,000 per km. Whereas concerned District Councils assumed responsibility for routine road maintenance, the introduction of 134 community road foremen to supervise work on the ground (2 maintenance clubs/foreman) resulted in a significant improvement in the quality of the maintenance works and lessened the burden of the district road supervisor. Programmes like this, extending over more than one EDF cycle, show promise of institutional/organizational as well as technical sustainability (ref EQ 4), but seem a long way from financial sustainability, with the Roads Fund Administration capable of providing only marginally for road maintenance managed by District Councils (i.e. without sustained donor funding)<sup>138</sup>.

Similar, detailed information may be abstracted from concerned (in-country) documentation which is, however, not really accessible through CRIS.

In **Malawi** also, there is a routine investigating the relationship between road access and welfare based on household and community data from Integrated Household Surveys (e.g. IHS3 in 2011). The 'incidence analysis' used information from 768 communities covered combining community level data with household level data (five 'Community Wealth Quintiles' from 1= Poorest 20% of communities, to 5= Richest 20% of communities). Information in the community survey concerns Type of Roads, Distance to closest Tar/Asphalt Roads, Presence of All-year roads, Accessibility by bus and lorry, and Presence of public/private transportation, used to establish the typical (relative) access characteristics of the distinguished income groups. Most of the results specify and confirm in statistical terms the common knowledge that rural access and connectivity remains to be of great concern, particularly for the poorer rural households.

Combining such knowledge with experiences from the IGPWP seems useful for policy dialogue on the rural access/ connectivity issue in as far the EU envisages

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• instituting and strengthening an appropriate and affordable institutional set-up at woreda (district) level that can administer and manage roads under its jurisdiction

<sup>138</sup> Conventional methodologies for evaluation of EIRR for economic justification of investment depend upon a higher level of traffic than is recorded on almost all rural roads (and some major roads).

continued participation in such dialogue, perhaps rather in an Agricultural sector context (11<sup>th</sup> EDF).

Sugar roads in -inter alia- Kenya, Tanzania, Zimbabwe (rail transport!), Swaziland, Mauritius, and banana roads in Cameroon, as well as rural development (roads) in -inter alia- Sudan, CAR, Liberia, Ghana, Togo, Burundi, Rwanda, Congo-Brazzaville, Namibia, Madagascar are evidence of some EU involvement in rural access/ connectivity in most SSA countries. However, EU involvement was piecemeal and fuelled by non-EDF resources (eg STABEX) and this was a pragmatic reactive approach; there is a difference between programmed support to rural road (network) maintenance and these individual rural roads projects.

Capacity/institution building may have been part of EU support (e.g. STABEX, Sugar Protocol), aimed at removing particular bottlenecks, but not designed to support main-stream rural road network management by local road agencies.

A World Bank study report “Randomized Experiment in Rural **Malawi** and Policy Implications” (Raballand/Thornton) puts in question whether the (costly) emphasis and rural roads infrastructure is the way forward. In order to understand why roads in relatively good condition in rural areas may not be used by buses, a minibus service was subsidized over a six-month period over a distance of 20 kilometres to serve five villages in rural Malawi. Using randomly allocated prices for use of the bus, the experiment demonstrated that at very low prices, bus usage is high. Bus usage decreases rapidly with increased prices. Based on survey results of minibus usage, income from travellers and expenditure for minibus operations, it turned out that at any price, low (with high usage) or high (with low usage), *a bus service provider could never break even on this road*. In terms of policy implications, this experiment would indicate that *motorized services need to be subsidized; otherwise a road in good condition will most probably not lead to provision of transport service at an affordable price for the local population* (the reason why walking or cycling is so widespread on most rural roads in Sub-Saharan Africa).

**Uganda:** Of the District, Urban and Community Access Roads (DUCAR, ~ 58,000 km in total), about 18,000 km receive manual routine maintenance, less than 5,000 km mechanized routine maintenance and less than 1,500 km periodic maintenance.

**Mozambique:** Districtos (and municipios) are responsible for unclassified road networks (estimated length ~20,000 km in very bad condition). They have little capacity and little funding (from FE) for road maintenance. They should receive technical assistance from the ANE, provincial delegations and provincial maintenance consultants but little such assistance is reported to have been provided.

**Benin:** EU interventions covered the formulation of a rural transport strategy and the construction of rural roads (EDF 8 and EDF 10); total rural roads length is estimated at 47,000 km (compared to almost 6,100 km of classified roads). EU supported under EDF10 a Danida-operated rural road programme that focuses on maintenance and improvement of rural roads. The framework is comprehensive and provides secured resources and practical guidelines for the local authorities (communes). It is strongly anchored in the decentralization process pursued by the Government of Benin, but the Road Fund covers presently only about 30% of the maintenance needs (of the classified roads).



**Madagascar:** Rural roads took a notable share of EDF9 support (compared to other countries), i.e. the ACORDS projects in the South, with a total of € 17.5 million (6.7% of road transport disbursements). EU interventions in the transport sector under EDF-10 were limited to post-cyclonic repairs and studies funded by the Technical Cooperation Facility. During 2002-2012, the Government concentrated its meagre resources for road maintenance on maintaining the trunk roads, while donors financed upgrading on trunk roads. Consequently, the rest of the network is in very poor condition.

**DRC:** The EU funded PAR-II and PARAU projects were/are actually focused on re-opening and maintaining a network of rural roads in the neighbouring regions of Kinshasa and in Eastern DRC, of which many are classified as national roads.

**Cameroon:** Available (Road Fund) budget for maintenance of main road network falls seriously short of needs, so that the more than 79,000 km of non-classified rural roads/paths is predominantly neglected.

**Senegal:** EU supported rural roads in Casamance (PRAESC; FED/2006/018-674: € 6.8M). The rural network is estimated to be around 30,000 km and is not covered by the national road maintenance strategy. There were diagnostic studies off rural transport in Senegal used in the development of the national strategy of Rural Transport.

#### **Indicator 3.1.4. Evidence of adequate inter-modal technical facilities for public transport and freight movement**

In many countries, EU has supported inter-modality *studies* involving rail, maritime, inland water or air transport, usually delivered by external (specialist) TA, and with a first aim to assess the potential contribution of the concerned mode(s) of transport. Most of these investigations appear to have stalled at the study phase, due to the uncertainties about future demand and, therefore, financial-economic feasibility of the project.

Rail transport and inland waterway transportation share similarities like low transport costs and high environmental efficiency per unit transported (compared to road transport), and are particularly suitable for bulk transport over long distances, given a certain (minimum) level of demand and simplicity of origin-destination pattern. The renovation of the mineral port and railway line of Nouadhibou (**Mauritania**), and the Limpopo railway line rehabilitation (**Mozambique**) are examples of projects that are expected to fulfil basic requirements on expected transport demand (and are therefore considered feasible), while other railway studies (e.g. **Ghana, Malawi**) needed 'unbelievable' future transport flows to meet economic feasibility criteria.

Thus, multi- or inter-modal studies have their meaningful use, also when they do not lead to further project development. Sometimes, several years later, the study still might be of use, when part of the original scheme turns out to become feasible by incorporation in another transport corridor scheme where the required transport demand level arises (e.g. a section of the **Malawi** railway system incorporated in an Mozambican railway corridor).

Inter-modal technical facilities, in particular for freight movement (seaports, inland terminals) gained importance in Aid for Trade, and International Transport Corridor projects/programmes (multi-donor / IFI with EU as co-financier, and EIB more heavily involved).

There are just a handful of countries where (structural, substantial) EU support went to other than the road sub-sector, for a variety of reasons:

- Rail:
  - **Ethiopia**-Djibouti railway line which failed (EU paid > € 31M so far) due to an unfortunate combination of factors: (i) lack of political will of both government co-owners, to underwrite the logic of the EU-supported “Djibouti –Ethiopian Railway Line – Minimum Safety Works” intervention, which was to make a full-fledged rail line rehabilitation investment attractive for concessionary operation by a private party, (ii) badly performing contractor with (iii) very weak supervision, (iv) under-estimation of costs and (v) little experience at the EUD to manage the compound problems. Meanwhile GoE switched to a radical railway (standard gauge) modernisation scheme, with extensive assistance from China.
  - **Mozambique**: Limpopo Railway Line Rehabilitation of Facilities (< € 5M); this and other lines concessioned to the private sector.
  - **Madagascar**: Support of a rail concession (to Madarail, a South-African company), with € 11M transferred from EDF8 to EIB (total EIB investment € 150M for track and equipment) for Northern line, transporting mainly fuel in bulk. And a small intervention to repair the FCE, a short railway line in the South-East, a tourist spot as part of emergency assistance during EDF10.
  - Regional West-Africa: Comprehensive market analysis and options study for Cotonou–Niamey–Ouagadougou Railway link (OCBN--in 2014 the railway line was given under concession to the Bolloré Group, which has resumed railway operations), and Technical study on the B2 railway route Abidjan-Ouagadougou-Kaya-Niamey (to study alternative for long distance road transport).
- Aviation/Air Safety:
  - Zambia: Aviation Sector Support Programme (safety), and Rehabilitation of Livingstone and Lusaka airports (tourism/business development).
  - Africa overall: Support to the air transport sector and satellite service applications (safety).
- Seaport:
  - Tanzania: Zanzibar Port rehabilitation;
  - **Mauretania**: Nouadhibou Mineral Port rehabilitation (EDF8 - > € 36M)
- IWT:
  - Congo **Republic**: Port navigability (dredging, navigational aids)
  - **DRC**: EU’s support to water transport (FED/2009/021-536 with a budget of € 60M, aimed at improving the navigability of the Congo River and connected waterways that would improve the connexion with the Northern and Eastern regions of the country; much of the infrastructure — vessels and port handling facilities — has, like the railways, suffered from internal conflict and poor maintenance) but very little contracted and disbursed so far due to disempowering institutional environment and shortcomings with Technical Assistance. Multi/inter-modality (IWT-Rail-Road) is particularly important in DRC.
  - Malawi: Study on Shire-Zambezi river connection/navigation.

IWT is often handicapped by lack of adequate port infrastructure and its maintenance and safeguard costs to ensure safe and effective navigation conditions, and locally (CAR, DRC and Congo Republic) by seasonal water flows making year-round navigation difficult without continuous dredging<sup>139</sup> (silt build-up) and poor navigational aids.

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<sup>139</sup> Without dredging passage is limited to 6 months each year.

However, the economics of bulk rail transport is changing fundamentally due to mega-projects for mineral extraction (e.g. Tete coalfields in **Mozambique**: huge investments are including refurbishment of the Nacala rail corridor, including a new section of rail line across **Malawi** plus upgrading and refurbishment of the Sena rail link between Beira and Tete; also DRC, and potentially Congo republic, Guinea)<sup>140</sup>.

Associated investments include construction of new coal terminals at Beira and Nacala ports. There are proposals for additional strategic investment in other rail lines 'on the back' of these large investments (e.g. the rail links in **Malawi** (Machinji – Nkaya), and linking with the **Zambian** rail network.<sup>141</sup>

**Benin**: Independent of EU support, the railway line was conceded to the Bollore Group. It is said that exploitation will benefit as well the wider public.

**Senegal**: The political will is to date the only true point blocking for relaunching the activities of railway between Dakar and Bamako. La relance des activités du chemin de fer pourrait casser les cartels des routiers sur le corridor.

**Mozambique** : No consideration under EDF.

EIB funding of Sena rail line rehabilitation involves principles of non-discrimination and open access operation, passenger service being offered, equal access to freight services and implicit cross-subsidy from freight to passenger services without recourse to Government subsidy. However, following termination of the CCFB concession and reversion to CFM fulfilment of these conditionalities are in serious doubt and it is not clear how such issues are addressed by the EIB (there is little or no EUD input).

#### **Questionnaire responses 21(consideration of support to inter-modality):**

80 % of the respondents indicated that inter-modality was only considered to a limited extent or not at all in the preparation of the EU sector support programme.

Comments made by EUDs point at a variety of reasons:

The focus is just on roads or there is only limited other infrastructure apart from roads (and thus it's not a priority):

- *“In principle inter-modality is the key in this country, in practice nobody really invest in waterways - supposed to be the backbones of the project”*
- *“road transport represents 90% of all traffic (freight and passengers)”*
- *“There is only one port in the country. The interconnection to the road is more or less satisfactory”*
- *“Rwanda doesn't have rail transport, or ports.”*
- *“Lesotho has no railway network (except for one station in Maseru) or ports”*
- *“Road transport is by far the main mode while air, sea and rail are either under developed or inexistent.”*

<sup>140</sup> whilst these new mega-investments for commercial bulk transport should perhaps not to be considered as part of the public transport network?

<sup>141</sup> Feasibility studies are being/have been carried out under the DFID-funded MRGP programme including identification of potential funding modalities including blending. MRGP studies include FS. Rehabilitation of the Machinji – Nkaya railway line in Malawi; Maputo Port Gateway and Freight Corridor Study; Economic feasibility study for reconstruction and upgrading of the Sena railway line between the Port of Beira and Limbe in Malawi; scoping study for the railway line in Malawi from Mackinji to Nkuya; Consulting services for rehabilitation of the Machipanda railway line; unlocking the potential of the internet: Scoping study in the Mozambique regional corridors of Beira and Nacala; Grant funding by bilateral donors for infrastructure funding; Beira Corridor – Diagnostics and Options Study; Rail gauge selection in Mozambique; Energy market in Southern Africa; FS for establishment of an inland cargo terminal on the Beira Corridor; Mozambique Coal Master Plan. Given this wide portfolio of regional transport section studies in MRGP the comparison with the very slim range of studies/projects is stark.

- *“Mauritanian government is focused in enlarging the road network as the country has only 10.000 km of real roads. For the rural tracks, they aren't taken into consideration.”*

Inter-modality is not recognized as a priority at national level but at regional or international (corridor) level

- *“it is in the preparation of the regional project on the central corridor”*
- *“Les transports y compris multi-modaux ne sont plus considérés comme une priorité au niveau national...voir le niveau régional!”*

Sub sector programmes are developed separately without explicit attention to inter-modality

- *“Under our current programme emphasis was placed on development of the various transport modes, not necessarily on inter-modality, despite the EU financed an important study in 2010.”*
- *“We focus on the modes themselves rather than on connectivity”*
- *“In Mozambique roads and transport are dealt in the form of separate sub-sectors. It was overambitious to support & influence both.”*

### **JC 3.2. Improved sector policies have been adopted by government plus annual and multi-annual investment plans have been prepared and implemented.**

National poverty reduction strategies and development policies have been prepared in all African countries (most with TA inputs including EU support). Compliant with these higher level policies, national transport strategies have been produced, usually together with investment programmes. Such policies/strategies were originally prepared during the 8<sup>th</sup> and 9<sup>th</sup> EDF implementation periods and some have subsequently been updated. The investment plans typically cover a period of 3-5 years but the credibility of such plans has been jeopardised by unrealistic financial (and physical) planning and programming which has been based on erroneous or poor quality base information and a lack of updating of most such plans after initial publication.<sup>142</sup> Sector policies or strategies were produced as complementary to reform of the transport sector institutions which took place during the same period.

Considerable donor effort has supported technical tools for road network management. National procurement and contract management procedures are in line with international norms even if application of such procedures is variable. Donors, including EU, have responded to such situations by suggesting financial, technical and procurement audits and in some countries administrative compliance (e.g. procurement regulations) is a conditionality for disbursement of budget support.

Doubts continue about data and information quality for monitoring and decision making.

Training has been provided in a multitude of technical issues (e.g. RMMS, GIS, CAD, axle load control, traffic counts, vehicle testing, enforcement of traffic regulations) but ‘take-up’ of such techniques has been partial in terms of residual skills after departure of TA<sup>143</sup>.

<sup>142</sup> Typically such plans rapidly diverge from reality after the first year of the programming period – this is arguably a symptom of limited ownership, policy and plans being seen as a fund raising mechanism rather than a government commitment to reforms and expenditures.

<sup>143</sup> Such that there are many examples of technical assistance being continued by the original sector donor (or being continued by another donor).

**Indicator 3.2.1. Existence of approved multi-sectoral policy and strategy documents in which transport is identified (national/regional development plans, PRSPs, etc).**

All countries have prepared national poverty reduction strategy papers (PRSPs) or national development plans (NDPs) typically in the early 90s to coincide with MDG aspirations. These national policies/strategies have been updated at least once in the intervening period and, unlike the MDGs, all make reference to the role of transport. There are typically national transport sector master plans compliant with PRSPs and, sometimes, subsidiary development plans for the various transport sub-sectors.

A few typical examples are considered below:

In **Mozambique** the national PRSP is PARPA (Programma de Redução da Pobreza Absoluta) which identifies development of road infrastructure as a contributory facet to reduce poverty and regional asymmetries thus promoting general growth and reaping economic benefits from regional integration. PARPA sets 5 major goals for the road sector: Supporting markets and district access, promoting connectivity, enhancing decentralisation and ensuring adequate quality of works and maintenance. A Road Policy (PRISE – Programma Integrada do Sector de Estradas) and an associated Programme Implementation Plan (PIP – Programma do Implementação de Plano) which included institutional reforms, leading to separation of sector management responsibilities, autonomy and capacities of road agencies (ANE & FE).

In **Kenya** the ‘Economic Recovery Strategy for Wealth and Employment Creation’ identified the transport sector<sup>144</sup> as the third pillar of the economic recovery effort. A National Transport Policy (2004) in compliance with which a Parliamentary Session Paper (5/2006) was prepared which outlined policies for the roads sub sector<sup>145</sup> (*to attain a efficient road sector that supports and promotes economic growth through cost effective provision and maintenance of infrastructure that is necessary for safe and reliable road transport*). In compliance a Road Investment Plan was produced plus a plethora of other plans (e.g. Rural Roads Programme, Roads 2000 Strategy, and Master Plan for Urban Transport in the Nairobi Metropolitan Area). It is reported that all such policies, strategies and plans were produced with donor support.

In **Ethiopia**, the Government’s national development strategy, the Growth and Transformation Plan (GTP-I for the period 2010-2014 and GTP-II for 2015-2020) states: “Availability of affordable and quality infrastructural development such as transportation, communication and power supply and their contribution to economic growth, employment creation, accumulating domestically producing for the sectors’ development and thereby expanding the industrial sector development is vital.”

Infrastructure development includes the following pillars:

1. Roads
2. Railway transport
3. Energy
4. Telecommunications
5. Potable water supply and irrigation
6. Transport services
7. Maritime transport

<sup>144</sup> The transport sector in Kenya comprises of rail, air, road, maritime, lake and oil pipeline.

<sup>145</sup> Development and Management of the Roads Sub-sector for Sustainable Economic Growth.

8. Air transportation services
9. Urban and construction development

Five of the nine pillars, in italics, are transport—these may be regarded as sub-sectors of the transport sector, each of which has performance targets.

The capacity issue is recognized as one of the main challenges in the transport sector. Insufficient domestic human and organisational capacity for infrastructure development has led to a dependency on foreign capacity and undermined the speed and cost-effectiveness of infrastructure delivery.

In 2008 the EU organised and funded the comprehensive National Transport Master Plan Study (NTMP) dealing with (i) formulating a strategy, (ii) an investment and action plan for all modes of transport, (iii) legal, social, environmental and road safety issues, and (iv) a national Transport Model. Unfortunately, the NTMP did not reach the state of being “owned” by the Ministry of Transport (MoT), which had been re-established in 2010 after a reshuffling of sector agencies. The NTMP was later on overtaken by the ambitions of the GTP-I and by new studies, notably (i) the preparation of the Federal Road Network Master Plan (Korean-funded) and (ii) the Analytical Work on Transport Sector in Ethiopia: Growth, Competitiveness and Regional Integration (AfDB-funded).

In **Tanzania**, the Ministry of Communications and Transport (MCT) has prepared the draft 10 Year Transport Sector Investment Program (TSIP) as a way to implement the National Transport Policy (NTP) and the NTP Strategies. The TSIP (2006-2016) is guided by the principles of Tanzania Development Vision 2025; National Strategy for Growth and Reduction of Poverty (NSGRP); Millennium Development Goals (MDGs), and will be implemented in two phases of five years.

In **Uganda**, a National Transport Master Plan (2008-2023) Including a Transport Master Plan for Greater Kampala Metropolitan Area (NTMP/GKMA) has been compiled over a period of several years. It started with a consultant’s report (‘Transport Sector Draft Policy and Strategy Paper’, Final Report, December 2001), while a next major study was undertaken over nearly two years in 2003/04 by international consultants (Tahal Consulting Engineers), leading to a Final Report in May 2005. Two other consultants (WSP) went on to consolidate and transform the original document into a Government Position Paper and draft Cabinet Memorandum. This took a period from late 2006 to mid-2008 (it needed extensive updating to reflect latest economic and social developments, substantial price changes and several important institutional and regulatory changes that occurred since 2004). The Plan never got Cabinet Approval, and is meanwhile outdated, and overtaken by more pressing concerns (i.e. inadequate sector funding for maintenance, weak urban transport and multi-modal regulations, lack of policy and framework for rural transport, etc.).

In **Ghana**, the Transport Sector Planning and Integration Project (9 EDF - EUR 5 million) addressed Integrated Transport Planning (ITP) preparing sectoral economic analysis and forecasts, transport demand forecasts, transport cost and tariff analysis, standards for local transport access, a framework for economic and financial evaluation of transport projects, a physical master plan for transport, and developing an inter-agency process for transport integration.

**Benin:** National sector policies (transport and rural transport) are based on a good level of knowledge of the situation in the transport sector, but sector governance issues and professional ethics are not well addressed. Funding of

the implementation of the policies and strategies is not embedded in a Medium Term Expenditure Framework (MTEF). Funding depends on annual budgetary arbitrations. Usually only part of the proposed development and maintenance programmes are funded.

**Madagascar:** Un Document de Plan National de Développement (PND) intégrant l'ensemble des secteurs est publié par le Gouvernement en début de cette année 2015. Les parties relatives au secteur des transports restent cependant assez sommaires. The last transport sector policy and strategy dates from 2003, EU has financed the formulation of the master plan which no longer reflects the current situation that considerably worsened with the 2009 economic and political crisis.

**DRC :** The Government has not yet issued a transport sector strategy. A document was prepared in 2013 for the road subsector, financed by the AfDB but was not (yet) adopted by the Government. The same happened to the 2002 transport policy document financed by the WB.

**Cameroon:** Pendant la période concernée par la présente évaluation, les interventions de l'UE sont concentrées sur la réhabilitation et construction des grands axes routiers. Les questions des routes rurales seront abordées dans le cadre du PIN 11ème FED.

**Senegal:** Since 1990 (when the first letter of sectorial transport policy was adopted), other letters or strategies have been developed and adopted. Senegal has to also a national strategy of Rural transportation and a national road safety strategy (Senegal road highways code and road safety guide are being developed with AGEROUTE). The road and motorway National master plan is being developed in the context of the PATMUR. However, in contradiction with what is written in the sector policy document, the Government is now announcing huge investments (highways, airports...) that were not prioritised in programming. The availability of funding from China causes abandoning the discipline of economic justification and long-term planning. Available resources or borrowing capacity is utilized for mega projects with high political visibility rather than for projects being part of the financial framework of the sector plans.

**Mozambique:** Road Sector Strategy (RSS) renewed in November 2014 and revision of RSS currently being discussed, Investment plan (PRISE) awaiting update – implementation is a problem (funding shortfall, poor management and quality issues, responsibility for unclassified roads undefined, possible return to force account units, etc.)

**Mauretania:** Il n'y a pas une bonne adéquation entre les stratégies de développement des infrastructures de transports de la Mauritanie et les ressources disponibles du pays, d'où les recherches de nouveaux financements. Il y a un début de partenariat Mauritanie-Chine dans le domaine des routes. Des conventions ont été signées avec des entreprises chinoises (COVEC, etc...) pour réaliser des routes à financer par des banques ou organismes chinois.

*Indicator 3.2.2. Evidence of technical strategies and instruments for implementation of sector policies (e.g. computer based MIS [planning, budgeting, accounting and audit, network condition, programme management, RMMS]; transparent competitive procurement of goods, services and works in compliance with international norms; relevant, reliable up-to-date data relating to development, implementation,*

## *monitoring, evaluation and management of transport sector policies, programmes and projects)*

Technical strategies and tools for implementation of transport sector policies and programmes can be divided roughly into 3 groups:

- tools for analysis and trend monitoring, traffic and condition surveys, data storage, processing and analysis (data management), identification of remedial action, prioritisation of needs, estimation of quantities and costs, preparation of budget and programming of works programmes (including maintenance);
- procurement, contract award and contract management (PCM);
- monitoring and evaluation reporting.

There is inevitably some degree of overlap between the groups (e.g. condition survey has a recording and reporting component). A few general comments on these groups:

Africa is littered with abandoned RMMS systems (including HDM 4) which ceased being updated upon departure of the TA team that installed the system and stopped functioning shortly afterwards as such systems depend on (relatively onerous inputs of) regular updating of information components. Also, there are reports of the objective prioritisation of such RMMS systems and programmes being over-ruled by higher level decision makers (e.g. Zambia, Malawi ...).

Procurement is processed either by national public procurement procedures (most of which are compliant with international norms) or wider donor procedures (e.g. EDF) although it has been agreed in principle that national systems should be used wherever possible. Most national procurement processes were subject in Eastern and Southern Africa to independent audits (e.g. Uganda, Zambia 2009)<sup>146</sup> which typically identify procedural irregularities (even if corrupt intention is not usually identified).

Data collection quality can be poor, unreliable, with data collection practises (even if set out in detail) variable and subjective. Such doubts about data quality can result in unrealistic programming and performance monitoring which can lead to erroneous decision making based on dubious base information. This is not to suggest that such network or condition information is useless. It can usually

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<sup>146</sup> Procurement and technical audit of roads projects managed by RDA in Zambia. Extracts from the Executive Survey of this report note: Procurements in Zambia are regulated by the Zambia National Tender Board Act which was assented in 1982, the Tender Regulations which were revised in 1997 and the ZNTB Procurement Guidelines which were issued in 2001. Zambia underwent substantial change over these two decades. The road sector moved from basically a force account system towards today's approach based on road asset management principles. Not surprisingly, the Act, the Tender Regulations and Procurement Guidelines are not streamlined. Furthermore, they are not up to international standards, as documented by for example an OECD.DAC commissioned assessment from 2007. This audit has also looked at a few distinct features of the system and compared it with international standards. However, with the already established application of World Bank Standard Bidding Documents, the necessary basic framework is provided. The agencies are struggling with inconsistencies between documents, they have not yet sat down to agree on a set of minimum criteria that must be met in order for bidders to be considered for contract award; the agencies are yet to come up with standard evaluation grids and consistent formats for SBDs and evaluation reports; and last but not least they are suffering from an almost exponentially increasing work load leading to less time made available for each contract to evaluate, increasing the risks of mistakes. This Audit concludes that with the recommendations in place, it will be possible for the agencies to implement procurements in par with international standards in a near future; but that this needs to be carefully followed up during subsequent audits. Although this Audit has revealed deficiencies both in numbers of mistakes but also gravity of the same, most mistakes from last year's audit have not been repeated this year. Correctional measures based on the audit comments from last year have in general been implemented. In spite of the many mistakes revealed by this Audit, the general perception is that the agencies have strived towards improving their performance compared to last year. This has been verified through discussions with the agencies, independent checks to verify the accuracy of alleged measures and through discussions with third parties (international TA staff, consultants and contractors). However there appears to be a problem in coping with the increasing number of procurements undertaken since September 2007. The conclusion is that based on the sample contracts reviewed, the agencies are found substantially compliant with the corrective measures proposed in last year's Audit, but it is strongly recommended that the recommendations outlined in this report are carefully followed up and reviewed next year.



suffice to give trends of change even if the specific figures (e.g. % of roads in good or fair condition in a particular year) should be treated with circumspection.

Many EU-supported capacity building interventions have been working on various elements of technical strategies to better articulate and indeed implement sector, or at least defined sub-sector, policies. The emphasis has, however, been mostly on the introduction of and training in specific technical instruments, prescribed by the programmed interventions (financing agreement, terms of reference) and often geared at achieving the stated outputs of these interventions<sup>147</sup>.

In **Zambia**, for example, the capacity building effort was reported to be successful in the application of the HDM-4 (computer) model for selection and prioritization of periodic road maintenance and rehabilitation works. However, in daily practice the findings and desirable programme for execution has reportedly been overruled by 'high level' decision makers.

In other cases of similar 'scientific' approaches of modern planning techniques (Cameroon, Guinea, DRC, Benin, Madagascar), the usually TA-led reports have been much appreciated, but had so far little effect on actual implementation, often due to the shortage of the Road Fund resources, while it is also suggested that longer than anticipated time periods are necessary for 'take up' of such systems (if not the subsector agency is deprived of sufficient budget allocations to keep the systems running, and the trained staff in place). In many of these cases, the feasibility phase of the project management cycle was overseen or elaborated by consultants that are in a conflict of interest position regarding the future TA positions: the risk analysis was widely dismissed.

The CRIS list contains TA/capacity building interventions, with a mix of the listed typical activities, during both 9 and 10 EDF in the following countries: **Benin, Burkina Faso, Cameroon, Ethiopia, Ghana, Malawi, Mozambique, Niger, Sierra Leone, Tanzania, Uganda and Zambia**. (incorporating the parallel TA/capacity building support of various other donors, notably WB, AfDB and a few bilaterals, would significantly extend this list of SSA countries.)

Typical capacity building TA services comprised provision of several (2-4) full time experts and a range (4-10) of visiting specialists over periods between 3-5 years. More than 40 specific activities have been identified in all these TA components and these are listed below to illustrate the range of EU TA support during 9<sup>th</sup> and 10<sup>th</sup> EDF:

1. Support for National Transport Policy formulation/ Master Plan preparation
2. Capacity building for transport sector development
3. TA for sustainable (urban) road maintenance capacity development
4. Study on Urban mobility/transport
5. Formulation of (road) transport sector policy
6. Formulation of rural roads programme
7. Feasibility studies and design of feeder roads
8. Technical and Management Capacity Building for Local Government in (rural) roads sector
9. SBS rural feeder roads
10. Support to Spot Improvement works
11. Support for Decentralization of road maintenance
12. Support to income generating public works

<sup>147</sup> In many cases the TA team was actually operating as a PIU/PMU for the donor's infrastructure construction projects.

13. TA for Road Agency formation/ TA to National Road Agency
14. TA to National Road Fund (Agency)
15. Support for Road Condition Survey
16. Technical studies for Rehabilitation of xx km of (main) road network
17. TA for financial management of road programmes
18. TA for monitoring and evaluation of (road) projects
19. Procurement Audits
20. Support for performance monitoring
21. Technical Audits of road projects
22. Final Evaluation of (road) projects
23. Audit of arrears in road project contracts/Problems in Works contracts
24. Studies on road maintenance and construction costs
25. Study/Capacity Building for Road Construction Industry
26. Support for developments of small and medium size road maintenance enterprises
27. Training of (road) engineers
28. Support for Transport Database creation (HDM-4)
29. Support for Axle Load Control program/Supply of Axle Load Equipment/Construction of weighbridge stations/ Study of impact of heavy load vehicles
30. Supply of technical equipment (traffic counters, field testing/falling deflectometer, road laboratory, planning software)
31. Support for Road Accident Database creation
32. Support for National Household Transport Survey
33. Study of (Transport) Regulatory Agency and Regulations
34. Study on Driver and Vehicle Licensing Authority
35. Support to Vehicle Testing
36. Study on modernization of Goods Transport Fleet
37. Strategic Environmental Assessment of Road Sector
38. Aviation safety oversight
39. Assessment of Seaports' performance in regional economic environment
40. Study on potential of Railway services/ Study on Integrated (Rail) Transports Logistics
41. Support to Railway Concession Arrangement.

A brief case study of EU TA/capacity building support to Tanzania (2009-2011) summarises below the range of issues covered by a single TA intervention.

1. Consultancy Services to Develop Standards for the Operation and Placement of Traffic Signals, February 2009
2. Performance Assessment of Transport Sector, November 2009
3. Short Transport Sector Investment Programme STSIP 2009/10 - 2011/12, December 2009
4. Fuel Levy Collection Study, December 2009
5. Organisation & Management Study of Department of Safety & Environment With A View To The Creation Of A National Road Safety Agency, MOID, January 2010
6. Baseline Data For Assessing Impact Of Road Maintenance In Tanzania Mainland, March 2010
7. Tanzania Aviation Master Plan Pre-Feasibility, April 2010
8. Study of Impact of Reforms in Transport Sector, July 2010
9. Public Expenditure Review for Transport, August 2010
10. Pre-Feasibility Study for Dar es Salaam Urban Transport Authority, November 2010
11. Monitoring & Evaluation Guidelines and Performance Agreements, December 2010
12. Road Condition Survey Assessment / Audit, February 2011

13. Road Safety Media Campaign and EU Visibility, Design Report, October 2011
14. Provision of Road Safety Education in 20 Dar es Salaam Schools, November 2011
15. Short Transport Sector Investment Programme STSIP 2011/12 – 2013/14, December 2011
16. Baseline Study of the Civil Works Contracting Capacity in Tanzania, December 2011
17. Intermodal Study, December 2011.

**Benin:** The DPSE in the MPW continue utilizing the road data management system and HDM4 provided under the EU project. The information base for annual programming of road maintenance was improved with the TA and associated funding of the EU. That support, along with the financial support provided to the Road Fund strengthening its position vis-à-vis the MPW, improved the decision-making process. However, the solely technical approach to road classification and prioritisation hinders the optimisation of the budget available through the Road Fund.

**Cameroon:** Les décisions en matière de gestion du secteur sont basées sur des données relativement faibles. Le système d'information sur le secteur de transport est relativement bien développé.

**DRC :** Decisions for annual maintenance programmes are based on emergencies identified on the basis of technical appreciation mixed with political interference. Donors (WB, and AfDB) are supporting road data collection, centralisation and treatment within the “Cellule Infrastructure” but programming is victim of the insufficient resources made available by FONER and the multiplication of disruptions in a hugely vast road network. The EU project addressing waterways (PANAV) intended to rehabilitate and supply tools for collecting basic data and update them on a regular basis. However there are no results yet and they unlikely to be produced before the end of the project. The subsector agency is anyhow deprived of sufficient revenues and budget allocations to keep the equipment running.

**Madagascar:** La mise à jour des outils techniques et des systèmes de gestion routière, dont notamment la Base de Données routières, aux niveaux du Ministère des Travaux Publics et de l'ARM, s'effectue de manière sporadique. La réalisation des comptages routiers et des relevés de l'état des routes se fait uniquement dans le cadre des études de faisabilité des projets routiers concernés. The road database and the related road inventory and programming software and equipment (bump integrator mainly) were purchased by the ARM with EU funds (part of the Devis Programme) and the staff having to use that software and equipment were trained by EU funded TA's. A traffic count campaign was financed in 2010. Since then, ARM was unable to finance and raise funds for updating the road inventory and the traffic counts. (ARM has never completed the elaboration of an annual program). Since 2010, the level of resources available at the level of the FER is too low to allow to implement an effective maintenance strategy.

**Maurétanie :** Les décisions en matière de gestion du secteur ne sont pas basées sur des données relativement faibles : la Banque de Données Routières (BDR) n'est pas opérationnelle et le système d'information sur le secteur est défaillant.

Mozambique : Quality of data is a perennial problem. There is no evidence that such data is improving (or, indeed deteriorating). Decision making tends to be centralized whatever the quality of data.

**Senegal** : The CETUD has been the subject of a restructuring study which is under implementation and for the Road Directorate, a study is underway for restructuring in order to gain a better understanding of the ambitious missions entrusted. The Handbook of AGEROUTE is being updated after changes in its organizational structure.

**Uganda**: Significant progress has been made on data systems management at UNRA, URF and the Road Industry Council (CrossRoads Secretariat) raising the potential for improved handling of the Project Management Cycle, thanks to the combined efforts of all DPs supporting the sector. Yet, shortcomings in implementation capacity (commitment) are believed to be more of a constraint than shortage in funding.

### **JC 3.3. Improved performance of sector management institutions and better sector management as a result of EU sector support.**

Sector institutional reform was in response to unclear and overlapping responsibilities between various ministries and government institutions which also acted as monopolistic transport sector bodies not subject to (private sector) market discipline. This reform has led to clearer definition and differentiation of function between new institutions, some of which were established as semi-independent statutory bodies such as Road Funds.

Capacity deficits have continued in transport sector institutions for decades despite sustained technical assistance by most sector donors. When the institutional changes were effected such technical assistance transferred to the new institutions which were judged to be inexperienced and without adequate capacity to fulfil their new responsibilities. There is evidence of improving institution capacities at central level in most countries although many deficits are still acknowledged. Increasing decentralisation has, however, opened up new frontiers of capacity deficit as responsibility for rural/unclassified roads has been delegated to lower level administrative levels which have arguably the lowest levels of resources and capacities (even in Morocco, a middle-income country). But capacity issues are not confined to government institutions. National contractors (mainly SMEs) who have a potentially key role in road maintenance have limited capacities (management, financial, technical).

Political influence on technical decision making (especially planning and programming of works) continues - the intended independence of new sector institutions was found to be illusory as political control was never actually relinquished.

Corruption levels are acknowledged to be a serious issue due to the very high values of infrastructure construction contracts. Certification of payment and supervision of construction give rich opportunities to the unscrupulous to manipulate systems which depend upon professional judgement and probity. However, the actual levels and quantities of such corruption cannot be adequately quantified as there are very few examples of prosecution of such corrupt activities (passive or active) although there are rather more examples of detection of misdoing but, for whatever reason, without subsequent legal process. A series of control and mitigation measures have been implemented (such as technical, financial and procurement audits).

The promise of reduced transaction costs as an outcome of implementation of the Paris Declaration has not yet been realised, in part due to donor institutional and procedural inhibitions. But the time scale for delivery was unrealistically optimistic anyway.

***Indicator 3.3.1. Clear division of functions between line ministries and sector institutions (mission statement and descriptions of responsibilities, mandates and tasks of transport sector agencies).***

Institutional reform of transport sector institutions was, in part, a response to unclear and overlapping responsibilities for the various transport sub sectors, and in the case of roads, a similar overlap and confusion of responsibilities within the roads sub sector. Another issue was that in planning, managing and executing works, road agencies were acting as both ‘customer’ (or client) for the services provided as well as provider of such services. Also road agencies were public monopolistic institutions not subject to (private sector) market discipline.<sup>148</sup> The functions of road network management can thus be split as follows:

Client – activities related to planning and management of the road network (maybe road fund and/or road agency).

Supplier – activities related to the execution of the works (usually road agency which engages consultants for studies, design and supervision of construction and contractors for construction)

Owner – usually the government sector ministry setting policy, and endorsing planning/programming/budgeting.

An example of how this process has been handled in **Ethiopia** is set out below, followed by a longer case study on sector institutional reform in **Uganda**.

In **Ethiopia**, the Ministry of Transport (according to the Proclamation of October 2010), has the powers and duties to:

- promote the expansion of transport services;
- ensure that the provision of transport services are integrated and in line with the country’s development strategies;
- ensure the establishment and implementation of regulatory frameworks to guarantee the provision of reliable and safe transport services;
- regulate maritime and transit services;
- ensure that transport infrastructures are constructed, upgraded and maintained;
- follow up the activities of the Ethiopia – Djibouti Railways in accordance with the agreements concluded between the two countries.

MoT has five main directorates, with eleven institutes under its supervision.

The Ethiopian Roads Authority (ERA) is the legally autonomous agency, which has been re-established several times since its creation in 1951. However, its major responsibility (development and administration of roads) has never been substantially altered. As per the current reestablishment proclamation, the main duties of ERA are to:

- carry out or cause the undertaking of feasibility studies, designs construction, and maintenance of highways;
- regulate the safe use of the highways;

<sup>148</sup> This situation was often given as a reason for cost of road works being some 30% higher than equivalent works subject to market competition. However, given that road construction unit costs have continued to rise further after institutional change suggests either that the asserted reasoning is incorrect or that the institutional changes have not been effective (in this respect).

- enforce vehicle weight and size control regulations;
- take necessary measures to protect the environment during road works;
- initiate policies and laws related to roads, determine design standard for roads, and classify and designate road network, prepare short and long term road development plans and implement the same upon approval by the government.

The Office of the Road Fund (ORF) is operating in accordance with accepted international practices, ultimately reporting to the Parliament of Ethiopia. The Regional Rural Road Authorities (RRAs) are responsible for construction and maintenance of the regional roads (also called rural roads).

The National Road Safety Council is the lead organisation established to direct national road safety efforts. Its responsibilities are to:

- develop road safety strategies, plans and programmes;
- coordinate collaborative efforts of concerned government organisations and NGOs;
- promote road safety awareness nationwide.

The ORF allocates 3% of its revenue for road safety programmes. Road safety coordination committees have been set up in all states.

The organizational structure of the Federal Transport Authority is based on seven directorates with key specific activities:

- ensuring provision of an efficient and economical transport system;
- ensuring that passenger transport services are safe and reliable;
- ensuring that vehicles comply with government specifications, and are roadworthy;
- performing or overseeing the issue of operators' and drivers' licenses, and of vehicle inspection certificates;
- monitoring passenger and freight tariffs on major routes;
- maintaining vehicle fleet data;
- maintaining relations with neighbouring states, and in particular implementing agreements with Djibouti.

However, most of the essential actors (ERA less than the others) fell victim to the salary gap between the private sector and the civil service (a difference with a factor of 3), which causes a high staff turn-over in the public administration and loss of quality staff. Consequently there is a continuous need for (donor-supported) capacity building.

The case of **Uganda** which was rather late in (wholeheartedly) joining the reform wave. A Coordinating Unit for the transport sector was established within Ministry of Finance Economic Planning and Development (J)OPPED under the reform process, which commenced in 1996. The unit had a key role in supporting the overall Implementation of the Road Sector Development Programme and ensuring coordination between the Government agencies and the development partners. This included establishing a Sector Working Group, chaired by the Permanent Secretary in the MoWT. The RSDP Coordinating Unit provided the secretariat to the Sector Working Group until 2009, when this responsibility passed to the Policy and Planning Department of the MoWT.

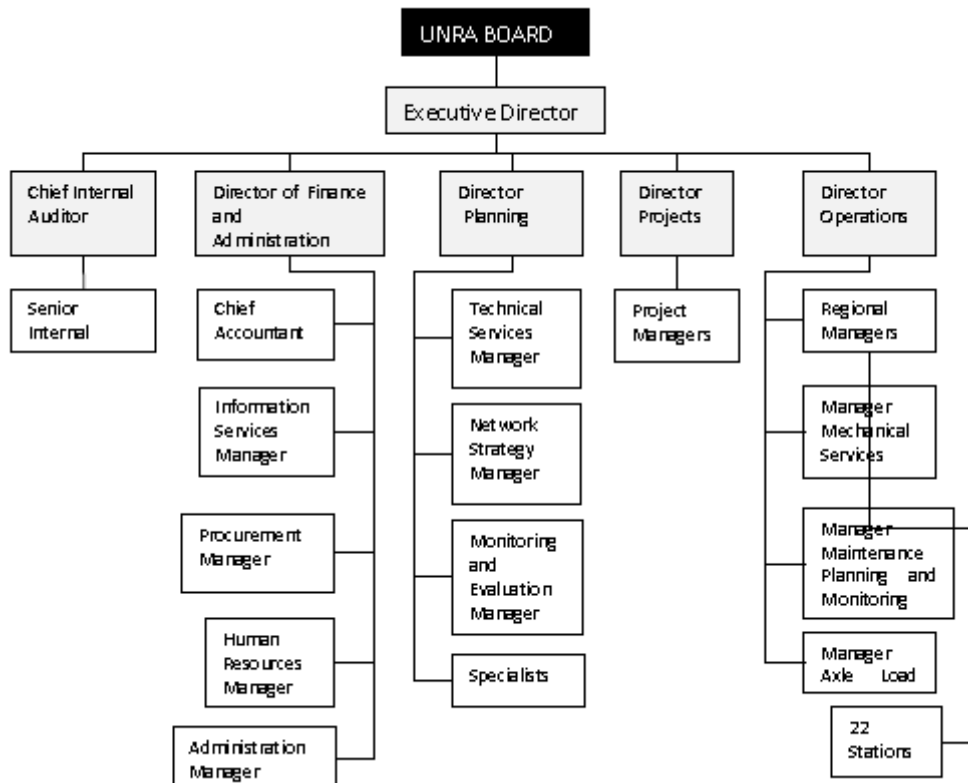
One of the first steps in the sector reform process was to establish the Uganda National Road Authority (UNRA). The objective was to separate responsibilities

for service delivery from coordination and oversight, thereby promoting a more conducive environment for the management of national roads. This took considerable time. UNRA came in to being in mid-2008 and soon started to make a positive impact on the sector. This was achieved through initiatives such as “Operation No Potholes” and grading of important unpaved roads. Negative reports on UNRA performance failed to recognise the considerable time frame for the design of road improvement works and the procurement of works contracts under public sector procurement rules.

UNRA is based in the offices previously occupied by RAFU in Kampala. UNRA also operates through a network of 22 regional stations which it inherited from the MoWT. UNRA has completed the recruitment of staff though has not been able to fill some specialist positions. UNRA will rely on EC and World Bank technical assistance to provide these functions until suitable candidates can be found for the permanent posts.

The UNRA Board has not been fully constituted, particularly concerning the private sector representatives and the Board is not meeting as regularly as intended by the Act (i.e. at least one every three months).

There is evidence of the old culture of the MoWT prevailing in UNRA, with the Minister issuing direct instructions to UNRA management. According to the UNRA Act (clause 7(1)) “The Minister may give directions in writing to the Authority with respect to the policy to be observed and implemented by the Authority”. The actions of the Minister should not, however, undermine the independence and accountability of the UNRA management, and the commercial outlook of the organisation. These are fundamental RMI principles which underpin the sector reform process and the Act. According to the UNRA Act, the MoWT is required to hold UNRA to account through *a performance contract, rather than through hands-on management of day to day activities*. At present the performance contract comprises the annual work plan of UNRA, which is reported on quarterly by UNRA.



The second component of the reform process, the establishment of the Uganda Road Fund (URF), has also been achieved. The Uganda Road Fund Act was promulgated in October 2008 and the Board was inaugurated in May 2009. The Board has seven members, four of which are from the private sector. The Chairperson of the Board is selected from the private sector members. The Board recruited an Executive Director, who has a five year contract from 1<sup>st</sup> November 2009. The UK Department for International Development provided a recruitment consultant to assist with the selection of the ED and the departmental managers. The appointments of the departmental managers were made at the end of January 2010, with the successful candidates due to take up their positions at the beginning of March. In the meantime the Executive Director has been supported by professionals and support staff seconded from MOFPED. Specialist inputs for the design of Road Fund systems and procedures were provided by WSP International under EC funded technical assistance.

The total staff compliment will be 21, including support staff. Staff salaries have been benchmarked against those offered by UNRA.

According to the Executive Director there was considerable interest in the recruitment process, with several foreign applications received for the departmental manager posts. An attempt has been made to streamline the organisation to avoid unnecessary overhead costs, yet ensure that URF has sufficient capacity to deal with the large number of different road agencies.

A decision was made by the Government that the Uganda Revenue Authority should be responsible for the collection of road user charges on behalf of the Road Fund. The principal source of funding is excise duty on fuel, which will be shared equally between URF and the Treasury. At present the URA statues do not allow it to deposit funds with any agency other than the Treasury. The Ministry of Finance has instructed that the URA Act should be modified to enable URA to deposit the road maintenance share of the fuel excise duty with URF. Lack of direct access to the main source of funding is a possible threat to the intended independence of the Fund.

URF has prepared regulations governing its operations. This includes a manual for human resource management and administration, and a methodology for allocating funds between the road agencies. According to the Act, URF can finance:

- Routine and periodic maintenance of public roads
- Road safety activities including erection of sign posts
- Operational expenses of the Authority (i.e. UNRA)
- Administrative expenses of the Fund
- Research in road works
- Such activities relevant to the maintenance of public roads as may be determined by the Board.

Aside from securing direct access to the fuel levy, the principal challenge facing URF managers is how to deal effectively with the local authority road agencies. Many of these authorities have inadequate capacity to plan and manage road maintenance works. The RF has a responsibility to ensure that all funds allocated to the road agencies for maintenance are used for the intended purpose.

The government's decision to strengthen district road maintenance capacity will provide additional challenges to the URF management. The management are required to work within this directive to achieve the desired improvements to



district road maintenance, yet to minimise the accountability risks that are inherent in force account operations. URF is able to support the operational costs of force account equipment, including fuel, spares and operator allowances, but is not able to support local authority staff salaries.

The powers and functions of the district road committees are yet to be defined, but it is expected that they will have responsibility for the preparation of annual road maintenance plan for the district and oversight of its implementation.

Last but not least, the third component of the sector reforms is the restructuring and right-sizing of the Ministry of Works and Transport (MoWT). In its new role, the Ministry will focus on policy formulation, regulation and monitoring. However, there are proposals to remove some of these functions from the core activities of the Ministry through the establishment of authorities. These include:

- a Multi -sectoral Transport Regulatory Authority,
- a Metropolitan Area Transport Authority,
- a National Road Safety Authority and
- a District, Urban and Community Roads Agency (DUCAR).

Functions that remain with the Ministry include policy development and planning, construction standards and quality control, and public buildings.

The Policy and Planning Department of the MoWT has an important overall responsibility for monitoring and evaluation of performance of the transport sector. This includes the establishment of a Transport Sector Data Management System, which provides data for monitoring of the transport sector indicators under the Joint Budget Support Framework, as well as other indicators that might be introduced for sector monitoring. The management of sector data requires considerable collaboration with UNRA, which will collect much of this information.

The Policy and Planning Department is now providing the secretariat for the Transport Sector Working Group. This responsibility was transferred to MoWT from MoFPED in 2009.

The Policy and Planning Department also coordinates a “Governance and Accountability Action Plan” (GAAP) to be instituted under the World Bank/DFID Transport Sector Development Programme. The intention of the GAAP is to promote transparency and accountability in the sector through, for example, public disclosure of project information throughout the project cycle.

The Ministry has tended to retain its capacity to implement projects, rather than transferring this responsibility entirely to UNRA and the local authority road agencies. In 2009, the Ministry advertised tenders for works on unpaved roads that it considered to be of strategic importance yet were not part of the UNRA network.

The World Bank agreed to provide technical assistance to the MoWT to support its transformation and to develop capacity for the core tasks of sector regulation and performance monitoring.

It is evident that greater support should have been provided to the MoWT during the transition phase to the establishment of UNRA and the Road Fund. Critical issues such as the need to retain experienced staff in the Ministry were not addressed, in particular to retain staff capable of adjusting to the new roles.

Ministry staff were instead encouraged to apply for positions in UNRA, which was offering significantly better conditions of employment. The focus on installing strong human resource capacity in UNRA was achieved at the expense of the Ministry.

Local authority road agencies will continue to be monitored by the *DUCAR division in the MoWT*. A proposal to strengthen the DUCAR Division to supervise the local authorities, which was being discussed in early 2008, is back on the agenda. DUCAR will have greater powers to set policy for the district, urban and community roads, monitor trends in the overall condition of the DUCAR network, and coordinate the maintenance programmes of the local authorities. This will relieve the burden faced by the Road Fund in monitoring the use of maintenance funds by more than 100 district and urban authorities, and more than 1,000 sub-counties.

In summary key findings from assessment of sector institutional capacity are that:

1. UNRA is operational and has managed to fill most posts in the management structure. Staff are well motivated but there is a *long lead time to achieving visible results*. Inefficient procurement rules and cumbersome land acquisition processes should be attended to by the Government. The Ministry is still tending to involve itself in day-to-day operations of UNRA and the Board is not fully constituted.
2. The Uganda Road Fund has been established and has recruited senior staff. Legal impediments to the allocation of road user charges direct to URF still need to be overcome.
3. The development partners should increase their engagement with the Government at the technical level to find sustainable solutions to district road maintenance. The GOU's plan to strengthen force account at the district level might prove unworkable over time, with the GOU reverting to private sector implementation.
4. The restructuring and rightsizing of the MoWT is the next critical step in the sector reform process. The establishment of semi-autonomous authorities might be effective in improving the efficiency of service delivery, but could also lead to a further drop in morale amongst remaining MoWT staff.
5. The technical assistance support to be provided to UNRA and URF by the EC is appropriate in its scope and the resources provided. Compliant bids were received and the consultants will soon be appointed. UNRA might have difficulty absorbing all of the resources allocated under the EC technical assistance and the World Bank/DFID TSDP.
6. Initiatives to support the private sector under CrossRoads are a welcome addition to the sector, but the need to create a new institution to oversee the programme might constrain the sustainability of some of the outputs.

Benin: The RF enjoys a reasonable autonomy regarding the MPW as far as decision making is concerned. Staffing levels are not presented as a dire constraint even if limited. Those improvements fall short in reforming the overall efficiency of the maintenance strategy by the lack of a techno-economic approach in programming and classifying the road network by the MPW and the lack of the road agency to improve procurement and work supervision.

**Madagascar:** Les principaux institutions et organismes en charge de la Gestion du Secteur transports (Ministères des Transports, Ministère des Travaux Publics, ARM, FER, ATT) souffrent de plusieurs problématiques, à savoir :

- (i) absence de politiques de gestion des Ressources humaines : personnel vieillissant, manque d'un certain nombre d'expertises;
- (ii) insuffisance de ressources financières : non viabilité financière, notamment pour le cas de l'ARM et de l'ATT;

- (iii) manque d'autonomie de décisions, notamment pour les cas du FER, de l'ARM et de l'ATT à cause généralement d'interférences politiques des Ministères de tutelle;
- (iv) lourdeurs de procédures dans l'application du Code des Marchés Publics et des normes / règles de gestion des finances publiques;

Risque assez élevé de pratiques de la corruption, notamment dans le cadre des processus d'appel d'offres.

**Senegal:** With the creation of the AGEROUTE, FERA and ARMP Senegal has implemented the necessary tools to make effective the fight against corruption. However it should be noted the fragility of their autonomy.

**Mozambique:** Refer to most recent review of PRISE. Relatorio do Primeiro Semestre de 2014.

**DRC:** En dehors du Fonds national d'entretien routier (FONER) mis en place en 2009, les structures de gestion du secteur de transports sont en grande majorité dépassées et ne peuvent plus jouer valablement leur rôle pour redonner au secteur des transports sa place de locomotive de l'économie.

L'Office des Routes (OdR) n'a plus les capacités en ressources humaines et financières pour assurer l'entretien et le développement du réseau sous sa responsabilité. Il en est de même de l'Office des Voiries et Drainage et de la Direction de Voies de desserte agricole. Ces structures doivent être reformées. Les études se préparent. The EU project in support to three Eastern OdR bureaux did not succeeded to reverse the trend: capacity failed to be sustainably developed and heavy equipment purchased was partly dilapidated even if unevenly according to each bureaux. In Goma, 30% of the machines are no more repairable, and 50% is not functional by lack of spare pieces or tyres. The remaining 20% was hardly utilised after the closure of EU project by lack of budget for fuel. Improvement in technical capacity was not sustained by lack of budget allocation. EU involvement in capacity development activities with OdR was kept marginal, unless on-the-job training for OdR staff temporarily working with PAR II and PARAU. Many issues were faced to simply construct (completed) and equip (on-going) training centre for OdR in Kikwit. Training activities by PAREST, the next generation after PARAU of EU road rehabilitation projects, were also limited and poorly evaluated by participants.

***Indicator 3.3.2. Evidence of capabilities in transport agencies to establish, enforce and monitor sound transport sector strategies and regulations (exchange of experiences, applied technology transfer, and training in policy and practical implementation skills at national levels).***

Capacity deficits have been identified in transport sector institutions for decades and (more or less intensive) TA to such institutions has been a feature of sector support by donors throughout this period. EU support to transport sector institutions goes back to at least 6<sup>th</sup> EDF. Nevertheless even today perceived institutional capacity deficits continue.

To some extent the institutional changes in the transport sector advocated by sector donors, particularly WB and EU, were in response to continuing dysfunctionality of existing institutions (usually based on central control by a sector ministry, often with multiple ministerial portfolios for different transport sub sectors) whilst also reflecting current ('liberal') thinking regarding separation of client and provider function (see I 3.3.1 above). These new institutions were also judged to be capacity deficient (especially regarding new features such as road fund administration) and so donor TA continued. Therefore, whatever the effectiveness of long term TA may have been, capacity building and technology

transfer were to some extent pursuing a 'moving target'. The most recent examples are decentralisation of road sector management typically to low level administration bodies with very low capacities for management of any public services and the increasing use of innovative financing modalities. Also, in Eastern and Southern Africa, EU TA has often operated as a de facto PIU/PMU dealing mainly (or exclusively) with EU investment projects in a line function rather than as a capacity building operation. It is thus arguable whether at least some support to institutional capacity building was actually designed to be sustainable.<sup>149</sup>

Technical assistance was however more effective in preparation of national (and in some cases regional) sector policies and strategies which was a primary activity under 9<sup>th</sup> EDF (continuing under 10<sup>th</sup> EDF) plus designing the architecture of new institutional organisations and procedures--albeit with risks regarding national ownership of such reforms and policies. In Francophone Africa, progress was slower in this respect. During most of evaluation period, reform was in many cases limited to establishment of a road fund. It's only during the last 3-4 years that the experience acquired in countries such as Senegal disseminated in West Africa (Niger, Benin, Burkina Faso...) and, to a lesser extent, in Central (Chad) Africa (and Madagascar).

The inevitable conclusion is that capacity building requires a long term perspective (commitment) and that shorter term strategies for TA and institutional support (discontinuities between subsequent EDF cycles) were doomed to disappointment.<sup>150</sup>

However, there is evidence of improving institutional capacities in most countries<sup>151</sup> although some capacity building needs remain unrequited (such as maintenance planning, prioritisation and programming (Sierra Leone), road network management, monitoring of road conditions, axle load control, road safety (Uganda), road fund management (Rwanda), decentralisation, rural road management (Zambia) and in some countries there is now a somewhat counter-intuitive situation of an inability to disburse available funds (raised by fuel levy) for maintenance.<sup>152</sup>

Capacity deficits are not restricted to sector institutions – in many countries national contractors (the majority being SMEs) have very limited capacity to win bids and actually undertake contract works satisfactorily (usually smaller value contracts). This situation also impacts on the adequacy of road network stewardship and in many countries EU is systematically supporting capacity development of such national contractors (e.g. PRODEPEMES – Mozambique, CrossRoads - Uganda).

Examples of different approaches to TA to sector institutions are given below:

**Zambia** (9 EDF) provides a typical 'profile' of an EU supported TA/capacity building intervention. A single contract for the TA with a private consulting company commenced in October 2005, and was extended twice, with the inclusion of 2 TA for assistance to a Rural Roads Component added by addendum, and a

<sup>149</sup> e.g. a conclusion of the ETR of RTIP was that TA components to institutional strengthening had not been designed to be sustainable and that TA in itself will not strengthen institutions unless project design includes specific actions for that purpose.

<sup>150</sup> Albeit the underlying assumption that counterpart staff to TA, having absorbed know-how would be facilitated to fully use this knowledge by being adequately resourced and empowered, was, in most cases, not realistic.

<sup>151</sup> e.g. 10th EDF CSP Ethiopia, '....during the past 4 years, ERA institutional capacity also improved, but only modest progress was made in road safety and axle load control'. Comoros is another case, for different reasons.

<sup>152</sup> Quality of work actually carried out is parallel issue.

HMS adviser towards the end of the 4.5 years (245 man months, a total of 16 persons during periods varying from 2 months to almost 3 years).

The main objectives of the first contract was:

Optimal management of EC funds comprising Euro 63.3 million spread over three years for periodic maintenance of Trunk, Main and District Roads, i.e. assistance with project identification, contract strategy and packaging, prequalification, tendering, contract award and contract administration. Key is to achieve specific targets set out in the Financing Agreement between the European Commission and the Republic of Zambia.

Institutional development to assist RDA and NRFA to develop robust organisations to manage the entire Zambia public road network, i.e. assistance with strategic direction, and organization and management of key processes such as financial administration, planning and procurement, covering central, provincial and district jurisdictions. Key is to develop commercial, performance orientated organisations with best practice systems and a healthy, sustainable culture, including measures for internal and external stakeholder satisfaction.

To help the RDA to ensure successful implementation of the District and Feeder road rehabilitation and repair programme in Central and North Western Provinces funded by EC funds comprising Euros 17.2 million.

The bulk of the assistance was given to the Road Development Agency, the major of the new established agencies, with two financial advisers attached to National Road Fund Administration:

TA in the fields of:

- Procurement (Technical Guidelines, objective scoring system for Tender Evaluations),
- Planning and Design (one counterpart to the manager P&D and two for the Highway Maintenance System),
- Construction and Maintenance (handling of and reporting on Interim Payment Certificates from Contractors and Consultants, contract management and improvement of internal procedures in C&M),
- Regional Engineers Office support (assisting RDA REOs with programme cycle activities including annual work plans and budgets, project preparation and procurement),
- Monitoring and Evaluation component (establishing Social and Poverty Impact Assessment Guidelines for use in road works), and
- 'Corporate services' (Public Relation, Finance/Accounts, and Personnel).

In **Ghana**, a different approach was taken; the TA developed a notable 'advisory partnership', i.e. intensive dialogue with the recipient stakeholders, structured through:

1. Advisory Notes from the consultant on topics such as transport policy principles, railway potential in Ghana, axle loads and pavement strengths, the Ghana Road Fund, sea ports in Ghana, aviation in Ghana, Ministry of Transport Databases.
2. Brainstorm Meetings called by the Chair of Policy & Planning Group comprising the most concerned key stakeholders of MOT/MRH and their relevant Agencies, and intended to be followed up with
3. Action Plans owned and executed by the stakeholders, operating in a Work Group configuration, and supporting by funding from Programme Estimates.

This capacity building delivery model reportedly worked very well, exciting recipient stakeholders, but was sustained only as long as the involvement/partnership of both the Chair of Policy & Planning Group and the

professional TA lasted. This dependency of capacity building successes on the “partnership-click” between supplier and recipients has been noted in several other country cases.

**Benin:** National sector policies (transport and rural transport) are based on a good level of knowledge of the situation in the transport sector. However sector governance issues and professional ethics are not well addressed. Funding of the implementation of the policies and strategies is not embedded in a Medium Term Expenditure Framework (MTEF). Funding depends on annual budgetary arbitrations. Usually only part of the proposed development and maintenance programmes are funded. The RF enjoys a reasonable autonomy regarding the MPW as far as decision making is concerned. Staffing levels are not presented as a dire constraint even if limited. Those improvements fall short in reforming the overall efficiency of the maintenance strategy by the lack of a techno-economic approach in programming and classifying the road network by the MPW and the lack of the road agency to improve procurement and work supervision.

**Madagascar:** The last sector policy and strategy dates from 2003, of which the EU has financed the formulation of the master plan. The document no longer reflects the current sector situation that considerably worsened with the 2009 economic and political crisis. Most resources proposed in the master plan for investment in transport infrastructure did not materialise.

**Cameroon :** Il n’y a pas une bonne adéquation entre les stratégies de développement des infrastructures de transports du Cameroun et les ressources disponibles du pays. Le Cameroun, cependant, a commencé à réaliser des investissements sur budget propre. Il y a également des nouveaux organismes de financements qui arrivent, en plus des bailleurs de fonds traditionnels (UE, BAD, AFD). Il s’agit entre autres de la Banque de Développement des Etats de l’Afrique Centrale (BDEAC), et le partenariat Cameroun-Chine dans le domaine des routes, ce qui tend à affaiblir l’influence des bailleurs de fonds traditionnels.

**Senegal:** In contradiction with what is written in the sector policy document, the GOS is now announcing huge investments (highways, airports...) that were not prioritised in programming. The availability of funding from China causes abandoning the discipline of economic justification and long-term planning. Available resources or borrowing capacity is utilized for mega projects with high political visibility rather than for projects being part of the financial framework of the sector plans.

**Mozambique:** RSS urgently requires updating to take into account changing national situations. This would allow an updated PRISE (forwards rolling programme) to be developed.

**DRC:** The Government has not yet issued a transport sector strategy. A document was prepared in 2013 for the road subsector, financed by the AfDB but was not adopted by the Government. The same happened to the 2002 transport master plan financed by the WB. The Government has not made any kind of roadmap for sector reform yet.

Seul le sous-secteur a un régulateur conformément à la Convention de Chicago relative à l’Aviation civile internationale. Une tentative de mettre en place une Agence nationale de régulation des transports suivant le modèle brésilien n’a pas abouti. Le processus appuyé par l’Ecole des Ponts et Chaussées de Paris de 2002 à 2005 avec un financement de la Banque mondiale, s’est arrêté alors que 10 cadres de haut niveau avaient été formés à travers le monde auprès des Agences de régulation opérationnelles. Les structures de passation des marchés

existent dans les différentes structures en place (Cellule Infrastructures, Projets...). Elles se conforment aux Règles et procédures des Bailleurs de fonds (UE, Banque Mondiale, BAD). Il est difficile d'apprécier les aspects relatifs à la corruption.

**Maurétanie** : Il n'y a pas une bonne adéquation entre les stratégies de développement des infrastructures de transports de la Mauritanie et les ressources disponibles du pays, d'où les recherches de nouveaux financements. Il y a un début de partenariat Mauritanie-Chine dans le domaine des routes. Des conventions ont été signées avec des entreprises chinoises (COVEC, etc...) pour réaliser des routes à financer par des banques ou organismes chinois.

### **Indicator 3.3.3. Evidence of reduced political interference in technical planning and management.**

Overt political influence in technical decision making especially as regards planning and programming is difficult to quantify but has for many years manifested itself as 'vanity projects' with little economic and social justification or the preference for (higher profile) reconstruction or new construction over (lower profile) planned maintenance. Capital investment in infrastructure and public services has a long history of favouring areas that voted for the ruling party or the constituencies of senior politicians.<sup>153</sup>

To some extent the institutional change implemented in the transport sector was an attempt to limit such political interference by establishment of 'independent' road funds and highway agencies. However this aspiration has proven to be over-optimistic (or even in some countries used to central control, naïve).

Some short case-studies are set out below:

In **Malawi**, it was assessed<sup>154</sup> that the design and construction standards adopted are high in relation to the actual levels of traffic on the roads, and a possible explanation was that there is a high level of expectation from politicians and the general public that roads should be paved, while unpaved roads, due to their generally poor condition and the great difficulties to maintain them, are not seen as a viable means of providing access. Political pressures therefore become increasingly important in the project selection process, and this means that attention turns to demonstrating the viability of a specific project rather than whether that project represents best value (rate of return) in relation to a series of other options including rehabilitation and periodic maintenance projects.

"The Political Economy of Roads Reform in **Uganda**" is the result of a study commissioned jointly by DFID Uganda and the 'Politics and the State' team in DFID's Policy and Research Division in London.

The major features of the political context of policymaking in **Uganda**, the sector background and the major stakeholders in the process of reform are set out in three possible scenarios:

- That the 2008 policy changes regarding national roads signify a substantial shift in presidential priorities and policymaking style, such that there is considerable scope for donors to have an impact by plugging financing gaps and providing conventional technical assistance (TA) on a large scale.
- That, although the above is not the case, the institutional changes of the past year have nonetheless altered the incentives or decision logics within the

<sup>153</sup> It is certainly not suggested that this is solely an African phenomenon but it is certainly a political issue. High profile 'ribbon cutting' in opening a major infrastructure investment in front of TV cameras is beloved by politicians everywhere.

<sup>154</sup> PER 2012.

sector in important ways, and henceforth the balance of forces will be more favourable to those wishing to see real change in ways of working. This would be another scenario favourable to a conventional donor response.

- That the changes involve neither a transformation of the systemic political environment, nor a definitely transformed set of incentives for sector actors, but there is nonetheless some 'room for manoeuvre' arising from the dynamics of the reform process.

The report argues that the third scenario is in fact the one that corresponds most closely to the current situation in **Uganda**, and that it yet leaves the possibility of an agenda of exploiting the limited but not insignificant room for manoeuvre created by the reform as a process.

In the particular case of **Uganda** roads, there seems scope for third party action of this general type in at least the following fields:

- Communication about performance;
- Brokering otherwise missing dialogue among key players;
- Facilitation of countervailing networks of influence;
- Lowering barriers to collective action by private actors;
- Facilitating appropriate forms of 'infant industry' support to local firms;
- Mobilising influence to enable otherwise blocked organisational transformations.

The "Cross Roads" programme, strongly supported by EUD, attempted to work in accord with these principles.

A World Bank paper entitled "Does the Semi-Autonomous Agency Model Function in a Low-Governance Environment? The Case of the Road Development Agency in **Zambia**" (by Raballand/Bridges) uses **Zambia** as a case study to assess empirically whether political interference in a low-governance environment has diminished in the past years as was anticipated after a semi-autonomous agency model was set up ten years ago.

The road sector in **Zambia** has experienced some significant developments since then. The paper uses data on contracts from 2008 to 2011 and analyses a number of key trends related to Road Development Agency governance and staffing dynamics as well as procurement and project selection within the institution.

The main findings indicate that, after some years of implementation of these reforms, *there is reason to question whether the model of semi-autonomous agency enables road management to be shielded from political interference.* Zambia may be an isolated case but, so far, the reform model does not seem to have been able to decrease political interference in the *selection or supervision of projects* and there seems to have been an increased lack of accountability of civil servants working in this sector.

The Joint Evaluators of GBS **Tanzania** recommended limiting the use of "conditionality" and "policy leverage". They reasoned that domestic political constituencies dictate the pace and direction of policy reforms, while external actors have very limited influence over these domestic constituencies. Forcing policy directions on government is then likely to sour the policy dialogue. To prevent this, the supervision ("auditing") of minimum conditions should be separated from the engagement in policy dialogue. Perhaps this is what has already been practiced by most EUD's, in the transport sector.



Recent transport sector evaluation embedded in Country level evaluations of EU cooperation or isolated came to similar findings in West and Central Africa (Congo Republic, Madagascar, Guinea...)

On the other hand **Ethiopia** seems to be provide evidence on a well-functioning (political interference-free) *dialogue on general and transport issues*: At the level of *Government management and control procedures*, sector support facilitated a vigorous dialogue with the Government regarding PFM issues such as audit issues from the EMCRP and the definition of clearer objectives. *At the sector level*, there was a favourable trend regarding the 19 indicators which are used to monitor the RSDP. The main issues were the mixed results regarding maintenance, a lack of sufficient efforts for improving rural access, a lack of progress on road safety and outcome of the road construction programme regarding cost overruns, delays, and environmental and social implementation issues.

**Benin**: The RF enjoys a reasonable autonomy regarding the MPW as far as decision making is concerned, but improvements fall short in reforming the overall efficiency of the maintenance strategy by the lack of a techno-economic approach in programming and classifying the road network by the MPW and the lack of the road agency to improve procurement and work supervision.

**Madagascar**: Les principaux institutions et organismes en charge de la Gestion du Secteur transports (Ministères des Transports, Ministère des Travaux Publics, ARM, FER, ATT) souffrent de plusieurs problématiques, à savoir :

- (i) absence de politiques de gestion des Ressources humaines : personnel vieillissant, manque d'un certain nombre d'expertises;
- (ii) insuffisance de ressources financières : non viabilité financière, notamment pour le cas de l'ARM et de l'ATT;
- (iii) manque d'autonomie de décisions, notamment pour les cas du FER, de l'ARM et de l'ATT à cause généralement d'interférences politiques des Ministères de tutelle;
- (iv) lourdeurs de procédures dans l'application du Code des Marchés Publics et des normes / règles de gestion des finances publiques;

Risque assez élevé de pratiques de la corruption, notamment dans le cadre des processus d'appel d'offres.

**Senegal**: With the creation of the AGEROUTE, FERA and ARMP Sénégal has implemented the necessary tools to make effective the fight against corruption. However it should be noted the fragility of their autonomy.

**Mozambique**: Reference to most recent review of PRISE. Redatorio do Primeiro Semestre de 2014.

**DRC**: En dehors du Fonds national d'entretien routier (FONER) mis en place en 2009, les structures de gestion du secteur de transports sont en grande majorité dépassées et ne peuvent plus jouer valablement leur rôle pour redonner au secteur des transports sa place de locomotive de l'économie.

L'Office des Routes n'a plus les capacités en ressources humaines et financières pour assurer l'entretien et le développement du réseau sous sa responsabilité. Il en est de même de l'Office des Voiries et Drainage et de la Direction de Voies de desserte agricole. Ces structures doivent être reformées. Les études se préparent.

### **Questionnaire responses (EUD response to political interference) :**

The EUDs response to political interference in technical, programming and management issues varies from intensified dialogue with the partner governments to partial or entire suspension or cancellation of (budget) support. The following comments were provided:

- Dialogue
- We inform the Government and HQ
- L'UE se limite à faire savoir aux autorités qu'il y a des accords à respecter et des procédures en place qu'il faut suivre
- La plupart des projets étant en co-financement, l'avis des politiques est important. Ceci dit cette interférence est très, très rare.
- Sector dialogue - Inclusion of EU support to transport sector within the framework of general programming process: national development programmes, bilateral and regional cooperation documents (ex: NIP, RIP, - Looking for coherence of EU intervention with the general EU policy guideline documents).
- The technical cooperation was very much affected by the coup d'état and by the implementation of Article 96 of Cotonou Agreement
- Maintaining clear commitments towards sustainable transport development plans
- It is difficult for us to put at risk ongoing projects or even to delay future project as a measure of 'reprisal'. It can even sometimes be relevant to have this kind of interference and in any case it is the right of National Government to do so. Our response always consists in pursuing dialogue with Malian counterparts in order to understand the reasons for these interferences, speak in favour of sound management and try to limit them.
- By further communicating with the stakeholders
- Checking the decision and managing the proper decision
- In the case of the road sector, one of the most destabilising events was a Chinese investment related to road sector. This was of such a magnitude that it was affecting all the public finance of the country. EUD responded in a coordinated way through their GBS and SBS. Both levels forced the investment to be transparently reflected in the budget evolving through a reinforced dialogue on prioritisation of investments that is still on going.
- No answer
- No support anymore to transport sector, response on whether public administrations' procurement procedures are competitive and strictly implemented is based on what we experience in e.g. water sector.
- Dialogue politique
- There's no EU transport sector support
- (EU is providing a relatively small support in the sector)
- Dans la lutte contre la surcharge on a maintenu la pression politique avec des autres bailleurs pour avancer
- Regarding point 45, I would prefer not to give an opinion on public procurement procedures in Niger, since EU procedures are followed. My knowledge about the competitiveness or implementation of national procedures is limited. Concerning point 46, I would say political interference in Niger is quite moderate. During project implementation, the bid evaluation is clearly the most delicate phase. A strong implication of the EUD in the process avoids possible irregularities.
- The Sector budget support is suspended
- Dialogue with authorities, it is nevertheless manageable.
- At a sudden decision of the Ministry of finance to cancel the fuel levy, we replied with a strong note signed by 4 development partners and with a clear message delivered by our HoD. Fuel levy was reinstated

#### **Indicator 3.3.4. Evidence of measures to identify and control corruption and misuse of resources.**

All African countries have enacted legislation regarding corruption. However detection levels, and even more so apprehension and conviction levels, remain low in many African countries, many of which languish in the lower rankings of 159 countries listed in the CPI Transparency International or WB Governance Indicators Control of Corruption. Contributory causes are commonly identified as including executive dominance, weak legislature, oversight, enforcement, judiciary, accountability, professionalism and effectiveness.<sup>155</sup>

The transport sector has arguably more opportunities for corruption than most sectors given the huge value of infrastructure construction contracts and the conventional systems of measurement of quantities, certification of payments and 'claims' all of which depend upon professional rectitude.<sup>156</sup>

However there are very few prosecutions for corruption in the transport sector and levels of such misuse and/or corruption in the sector remain un-quantified whilst multiple reports from many countries of a serious problem, remain anecdotal.<sup>157</sup>

There is little or no overt reference to anti-corruption measures in the transport sector documentation under 9<sup>th</sup> or 10<sup>th</sup> EDF although there is increased discussion of whether corruption issues in 10<sup>th</sup> EDF CSPs, especially in preparation of JASs (e.g. **Zambia, Ghana**) and various donor partners are supporting anti-corruption measures.

Cognisant of such risks, measures have been implemented, usually at donor behest, to impose and monitor measures for identification of procedural non-compliance (with procurement procedures especially but also in construction contract supervision and management) and/or corrupt practises plus remedial and mitigation measures by means of independent technical and financial audit. In some cases compliance is a conditionality for disbursement of budget support (e.g. **Zambia**). Such approach is at its early stage for most of the Francophone countries that demonstrated a far lower sensitivity on governance issues.

Examples are given below (**Zambia and Uganda**):

In **Zambia**, the "Report of the Auditor General on the Road Development Agency for the period January 2006 to September 2009", facilitated by EU support, revealed:

- Mismanagement of resources and disregard of Annual Work Plan (inter alia over-commitment of 2008 AWP amounting to K1.18 trillion);
- Procurement irregularities;
- Non observation of Regulations and Acts governing the sector;
- Unsubstantiated payments to Contractors.

In a lengthy process, the government was encouraged to take corrective action in terms of:

<sup>155</sup> 10th EDF CSP Ghana (65/159 countries Ghana is among the better performing SSA countries).

<sup>156</sup> Government conditions of service are poor in many African countries and such public employees handling processes of high value may be tempted to corrupt practises, especially if there is little chance of detection or punishment. In this situation there are (anecdotal) examples of institutionalisation of such practises.

<sup>157</sup> Very large increases in unit rates of infrastructure contracts (well in excess of inflation) are reportedly in part due to corrupt practices (or at best a lack of experience in contract management).

1. Transparent involvement of law enforcement institutions for further investigation and the application of subsequent measures at all levels;
2. Review all ongoing contracts (by external support) to determine the financial impact of arrears, contract claims and contract penalties with a view to establish a consolidated road sector expenditure framework which would subsequently form the basis for the revision of the sector investment programme ROADSIP II;
3. Define scope and fields for immediate TA support to best address audit findings;
4. Develop and implement procedures manuals and tie the procedures manuals to rules and regulations governing the sector, particularly those regulations governing financial management in the country.

What happened in **Zambia** is not unique, but the Office of the Auditor General (with EU assistance) and the government in following up on the report, were more courageous than what is seen in most other SSA countries. However, few corrective actions seem to be implementable without again substantial external assistance - a new cycle of capacity building.

A financial and engineering Audit of the **Uganda** National Roads Authority (UNRA) works program for FY 2008/09, by the Office of the Auditor General (OAG), is quoted below to illustrate the broad range of aspects and factors in play, (and where there is room also for political interference).

*“Adoption of standard „General Conditions of Contract“ and „General Specifications“: Three types of „Conditions of Contract“ are being used namely, the FIDIC Fourth Edition 1987, The EU General Conditions of Contract and The General Conditions of Contract for Procurement of Works (Oct. 2004). Use of different Conditions of Contract and General Specifications may lead to differing specifications between projects for the same type of work with the same materials (e.g. spread rates of aggregate for surface dressing). UNRA should consider adopting the „Multilateral Development Banks“ (MDBs) Harmonised Conditions of Contract – 2006 Edition“ which has been drawn from the 1999 FIDIC Condition of Contract, for all projects.*

*Design and Preparation of Tender Documents: Some of the UNRA in-house designs for road works were found to be improper (excessive/inadequate quantities and lack necessary drawings). Some of the designs for the audited projects were of unnecessarily high standards (e.g. use of asphalt concrete in place of surface dressing and construction of bridges in place of culverts).*

*Some of the anomalies observed in the contracts are a result of improperly prepared tender documents. The tender documents lack drawings for works and had cases of underestimation/overestimation of quantities of materials. Lack of detailed drawings has led to Construction of culvert headwalls of different shapes and sizes.*

*Contracts Management by UNRA: Weaknesses were observed in the supervision and monitoring of works contracts by UNRA There are many projects going on at the same time creating a contract management problem to UNRA in terms of effective monitoring. UNRA staff at HQs and at the upcountry stations are stretched with increased workload due to increased network length and increased budgets. In addition, the UNRA stations have a lean staff structure with few engineers and few technicians who are not able to supervise many road projects at the same time. There is need to enhance capacity of UNRA in terms of in-house staff and consider increasing outsourcing of design and supervision UNRA is currently using Small-Medium Local contractors and consultants who are not well versed with contractual issues. This puts additional pressure on the UNRA Staff.*

Inadequate planning: There is also no clear linkage between UNRA activities with the National Road Sector Master Plan. There is no roadmap for implementation of this plan.

Award of Works Contracts prior to engagement of supervising consultant: Contract management aspects are better handled when the supervising consultant is first in place and has reviewed the contract documentation. It was observed that several of the projects had been awarded to contractors prior to having a supervising consultant in place.

#### Advance Payments

As a result of using different types of GCCs, the limits for advance payments differ from project to project. In some instances, the amount of advance payment was not stated and the bidders were informed that the amount would be stated in the „Letter of Acceptance“. This can lead to uncompetitive practices and selection of contractors. There are cases of heavy investments being incurred on maintenance of some roads which are earmarked for rehabilitation in the near future.

Costs of road construction: Costs of construction for a number of projects were noted to be on the high side. For certain projects the flexible pavement cost is comparable to that of a rigid pavement which has at least twice the design life and very low maintenance costs. Comparison of project costs against the cost for other similar works indicates that the rates of constructing a kilometre of a road vary by great margins. This is an indication that there is lack of cost control during tendering and award of contracts. Also noted were the significant variances of unit rates being quoted by contractors for same work items for similar projects. There is need to carry out a unit rate analysis study and disseminate the results to the construction industry. According to UNRA the rising unit costs of construction per Km are attributed to procurement methods used which do not allow negotiations on prices. UNRA should consider use of other prescribed methods of procurement like fixed Budget selection which have been proved to be effective in other countries.

Scarcity of Road Building Materials: Scarcity of good gravels in certain areas demands for concerted efforts and research in utilising the locally available soils for road building (e.g. use of stabilisers). In some areas of Uganda there is lack of adequate and suitable materials such as gravel and aggregates. Transportation of such materials over long distances is a big cost to the projects. On some projects carried out in these areas, there has been significant removal of soils from the road-way which is regarded as „unsuitable material“. However, it has been proven that many of the tropical soils including black cotton soils may safely be used in construction of roads if appropriate methods for their use are applied (for example by applying stabilizers). More research is needed in the use of the locally available materials. UNRA and consultants should pursue the on-going regional initiatives on use of locally available materials on low volume roads and seriously consider their findings for use in Uganda.

Decision Making: It was noted that there are delays by UNRA in taking decisions regarding issues raised by supervising consultants/contractors. These delays impact negatively on the smooth implementation of works and could eventually lead to claims.

Road Safety Measures: Safety of road users is not adequately addressed, notably there is lack of road signs and speed control humps in some areas. Improved roads lead to higher vehicle speeds and presents risks to road users particularly where the roads pass through populated areas. There is need to sensitise the communities living alongside the roads on road safety. This will help also in reducing the thefts/vandalism of road signs and other road furniture. UNRA should also explore the possibility of using material not prone to

thefts/vandalism such as cast iron or concrete instead of aluminium for road signs.

Axle load Control: No evidence of strict control of axle loads was seen during the audit period, save for a few mobile weigh bridges permanently stationed at particular locations on a few roads. There is need to institute proper control of axle loads using the recent technologies including computerization and networking to prevent the corrupt practices that have always undermined the principal objectives of weighbridges

Performance of Force Account Units: The quality of works done through force account was found to be good and better than some of the works done by contractors on some projects. The existing weak contracting capacity in the country calls for strengthening of the force account units to cope with the increasing demand for timely maintenance of the roads especially the gravel roads. Many of the equipment seen in the district stations were very old and their efficiency levels are very low. In view of the fact that the private sector may not pick up soon, UNRA should strengthen the capacity of force accounts units.

Overstretched Contractors and Consultants: There are cases of contractors who have been awarded a number of contracts all running concurrently, overstressing them in terms of equipment and personnel. There are also cases of Consultants who have been contracted to supervise many projects under one or more contracts. This has stretched their capacity and they are failing to deliver. Contractors, Consultants and UNRA Personnel. The competence of staff for contractors and consultants found at the sites ranged from high to low. The personnel to the levels of Site Agent/Supervisors for Contractors and Road Inspectors for Consultants lacked the requisite qualifications and experience. Technicians and craftsmen are given responsibilities of supervision that are beyond their capabilities. UNRA should ensure that only qualified and approved staff are the ones working at the sites. Over 90% of UNRA Station Engineers are also not registered with the Institution of Engineers and the Registration Board and are therefore practicing illegally.

Some sites for contracted works were being managed and supervised by Engineers who are not registered with the Institution of Engineers and the Registration Board.

Price adjustments: Payments being made for price adjustments have been found to be excessive on some projects (about 30% of contract amount). The rationale and accuracy of application of price adjustment clause/formula (on a monthly basis and use of prices rather than indices and sources) was not well explained. It was noted to be irregular and needs to be reviewed.

Quality of works: The quality of the works on the roads that were audited varied from good to poor). The poorly done works indicate lack of integrity among some of the contractors and consultants. There is weakness in supervision of works at all levels.

Strengthening of UNBS: Tests for roads works were analysed from two laboratories i.e. Uganda National Bureau of Standards (UNBS) and Dar-es-Salaam. The process of testing results delayed the audit exercise because of lack of appropriate capacities at UNBS. The UNBS needs to be strengthened to handle major tests for road works as a counter check laboratory in addition to MoWT Central Materials Laboratory– Kireka laboratory. Certification of materials such as culverts by UNBS should be made mandatory.”

**Benin:** Anti-corruption measures are not being considered by the GoB nor explicitly advocated for in EU documents.

**Madagascar:** The GoM has not recognised corruption in the transport infrastructure sector as a key obstacle for development.

**Senegal:** With the creation of the AGEROUTE, FERA and ARMP Sénégal has implemented the necessary tools to make effective the fight against corruption. (corruption is not viewed as prevalent in sector management or at least it is not an issue). However, the fragility of their autonomy should be noted.

**Mozambique:** The general consensus is that better implementation of tighter procedures would give less opportunity for corrupt practices.

**DRC:** Governance and corruption issues in the transport sector are not specifically recognised by the Government. The EU is supporting governance in general (rule of the law, police, justice...) but did not consider dealing specifically with these issues in the transport sector. Il est difficile d'apprécier les aspects relatifs à la corruption.

### **Indicator 3.3.5. Reduced transaction costs.**

The concept of 'transaction costs' has broadened with implementation of the provisions of the Paris Declaration in Aid Effectiveness. Before, as expressed in 9<sup>th</sup> EDF programming documentation, high 'transaction costs' in the context of the transport sector were quoted as a result of poor road infrastructure (e.g. 10<sup>th</sup> EDF CSP Gambia, Mozambique) or the converse 'lowered transaction costs' as a result of better transport in rural areas thus improving access to social services and markets (e.g. 9<sup>th</sup> EDF CSP Gambia). There is little reference to potential reduction in 'aid transaction costs' which may accrue from joint donor support (e.g. 9<sup>th</sup> EDF CSP Tanzania).

The concept was broadened in 10<sup>th</sup> EDF programming documentation with multiple references to reductions in transactions costs and approach as to EU support across all sectors, including the transport sector. Thus, a 'harmonisation agenda' (10<sup>th</sup> EDF CSP Malawi); direct budget support (10<sup>th</sup> EDF CSP Mozambique); use of 'disbursement mechanisms that cut transaction costs' (10<sup>th</sup> EDF CSP Liberia); better coordination of and to further enhance coherence (10<sup>th</sup> EDF CSP Kenya) are all examples of identified measures to reduce the transaction costs of delivering aid. Further assertions were made e.g. putting money through national processes, adopting common reporting procedures, existing government structures and procedures (especially PFM), silent partnerships, pooled funding and joint mechanisms<sup>158</sup> by which further reductions in transaction costs could be achieved. The most advanced manifestation of this aspirational approach may be seen in preparation of Joint Assistance Strategies (e.g. JAST (Tanzania), G-JAS (Ghana), and JAS Z (Zambia)). These JASs, which are/were not legally binding,<sup>159</sup> were expected to deliver,

- higher quality dialogue between DPS and the government;
- improved aid delivery through a better division of labour and a solid process for deciding who does what,
- greater harmonisation in the way development assistance is delivered,
- increased reliance on programme based modalities and coordinated technical assistance programmes that support government priorities,
- improved predictability in resource flows and reduced transaction costs for government, and
- better alignment of DP country strategies and resource allocations with GPRS II goals and priorities.

<sup>158</sup> Various sources (e.g. 10th EDF CSP Lesotho, Kenya).

<sup>159</sup> To the extent that if the JAS is inconsistent with current or future laws or policies of any signatory, such laws, policies and commitments will provide.

A survey of Monitoring of the Paris Declaration Aid Effectiveness was carried out in 2006 (DECD-DAC). Summarising the findings of this study, certain trends were noted:

- encouraging results but some way to go before national governments and development partners meet the targets of the Paris Declaration;
- much aid disbursed is not reflected in national government budgets;
- need for better donor alignment;
- need for better information flow both for donors and national governments;
- need for better budget preparation;
- use of national PFM and procurement systems remains low;
- greater use of regional programme based approaches;
- donors remain institutionally constrained in movement towards use of more effective aid instruments (within the time scale of the Paris targets).

In essence the expected reduction in transaction costs has not yet been delivered (except perhaps in Ethiopia, through SBS) – the time scale for such delivery is unrealistically optimistic – as may be the expected results.

**Benin:** Progress is not perceived by the national administration (No evidence gathered that could sustain the point).

**Cameroon:** Les couts de transaction de la DUE et du Cameroun pour mobiliser l'aide sont considérés comme élevés; les procédures étant très longues et complexes et onc coûteuses. Les camerounais pensent qu'ils n'ont pas tellement de choix, parce que les procédures sont imposées par l'UE.

**Ethiopia :** Thanks to effective SBS, ERA in particular was relieved from the bureaucracy of dealing with the National Authorising Office (the contracting agency in the project modality) and obtaining EUD endorsement of many issues, and could proceed according to significantly faster and familiar government procedures.

**Morocco :** Les couts de transaction de la DUE et de l'administration marocaine pour mobiliser l'aide demeurent importants (longueur de procédures, coûts de préparation mobilisant des experts, coûts en cas d'appels d'offre infructueux, etc.)—despite SBS (?).

**Madagascar:** No evidence was found that transaction costs have been reduced during the reference period. However, such evidence could also not be expected because EU and WB institutional aid stopped in 2009 (only emergency interventions took place, mainly to answer cyclonic damages to the road network).

**Senegal:** In Senegal, sector donors did not create a coordination group, nor push for joint missions and reporting. The transaction costs are stable but are not specifically denounced by the GOS.

**DRC :** The lack of coordination between donors and with the Government did not allow making any significant gains regarding transaction costs. The Paris Declaration did not make a visible difference in aid management in the DRC, apart from sections and annexes of the NIPs dedicated to the Paris Declaration principles. Coordination and division of labour issues are discussed during biannual supervision missions of the WB and the AfDB, but is hard to track down in project preparation and implementation. In the road subsector, Pro-Routes, PARAU and PAREST are following contradicting principles and paths. In the



waterways subsector, initial coordination between the WB funded Multimodal transport Project and PANAV has faded away with the problems faced by the EU-funded TA implementing the €60 million PANAV project. (La réduction des coûts des travaux observée a pour origine la concurrence des entreprises chinoises dans les marchés des travaux publics.)

**Questionnaire responses 37 & 38 (stakeholder consultation) :**

Views on the quality of coordination meetings are mixed as can be concluded from the comments below. Coordination mainly takes place between donors, in particular the EU, World Bank and African Development Bank, and less between the governments, but there are exceptions.

The following comments were provided by EUDs:

- No transport sector coordination meetings take place.
- Il n'y a pas de réunions organisées ni par le gouvernement ni par les bail partenaires
- The government doesn't organize meetings for the sector, or, at least, the EU is not invited. Meetings concerning projects are supported by the EU; in these, the sector approach is treated occasionally
- No formal coordination structure in the transport sector, informal coordination amongst main donors and ad-hoc meetings with government on particular issues
- Pas du leadership du gouvernement dans la coordination des bailleurs. Bailleurs principalement représentés par UE, Banque Mondiale et BAD.
- The Government is expecting a strong leadership from donors
- There two sets of coordination meetings. Those involving Government are generally too large and primarily serve the purpose of sharing information without much scope for discussions. Amongst the DPs, the number of participants is lower and hence the discussions are more fruitful.
- Donor coordination is the responsibility of the Government, which for long time had not called for any Transport Donor Coordination meetings. The EU has had for long time the chair of Transport Donors Dialogues, which took place quarterly. After the instructions not to pursue Transport as a concentration sectors this responsibility has been taken over by the AfDB who is supporting the Government in calling and organizing transport donors coordination meetings, which are scheduled monthly.
- There is a generalised growing lack of in-house expertise from most donors. In Mozambique, only WB and EU could keep a continuous policy dialogue. Others interventions become more dependent on external expertise recruited to do something that should mainly be a core task. SW managed to survive through externalisation. Others penalised the quality of the dialogue.
- EU organizes quarterly general meetings with EU MS and biannual meetings with all donors. There are also ad hoc meetings for other sectors, but not for transport
- No EU member States working on the transport sector. The Government, the WB and the EU are usually the participants at these meetings.
- There has been a good coordination, in particular, among donors (EU-WB-AfDB-AFD-JICA) and an intense dialogue with Government. This sector dialogue has made possible the MoU of 2006 and the preconditions of the funding of new road projects linked to the road maintenance system.
- Main stakeholders involved in road sector participate to the Transport Sector Working Group co-chaired by EU and Ministry of Transport (quarterly) and provide often important contribution to the policy dialogue (discussion on on-going studies, planification of joint future interventions, common positions on outstanding issues like maintenance, rural roads sustainability, financial allocations).

- DP meeting and transport sector group meeting every month with good participation from GoU, agencies and some DPs, but not emerging donors. Each year, well organised Joint Transport Sector Review.
- EU helped to set up quarterly all stakeholders meeting and a broader annual review.
- Meetings with Government + all Donors are not frequent indeed. Quarterly meetings are with Donor Partners. Regular meetings take place with Government (more than quarterly) but EU represents other donors. All partners meetings take place once a year and are of high quality.
- The Government and the main donors (minus BADEA) are active in such meetings and the quality of participation is good.
- Formal meeting on the review of the national strategy twice a year with good discussions. Other exchanges with development banks (missions, etc) NB - no EU member state investments in the transport sector
- Good participation and good exchange of information, however the outcome is limited
- The development banks are quite involved (BOAD, BAD, BIDC); China is not participating in coordination although it funds the sector.

#### **Questionnaire responses 40 (quality of coordination) :**

The following comments were provided:

- EU has been the lead donor from the 1st EDF until 2014. Work done by the EU has been appreciated by the other donors and the Government. From 2015, the lead donor will be the AfDB.
- Coordination with WB and AfDB, the two main stakeholders involved in road sector, is excellent; the positive results achieved in road sector are attracting new actors (JICA, DfID, Korea). Policy dialogue with China, the main bilateral stakeholder present in road sector, has proved to be almost impossible.
- Il n'y a pas de coordination concernant ceci
- The coordination is good with development Banks. But very difficult with the Chinese.
- Even if the format could be improved (more frequent meetings with all stakeholders), the level of coordination is rather high.
- The challenge in those coordination meetings is to avoid focusing too much on project implementation rather than policy performance evaluation. Sharing of information is Ok but the quality of the information is not always adequate
- If division of labour was to be seen in a very pragmatic way, transport sector, and in general infrastructure are of a nature where the government can easily play a role of coordinator leading to a division of labour.
- Division of labour done according to priorities of each stakeholder (rural roads, urban transport, regional roads...)
- Quality of coordination with World Bank for 9th EDF transport project reasonably to good. Some problems with timely submission of final report. No need for coordination meetings anymore.
- Seules les banques de développement interviennent dans le secteur. Faible leadership du gouvernement qui a tendance à travailler en face-to-face avec chacun des bailleurs.
- (referred to coordination in the context of project approach, for - as stated above - no budget support is active in RDC) No, it works rather well with WB and AfDB; sufficient exchange ongoing with CTB et DFID; no other donors active in the field.
- No other donor gives substantial support to transport sector
- There are many donors present, but the meetings are more an exchange of info than real debate on transport sector issues
- There is a dialogue with MS and Development Banks - the DUE has a limited involvement in the transport sector.

- Acceptable
- Good coordination with the Government and the WB. However, the WB not having an agent in charge of transport projects in Niger, meetings frequency are dependant on WB missions to Niger.
- Rotating leadership of the group of donors on transport. Exchange of informatins on ongoing projects and studies. More difficult coordnation on reforms.
- This is a good coordination with EUMS in general, but not really in the transport sector which is not really a priority for us.
- Pas de suivi thématique entre bailleurs
- EU coordinates regularly with the Government in the framework of the budget support programme. EU coordinates regularly with WB and to a lesser extent with AfDB and JICA. EU MS are not active in transport except a DFID regional programme which is looking into railway feasibility studies

**Questionnaire responses 41 (suggestions for improvement of coordination) :**

Comments received:

- To drive reforms it is important to also fund infrastructure projects.
- Policy dialogue is generally good, it might be improved by the participation of other institutions like the authorities in charge of urban transport and civil aviation and China.
- Coordination with EIB, ADB and WB about twice in a year. The Government is present in those meetings, usually focused in a project...
- Il faudrait que le gouvernement prenne au serieux l'organisation des ce type de réunions qui devrait être suivi par des réunions entre parteneires
- Coordination process is good in Uganda. EU is chairing the Transport DP group. Exchange of information is regular. An action plan matrix is validated and evaluated every year between DPs and Government.
- There should be a better leadership from the Gouvernement. My experience is also that, beyond institutions, coordination is also about people and behavior
- In my view, the coordination process should remain simple, flexible, not cumbersome and most of all adapted to Government will (and not to our taste for meetings).
- We (EU) have been advocating for a more policy-oriented forum and discussions, rather than a project progress micro management meetings about round figures of what such partner has disbursed so far. We want seroius discussions about policy topics (road safety, sustainalble maintenance, axle load control...)
- Best coordination is the one managed by the government.
- Ability to push reforms are limited when certain donors do not wish to impose the same conditionalities. Needs to be harmonised
- Coordination in the context of project approach, for - as stated above - no budget suppoprt is active in RDC) Being just three institutions, no big coordination structure is needed
- Coordination between the key actors works fine and there is a good exchange of information and preparation of common positions viz a viz government.
- Regular participation in the policy dialogue
- Il faut appropriation par le gouvernement Coordination pas systematique
- Facilitate coordination by means of using new technologies (in the cloud document sharing, videoconferences, etc.) and headquartes implication on regional issues.
- Avoir des réunion thamatiques avec les autres bailleurs surtout EM.
- I think that stakeholders coordination in the country is good and it is steered by Government. There is discussion over any topic although it is evident that

Government is not keen to disseminate information that may not please donors, i.e. contracts signed under direct agreement with emerging donors, or concessions signed with private investors without proper procurement... Coordination among Development Partners is not particularly developed but this is also a consequence of lack of interest by traditional donors for the transport sector

#### Summary quality of coordination between EU and other stakeholders

The figure below shows the EUDs assessment of the quality of the coordination with other transport sector stakeholders.

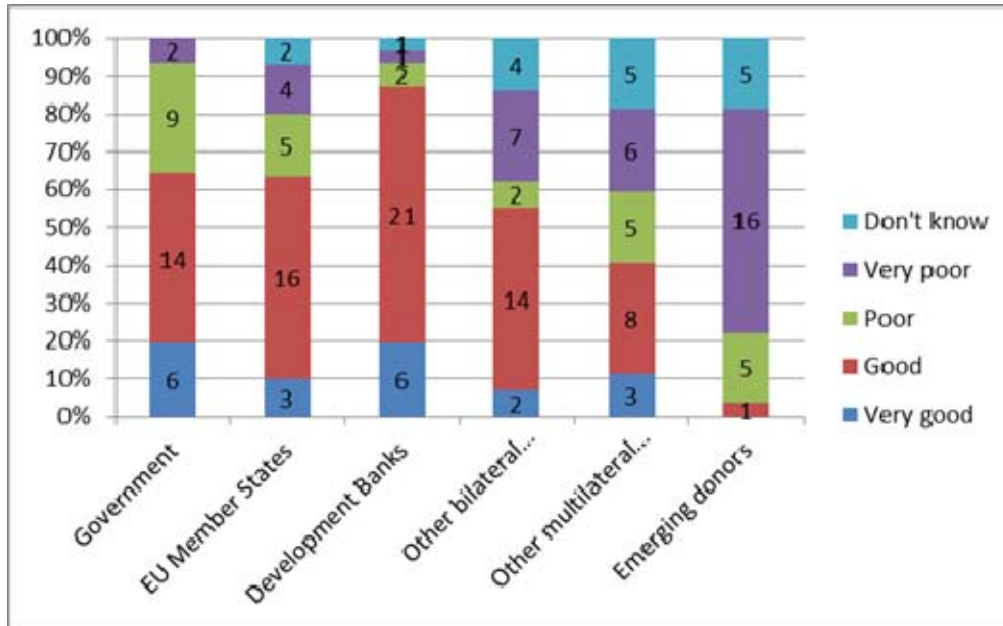


Figure: Quality of coordination between the EU and other transport sector stakeholders

EUDs considered that the quality of coordination was, by far, the highest between EUD and the major development banks. Coordination with the governments was considered good by 20 of the EUDs, whilst 11 EUDs indicated that it was poor. The quality of coordination with emerging donors, and China in particular, was considered (very) poor by the majority (21/27) of the EUDs.

#### JC 3.4: Cross cutting issues were considered in EU transport sector support policies and strategies, preparation of national/regional sector policies and strategies and were followed up during implementation.

The perception of what may be considered to be a cross cutting issue varies with country and, even if so defined, this does not necessarily ensure mainstreaming (or even further mention in programming documentation). Interestingly national sector policies and strategies make more consistent reference to (and definition of) cross cutting issues than some donor programming documentation although there has been increasing focus with the passage of time. That being said, the issues most commonly identified as 'cross cutting' are HIV/AIDS, environment and gender issues.

Environmental issues, and more recently, a combination of environmental and social issues, have received attention in terms of preparation of ESIA's and ESMP's for most donor funded transport sector infrastructure capital works (even though in some countries environmental legislation and enforcement is weak and environmental licensing of construction projects is either not required or not compulsory. In this respect EU support has followed best international practice. However, little evidence has been examined of EU support to provision of environmental resilience or mitigation measures against impacts of climate change

With respect to enforcement of legislation and publicity campaigns regarding emissions, noise, safety and axle load control, such enforcement is weak in most African countries. EU has supported road safety measures increasingly with time as the burden of exceptionally high accident rates on African roads becomes ever more apparent. Also, much attention has been paid to axle load control (although perhaps a little harshly it may be said that more attention has been paid to highlighting the resulting problems than to supporting solutions to those problems) as overloading continues to be a common, hugely damaging phenomena with little effective control in many countries.

The transport network is recognised as a powerful vector in propagation of HIV/AIDS with incidence mapping of HIV/AIDS concentrations forming a macabre representation of major road corridors. All project interventions supported by EU (and most other sector donors) have included provision for sensitisation and information dissemination on HIV/AIDS to populations in road catchment areas (and to contractors' work forces).

Of the 'main' cross cutting issues, support to mainstreaming of women's'/gender issues is arguably the weakest with noticeably less reference to the issue in EU programming documentation and national sector policies and strategies. There are few examples of proposed interventions to either mitigation of pro-active support to gender-related problems in transport.

**Indicator 3.4.1. Evidence of coverage of cross-cutting issues in sector policies and strategies including existence of a realistic strategic environmental and social assessment for the sector.**

All national sector's policies and strategies include reference to cross-cutting issues as do most CSPs/NIPs but the definition of a cross-cutting issue varies from country to country and between EDF programming cycles. Certain of the issues identified as cross-cutting are discussed in more detail below:

- Environmental and social issues (including ESIA's and ESMP's).
- Enforcement of sector legislation and priority campaigns regarding noise, safety, licensing and axle load control
- HIV/AIDS
- Gender

It is interesting to note some of the identified cross-cutting variations in identified cross-cutting issues.<sup>160</sup>

Country	9 <sup>th</sup> EDF	10 <sup>th</sup> EDF
Lesotho	Road safety Environment	HIV/AIDS Equal opportunity

<sup>160</sup> Some countries list a series of priority issues at least some of which may be inferred as cross-cutting e.g. 10<sup>th</sup> EDF CSP Eritrea lists inter alia: quality, safety, environmental impact, network planning, axle loading, programming, coordination, etc.

Country	9 <sup>th</sup> EDF	10 <sup>th</sup> EDF
	Gender HIV/AIDS	'Polluter pays' Environment
Kenya	Road safety Environment Regional integration	Environment Gender HIV/AIDS
Uganda	Safety Environment Gender HIV/AIDS	Environment HIV/AIDS & STIs OHS Governance Security
Zambia	-	-
Ghana	-	Environment Private sector development NSAs HIV/AIDS Gender Safety Governance Financial accountability Decentralisation
Tanzania	-	Gender Environment Disease control (including HIV/AIDS) <sup>161</sup>
Eritrea	-	-
Gambia	-	Dialogue Financial sustainability of Road Fund Private sector development
Sierra Leone	-	Human rights Gender equality Democracy Good governance Children's rights Environmental sustainability HIV/AIDS
Malawi	-	-
Mozambique	-	HIV/AIDS Environment Gender Social issues
Ethiopia	-	Gender Dialogue Environment
Rwanda	-	HIV/AIDS Environment Capacity building
Liberia	-	Environment
Botswana	-	-
Namibia	-	-

Some findings from the above:

- There is no consistent definition of cross-cutting issues.
- There is greater reference to cross-cutting issues with the passage of time from 9th to the 10th EDF periods.
- The most frequently identified cross-cutting issues are: HIV/AIDS, environment, gender and safety; these are discussed in greater detail below.

**Madagascar:** Les principaux dimensions pouvant être considérées comme «transversales», telles que la bonne gouvernance, la préservation de l'environnement, la lutte contre le VIH/SIDA, sont très faiblement intégrées et

<sup>161</sup> Also there are 'horizontal themes' – safety, inter-operability.

prises en compte dans le développement du Secteur des Transports. Cross-cutting issues are systematically addressed in EU programming and contractual documents. In EU road projects, based on ESIA, social and environmental accompanying measures being part of the RN6 and RN7 projects were implemented by 2 local NGOs. The approach did not abide to a strict understanding of cross-cutting issues but made notable contributions for maximising the benefits of road paving and prospects of increased traffic for the local communities (markets places, parking lots, school classes, boreholes, etc.).

**Senegal:** Issues relating to the environment, gender, poverty reduction should be considered as cross-cutting because of their inclusion in all sectors of economic development.

**Mozambique:** HIV/AIDS, environmental impact, gender, road safety, resettlement. Consistently identified but not necessarily fully implemented or mainstreamed.

### **Questionnaire responses 50 (policy and practices of government with respect to cross cutting issues in the transport sector):**

According to the EUDs cross cutting issues are generally not considered sufficiently or not at all by governments. 8 EUDs replied that cross cutting issues were not considered, whilst others stated:

- There is a specific awareness on road safety. Otherwise, the cross-cutting issues are rather imposed by the donors than promoted by the Government.
- Special attention is being given to rural populations, socio-economic impacts, health and education improvements. Some indicators start to be employed for gender but further efforts are needed. A specific indicator on EIA effectively applied in road sectors has been introduced in SPSP IV.
- EU projects include cross-cutting issues. For the rest of national projects I think they are not mentioned
- Peu ou pas de respect, sinon théorique et non en pratique
- The cross cutting issues like environmental impact, HIV/AIDS, safety, gender, health and safety are regularly included in the transport investment projects and are monitored during the implementation process. Environmental and social impacts and some other cross-cutting issues are also part of the studies at the stage of the project preparation.
- I do not know the policy and practices of the government with respect to cross-cutting issues in the transport sector in Guinea-Bissau. In the new strategic programme 2014-2018, nothing is said about crossing-issues in the transport sector
- These issues are part of the policy document. It is difficult for me to tell whether it is implemented in practice, apart from EU-funded projects (where the issue is clearly addressed).
- The policies on the paper sound nice but the practice is something else
- In general, Mozambique considers cross-cutting issues in most of their studies and strategies. It is when it comes to implementation that due to the very asymmetric capacity & performance of their internal coordination some of the intentions are lost.
- All has been reasonably well covered in policy documents of the government, whether it always results in consistent practices cannot be properly judged upon, but there might be room for improvement. Reports like the 'Basic Access and Mobility Standards and Needs' produced under 'Transport Sector Policy & Institutional Reform Support Programme (TSP-IRSP)' paid ample attention to cross cutting issues.

- Mesures transversales inscrites dans la politique des transports en accompagnement des projets routiers. Le suivi de leur mise en oeuvre est plus aléatoire.
- There are no clear politics in those fields beyond generic claims.
- Only environment is taken into account
- The Government has adopted policies and practices on cross cutting issues. However, these are more systematically applied on donor funded projects.
- There is a limited, but growing attention to crosscutting issue, also depending on the level of attention of the donors/funders
- En tout cas faibles en pratique
- Some raising awareness actions are financed during construction works on the cross-cutting themes indicated in section 48
- There is much more talking than action. Especially in times of budget cuts and financial austerity, they are seen as not-critical issues

***Indicator 3.4.2. Evidence of identification of direct and indirect environmental and social impacts (ESIAs) and mitigation of such impacts by implementation of environmental and social management plans (ESMPs) and compliance with relevant national and international legislation and licensing requirements for all transport sector works interventions.***

EIAs have been carried out and EMPs have been prepared as a component of most donor-funded investment support and implementation of construction contracts for more than a decade in compliance with national environmental legislation and licensing requirements which apply to civil engineering construction<sup>162</sup>. Expansion to ESIAs has been a more recent occurrence in EU interventions but all such donor funded infrastructure projects are considered for identification of potential social impacts and implementation of necessary mitigation measures such as compensation, expropriation and relocation.<sup>163</sup> That being said enforcement of national environmental legislation beyond EU and other institutional donors' projects is weak or absent in many countries in Africa.

A more serious criticism is the marginalisation or even abandonment of ESMPs during the course of construction.

**9<sup>th</sup> EDF**

All national transport sector policies and most 9<sup>th</sup> EDF CSPs make reference to environmental issues and to a lesser extent social issues in connection with transport sector support. Such reference varies in detail (e.g. *'carry out EIAs for all transport projects and ensure that construction and maintenance works adhere to environmental protection guidelines'* (Cameroon, **Tanzania and Kenya**); *'base road sub-sector investment decisions on social.....environmental principles that are sustainable'* (Madagascar, **Ghana**); *'EIAs to be carried out by the Roads Department'* (**Zambia**<sup>164</sup>); *reference to environmental legislation, institutions, studies, guidelines* (**Uganda and Lesotho**).

At regional level there is little reference to either environmental or social issues with regard to the transport sector – typically reference is made to the environmental profile of the region and its susceptibility to natural disaster. (e.g. 9<sup>th</sup> EDF RSP/RIP ESA & IO – COMESA, EAS, IGAD). There is some reference to EIAs and EMPs being prepared at national levels.

<sup>162</sup> Not all countries require formal environmental licensing of road construction on an existing alignment.

<sup>163</sup> Costs arising from social mitigation or compensation measures are usually the responsibility of national governments. Payment is often late such that delays in project implementation are common (as is also the case of movement of utilities e.g. water pipes, overhead cables, telephone poles).

<sup>164</sup> The 9th EDF CSP goes on to observe *'....but Zambia does not have the means to implement environmentally friendly transport services'*.



## 10<sup>th</sup> EDF

Almost all 10<sup>th</sup> EDF CSPs make reference to environmental issues whilst few make reference to social aspects of transport sector interventions. Most references confirm the implementation of accompanying measures on environmental protection in connection with road works and in establishing a national transport sector policy (e.g. **Liberia, Burkina Faso, Ethiopia, Tanzania**<sup>165</sup>, **Lesotho, Cameroon, Sierra Leone**), there is some reference to environmental legislation and institutions (e.g. **Uganda, Madagascar, Ghana, Kenya**, SEAs – Strategic Environmental Assessments (of the sector programme as a whole) (e.g. **Mozambique, Zambia, Eritrea**). There is a single reference to bio-engineering as a mitigation measure (**Rwanda** – soil stabilisation prevent erosion) and there is no reference to SIAs (Social Impact Assessments).

There is typically only generic reference to environmental issues in RSPs (e.g. bio-diversity and threats such as forest fragmentation).

## 11<sup>th</sup> EDF

Instructions for programming of 11<sup>th</sup> EDF programming make reference to importance of ensuring social dialogue and on sectors which contribute to environmental protection, climate change prevention and adaptation but the transport sector is not identified.

There is no climate change reference to potential impacts of climate change on transport infrastructure or planning for resilience of such infrastructure.

**Benin:** The national environmental legislation is enforced in the road sector, and ESIA's are prepared for construction projects, but generally crosscutting issues are selectively taken on board in EU road projects. Engineering and related budgetary issues minimize the scope for taking measures as regards crosscutting measures. Mainstreaming has not been considered.

Mitigation and protection measures for infrastructure assets against effects of global warming are not considered beyond international leitmotifs.

**Cameroon:** Tous les projets de construction et de réhabilitation des routes financées par l'UE au Cameroun ont fait l'objet d'une prise en compte marquée de l'environnement et du SIDA/VIH. Les questions de sécurité routière sont de plus en plus considérées. En matière de construction routière, les droits de l'homme et de genre n'ont pas fait l'objet d'une attention particulière.

**DRC:** Cross-cutting issues are selectively promoted (solely environment for the RN1) and not mainstreamed. Most other projects (PAR II, PARAU, PAREST, PASTAR...) do neither specifically address environmental safeguards nor VIH-SIDA or Gender, which are the most usual crosscutting issues of transport projects, and in particular road projects.

**Madagascar:** Madagascar dispose d'une législation nationale relative à la protection de l'environnement, à savoir : la Charte Environnementale et le décret relatif à la Mise en Compatibilité des Investissements avec l'Environnement ou MECIE. Ces textes juridiques exigent la réalisation d'Etudes d'Impact Environnemental et la délivrance de permis environnemental pour tout projet

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<sup>165</sup> Noting that the transport network is 'is an often neglected medium in which to address some critical cross-cutting issues including ....environment'.

d'investissement routier d'envergure (construction, réhabilitation et entretien périodique).

Malgré le fait que Madagascar dispose de normes anticycloniques et contre les inondations, lesquelles normes sont applicables pour les travaux d'infrastructures routières, les routes et les ponts restent vulnérables face aux catastrophes naturelles qui frappent annuellement le pays. D'où l'importance des coûts relatifs aux travaux de reconstruction /réhabilitation post-cycloniques.

**Senegal:** In Senegal, the regulations regarding Environmental Impact Study (EIA) is ensured by Act No. 2001-01 of January 15, 2001, establishing the Code of the environment and by Decree No. 2001-282 of 12 April 2001 on the implementation of the Code.

The law, in its article L48, considers the EIA as part of the environmental assessment in the same way as strategic environmental assessment and environmental Audit. The EIA is defined as being the procedure which allows to evaluate the beneficial or adverse, consequences that a development project or programme will have on the environment and to ensure that these consequences will be duly taken into account in the design of the project or programme.

The various projects requiring an EIA are defined by article R40 of Decree implementing the Environment Code. These projects are classified into two categories depending on the importance of the effects they can cause:

- category 1: projects likely to have significant impacts on the environment; These projects must undergo a deeper environmental assessment;
- category 2: projects whose impacts are limited or can be mitigated through the application of alternative measures in their design. For the latter, the initial environmental analysis is indicated.

This project of rehabilitation of the road Kaolack - Birkilane - Tambacounda proposed in the 9th EDF could fit into this last category.

The conditions for the application of EIA have been defined by the Code; article L49, which stipulates that the EIA is the responsibility of the proponent of the project and in its articles L52 and L53 which put emphasis on the importance of popular participation in EIA procedures. Article R42 of Decree lays down the conditions for the approval of consulting firms authorized to carry out EIA. The contents of an EIA report was defined by article L51. The EIS should at least contain an analysis of the initial state of the site and its environment, a description of the project, the study of the changes that the project is likely to cause and the measures envisaged to remove, reduce or offset the negative impacts of the activity, as well as the cost of these before, during and after the completion of the project. Validation of EIA is entrusted to a technical committee composed of departments and other structures involved in the impact assessment, which meets once a month to examine the reports submitted.

A study diagnosis on the vulnerability of transport infrastructure funded by the Programme of Assistance of the Netherlands on the climate as well as the climate change part funded by the NDF in the context of the PATMUR (unfortunately no activity could be carried out in this framework) prove how this climate change issue is taken seriously in Senegal. Indeed the threat of transport infrastructure by the phenomenon of climate change is real for Senegal. This threat is problematic in the way that it involves, in the case of a scenario of acceleration of the elevation of the sea level, the most important infrastructures for the national economy namely:

- the national road 1 in its segment which crosses the region of Dakar and constitutes the most important support of domestic road traffic. It is also the beginning of the various Corridors to Mali, Mauritania, Guinea, Guinea Bissau and the Gambia
- national route 2 in its section that crosses the city of Saint Louis (part of the coastal corridor)
- the urban roads of the coastal cities including Dakar, Saint Louis, Kaolack and Fatick in particular.

Organizations of regional integration such as ECOWAS and WAEMU have developed regional environmental policies. But if this effort is laudable, it is clear that environmental policies already formulated and adopted by the appropriate bodies are experiencing difficulties of implementation. The overall assessment that can be made of these policies is as follows: • The relevance is real for most of those analysed policies. In fact, many of them, to varying degrees, have taken into account the three dimensions of sustainable development, the fight against poverty and the MDGs. However, this consideration has not always been in an explicit and systematic way with clear references, but rather by coincidence. • Most of the policies developed are well part of the treaties and Conventions establishing the main intergovernmental organizations of the sub region (ECOWAS, CILSS, WAEMU). Together, they contribute to the strengthening of regional integration, even if in some cases, this is not always in an obvious way. • The compilation methods were different. The process participatory, indispensable to the success of any policy, was not always followed rigorously except in a few cases. Therefore, major stakeholders were not consulted: parliamentarians, civil society, the world of higher education and scientific research organizations, which could make useful contributions. • The conditions of implementation of policies were not always well deepened from the development phase. The cost and terms of financing of some policies were not sufficiently treated. The device of monitoring-evaluation was discussed superficially in many cases. The institutional framework for implementation is not always formally established or does not work to satisfaction. • Finally, there is for any of these policies real communication strategy.

A study diagnosis on the vulnerability of transport infrastructure funded by the Programme of Assistance of the Netherlands on the climate as well as the climate change part funded by the NDF in the context of the PATMUR (unfortunately no activity could be carried out in this framework) prove how this climate change issue is taken seriously in Senegal. Indeed the threat of transport infrastructure by the phenomenon of climate change is real for Senegal. This threat is problematic in the way that it involves, in the case of a scenario of acceleration of the elevation of the sea level, the most important infrastructures for the national economy namely:

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- national route 2 in its section that crosses the city of Saint Louis (part of the coastal corridor)
- the urban roads of the coastal cities including Dakar, Saint Louis, Kaolack and Fatick in particular

But in summary, cross-cutting issues are selectively promoted (mainly environment) and not mainstreamed.

**Mozambique:** All EU capital works projects are subject to ESIA/ESMP and to licensing by MICOA. Maintenance works not subject to environmental licensing for individual work sites.

No explicit EU support to climate – proofing measures but other donors are supporting studies for major river valleys (e.g. World Bank – Limpopo valley)<sup>166</sup>.

**DRC:** Dans la totalité des projets d'infrastructures des transports, il est fait obligation de précéder les travaux par un audit environnemental. Et le document cadre de politique de transport a préconisé en 2002, l'interdiction d'importer l'essence avec plomb. Ce qui a été entériné au niveau africain dans la Déclaration des Ministres des transports de l'UA faite à Addis Abeba en Avril 2005. L'année 2015 était retenue comme date butoir pour la production de l'essence avec plomb en Afrique.

Les effets du réchauffement climatique ne sont pas encore clairement définis pour être pris en compte.

Au niveau régional la BAD finance un vaste programme pour la protection du Bassin du Congo (PACEBCO). Il vise à protéger les biodiversités en apportant un appui aux populations autochtones.

**Maurétanie :** Les projets de construction/réhabilitation des routes ont fait l'objet d'une prise en compte marquée de l'environnement et du SIDA/VIH (route Nouakchott-Rosso). Les questions des droits de l'homme et de genre n'ont pas fait l'objet d'une attention particulière.

**Uganda :** Appreciation for the cross-cutting issues in the sector is still lacking, lumping all social issues in the transport sector under cross-cutting issues. Moreover, the absence of clear financial codes (budget lines) in the policy settlement has hindered implementation and mainstreaming of these issues. The cross-cutting issues are frequently sacrificed in the budget (a designated % of total contract sum to cater for the cross-cutting issues might be considered). Contractor attitude towards safeguarding issues remains poor, while there is limited staffing at UNRA Safeguards Unit (and elsewhere) to manage the work.

#### ***Indicator 3.4.3. Evidence of enforcement of legislation and publicity campaigns regarding emissions, noise, safety, licensing and axle load control.***

All these issues are identified in national transport sector strategies and policies. However, throughout SSA enforcement of road sector regulations and legislation is weak, inconsistent and characterised by opportunities for informal payments made at the scene of actual or alleged infringements. Testing and enforcement of regulations relating to emissions and noise are rare. In recent years licensing of vehicles has increasingly required annual safety inspections (easily circumvented by informal payment) and issuance of driving licenses has required a driving test (equally readily circumvented in some countries). Most sector support effort has gone into road safety (most donor funded capital works projects have been subject to safety audit at design stage) and axle load control measures (enforcement again being a critical issue – many weigh stations are inoperative<sup>167</sup>, over loaded trucks are rarely off-loaded, fines are not

<sup>166</sup> EUD reports that €10M has been mobilised after the 2015 floods for climate resilient 'build back better' in Zambezia and Nampula provinces (10EDF) with consideration of a further €16M (11EDF). A further example of adaptation for climate-sensitivity is the use of locally available gravel for road base on Mocuba-Milange II, thus avoiding use of cement stabilisation i.e. reduced carbon emissions from cement production.

<sup>167</sup> For years not one of the weigh stations at Malawi's land borders was operational. The only (sometimes) operational weighbridge on the main N-S road between Lilongwe and Blantyre was easily bypassed.

commensurate with actual damage caused and are often 'negotiated' informally at the road side and weigh stations are often avoidable.

#### 9<sup>th</sup> EDF

More than half of the CSPs examined make reference to road safety issues with rather less reference to axle load control. Although there is reference to emissions, noise and licensing of vehicles in national legislation EU sector support has not covered such issues (except in drafting of national sector policies and strategies).<sup>168</sup>

Coverage of **Road Safety** in sector policies typically refers to development of road safety programmes and safety assessments (**Ghana**), '...proper maintenance of road marking and traffic signs' (**Zambia**),<sup>169</sup> more effective road signing and systematic identification of accident courses (**Mozambique**) commissioning of a Road Safety Audit, black spot identification and treatment through improved roadway design, accident statistics collection and analysis, police enforcement capacity development, road safety education programme development and implementation, public information strategy execution, health care and accident response capacity improvement (**Uganda**)<sup>170</sup> and legislation (Road Safety Authority Bill **Kenya**).

Coverage of **axle load control** is noticeably less but typically refers to enforcement of axle load and weight restrictions with a reasonable level of compliance ...(Kenya) and support to construction of weigh stations, strengthening of management capacity (to minimise road damage and improve road safety) (**Uganda**).<sup>171</sup> In some cases like for Cameroon, overloading is perceived as an opportunity to raise resources for the road funds rather as an end in itself.

#### 10<sup>th</sup> EDF

Almost all 10<sup>th</sup> EDF CSPs make reference to mainstreaming of cross-cutting issues but few actually identify 'safety' as such a cross-cutting issue. All national sector policies and strategies make reference to at least axle load control and safety and there is some reference to the need to update such policies (e.g. Cameroon, **Gambia**). There is now greater coverage of safety issues than axle loading although little progress has been reported in either issue (e.g. 10<sup>th</sup> EDF CSP **Ethiopia** '*During the past 4 years ERA's institutional capacity also improved but only modest progress was made in road safety and axle load control*').

Coverage of **road safety**<sup>172</sup> in sector policies typically includes institutional reform (creation of a Road Traffic Authority – **Malawi**), consideration of safety issues in project design and implementation (**Ghana**), as a '*significant horizontal theme*' (**Tanzania**), institutional support (**Uganda**)<sup>173</sup>, 10<sup>th</sup> EDF support to **Eritrea** continued support to the 9<sup>th</sup> EDF Road Maintenance and Safety Programme (RMSP) which had road safety measures as a major component of support.<sup>174</sup> In

<sup>168</sup> Although there is no evidence of EU support to enforcement of traffic regulations, usually the responsibility of police and/or customs authorities (GVW), such support would not normally be included in transport sector support envelopes (but rather under governance support).

<sup>169</sup> Zambia's transport policy goes on to note that the main reason for Zambia's relatively low number of traffic casualties is generally very low traffic density, not any active government involvement in safety issues.

<sup>170</sup> The 9th EDF CSP for Uganda goes on to note: *There have been no campaigns to promote the use of safety belts, to avoid drink and drive practises and to respect speed limits. In conclusion very little has been done up to now. The main problem seems to be the weakness of the National Road Safety Council (NRSC) which is exacerbated by the lack of coordination and harmonisation of the activities of the many stakeholder involved in road safety (MoWHC, Kampala City Council and other Municipalities, Uganda Police, Health Agencies, etc).*

<sup>171</sup> The 9th EDF CSP for Uganda notes that enforcement of axle load control is a condition for donor disbursement.

<sup>172</sup> It is noted that only Zambia considers 'safety' as anything other than 'road safety'. Zambia also considers aviation safety.

<sup>173</sup> Uganda also includes OHS as a cross-cutting issue.

<sup>174</sup> Mainly guard rails and other physical restraint measures on the escarpment road between Asmara and Masawa.

West and Central Africa, responsibility on road safety was not individualized with a dedicated agency; it stays to a large extent among the numerous missions hardly fulfilled and often shared by ministries of transport (services) and ministries of public works (infrastructures).

Control of **axle loading** has less coverage (although overloading problems resulting in damage to road pavements and safety jeopardy have certainly not reduced is referred to in general terms only in some CSPs (e.g. **Eritrea, Malawi, Cameroon, Uganda and Lesotho**). In some rare cases like for Burkina Faso, overloading is not even mentioned.

Regional sector policies and RSPs have concentrated on common regional frameworks for cooperation in road transport (e.g. TRIE – Transit Reutier Inter-Etats – ECOWAS and WAEMU) but ratification and implementation at national levels has been tardy. Typical issues include areas such as:

- improving on the implementation of harmonised laws and regulations on maximum axle loads, vehicle dimensions and gross vehicle mass;
- expanding the coverage of the regional (e.g. COMESA) carrier license and the regional third party motor vehicle insurance (Yellow card);
- introducing common road transit charges;
- improving road safety;
- implementing a regional customs bond guarantee system, and
- improving operations of the ports and railways as an integrated regional transport system (including shipping services).

#### 11<sup>th</sup> EDF

There is no explicit reference to any of these issues in 11<sup>th</sup> EDF programming instructions as programming is expected to make use of national or regional policy documents which should make such reference.

Brief case studies on coverage of these issues are set out below:

While **Ethiopia** and **Uganda** are considered to have the relatively highest road accident fatality rates in Sub-Saharan Africa, **Tanzania** has probably been most prominent in EU supported TA for road safety. Much depends on the priority attached by the country's Ministry of Transport and/or the National Roads Agency to (i) road safety, (ii) damaging effects of axle overloading and (iii) air/noise pollution; and the underlying regulations of drivers licensing, vehicles roadworthiness testing, with associated enforcement practices and re-education of offenders.

These issues belonging to the domain of 'transport services' have had little coverage from EU (institutional/ capacity building) support with the exception of axle load control which is more closely related to road infrastructure lifetime reduction and disturbance of 'normal' road maintenance cycles.

In **Uganda**, axle load control has, reportedly, become a burning issue with much pressure being exerted by the donors to protect *their* investments in new and rehabilitated roads. New fixed penalties are in the pipeline that would bypass the present involvement of magistrates and more information is now available about which vehicles are the greatest cause of damage to the roads – single axle and international through traffic. Political will to tackle this problem is bolstered by regional initiatives to harmonise axle load control within the East African Community. Whether and when this might lead to operation by the private sector is presently an open question, but application of commercial principles and

attractive wage packets provides a good opportunity to deal with the issues relating to axle load control. WSP has advised both UNRA and the EU on approaches to combating previous rent seeking behaviour by weighbridge officials.

In **Zambia**, the importance of Axle Load Control has been recognised and the undertaking of an axle load control programme (ALCP) was supported by NORAD and EU from April 2004. The undertaking was budgeted to amount during a period of approximately 4 years to a budget of USD 7.1 million of which Norway committed to 60% and EU to 40% of the budget. At the closure of the project in June 2008 not all components of the programme were fully completed. EU agreed to take over the responsibility for the project as a component of the ROADSIP II framework. The conclusion of the 2009 NORAD end term review indicated that in general the programme was satisfactory. However, procurement and installation of weigh bridges was very unsatisfactory due to delays (land acquisition) and cost overruns (equipment and site works). Provision, installation and implementation of the computerised and remote-control vehicle overload management system (VOMS) was successful with satisfactory institutional development. The impact of the programme was considered positive, with the rate of overloading had reduced to about 3% for axle loads and 8 % for gross vehicle mass. RDA's general impression of the project was that it has helped to reduce the overload rate to less than 5%, which was the target of the project. As regards sustainability, the intention was to integrate all (financial) requirements in the RDA Annual Work Plans.

It is possible that, like in **Ghana**, axle load control has been a relatively important issue addressed with 'Programme Estimate' (PE) funding, largely left to the discretion of recipient agencies. It is (now) unclear (because of lack of information on PE reporting) to what extent the PE outcomes, in all countries with transport as a focal sector, contributed to capacity building.

The typical 'road safety' recommendations, waiting for concrete action in most SSA countries, are:

- Road safety requires coordinated action by many different stakeholders. It should be priority of both the government and the Non-State Actors to draft jointly a strategy to reduce the number road accidents and fatalities and injuries caused by those accidents. In this strategy, attention should be paid to engineering standards in design of transport infrastructure and traffic operations; education and training of users of road infrastructure; law enforcement; and public campaigns;
- The need for and the management of a dedicated road safety fund could be further explored.

EU support to **Tanzania** is highlighted in this context with contributions like:

- Organisation & Management Study of Department of Safety & Environment With A View To The Creation Of A National Road Safety Agency, MOID, January 2010
- Road Safety Media Campaign and EU Visibility, Design Report, October 2011
- Provision of Road Safety Education in 20 Dar es Salaam Schools, November 2011 (considered to be the most impressive performance)
- With recommended strategic actions to: Carry out road safety awareness campaign nationwide; Carry out further road safety awareness in schools nationwide; Carry out further training of journalists.

**Uganda:** A well-designed network of Axle Load Control stations (weighbridges) and their technical outfit is largely completed, but the challenge of effective and independent operations remains. A recent study has recommended a private sector management contract with a reputable international operator. A National Road Safety Authority (NRSA) can do little more on road safety than the National Road Safety Council (NRSC) could do in the past, as long as there is no operational Road Crash Data System (RCDS) in Uganda. Year 2013 has been used to agree on the needs and system design of this RCDS which was then piloted in 2014. It will take 2015 (if not longer) to roll out the RCDS countrywide, and probably a few more years to consolidate all functions including a permanent manager of the system, next to a Data Analyst and an IT specialist who has followed the software development with the responsibility for software sustainability after hand-over. These three constitute the absolutely essential permanent “work force” of a future NRSA (or current NRSC) governed by a collective composed of the MoWT, the (Traffic) Police, the Road Agencies and the Ministry of Health (with MIS on hospital cases, ambulance services, etc.).

**Ethiopia:** Road safety is a growing concern (with more than 3,100 fatalities annually), but difficult to address effectively, given the prevailing civil service handicaps (recruitment of qualified staff, lack of clear leadership). Further strengthening of Axle Load Control is expected after implementation of a network of 14 truck weighing stations (incl. relocation of 3 of the 10 existing stations), where the out-dated equipment will be replaced by WiM (single platform) equipment including a pre-selection facility to exclude empty and lightly loaded trucks.

**Cameroon:** En matière de l'amélioration de la **sécurité routière**, les résultats obtenus, avec l'appui de l'UE, sont positifs (voir tableau ci-dessous). Entre 2005 et 2013, le nombre d'accidents a baissé, passant de 4 079 en 2005 à 3 071 en 2013. Au cours de la même période, le nombre de blessés a baissé, passant de 6 631 à 4 630. De 2011 à 2013, il est observé une baisse du nombre de morts de 1 588 en 2011 à 1 170 en 2013. L'appui de l'UE a contribué à l'atteinte de ces bons résultats dans le cadre de son programme de « sécurisation routière Yaoundé – Douala » (9<sup>ème</sup> et 10<sup>ème</sup> FED). Sur ce corridor de transit international le plus circulé du pays, l'appui de l'UE a permis la réalisation des panneaux de signalisation routière (verticale comme horizontale), de construire trois sections à 2x2 voies pour faciliter les dépassements dans de meilleures conditions de sécurité, la formation (gendarmes, policiers et conducteurs routiers) et l'implication des organisations non gouvernementales (ONG) en matière de sensibilisation de proximité.

#### Evolution des indicateurs liés à la sécurité routière

Indicateurs	2005	2006	2007	2008	2009	2010	2011	2012	2013
Nombre d'accidents	4079	3726	3317	3781	3502	3639	3522	3398	3071
Nombre de blessés	6631	6149	5016	5608	5038	5038	4980	4284	4630
Nombre de tués	1150	1085	1018	1253	1189	1206	1588	1058	1170

Source: Ministère des transports “Transtat 2014 – Annuaire Statistique des Transports” 2014

Le Cameroun dispose d'un bon réseau des stations de pesage avec 17 stations fixes opérationnels en 2013, contre 13 stations en 2009. En 2014, le nombre de stations de pesage s'élève à 21 stations de pesage fixes et 4 stations de pesage mobiles. L'engagement pris par le Gouvernement dans le cadre du Memorandum of Understanding de 2006 est de couvrir l'ensemble du réseau bitumé à l'horizon 2015 en disposant de 25 stations de pesage. Le Cameroun a mis en place, avec



l'appui de l'UE, un dispositif efficace de contrôle des charges des véhicules poids lourds, le pesage étant respecté et opérationnel. La surcharge est l'une des causes majeures de la dégradation prématurée des infrastructures routières. Les dépenses d'entretien seront d'autant plus réduites que le patrimoine routier sera protégé contre les surcharges des véhicules poids lourds. Des efforts importants ont été réalisés par le Ministère des Travaux Publics (MinTP), avec l'appui de l'UE, pour mettre en place un système efficace de pesage. Celui-ci peut être considérée comme étant une référence pour l'Afrique Centrale et de l'Ouest. Le Gouvernement du Cameroun, avec l'appui de l'UE et des autres bailleurs de fonds, a mis en œuvre à partir de 2004 des réformes politiques visant à améliorer le contrôle de la surcharge. Le dialogue s'est avéré efficace, notamment en ce qui concerne l'extension de l'infrastructure de contrôle, l'amélioration de la collecte des données et les campagnes de sensibilisation. Les opérations de contrôle des charges ont entraîné une baisse du taux moyen national de véhicules en surcharge qui est passé de 84% en 1998 à 13% en 2011 puis à 6,8 % en 2013.

**Benin:** Axle-load control is still not enforced on regional corridors or at ports' gates (against repeated commitment of GOB with EU and at regional level). Overloading practice is systematic. It is presented by haulers' Union as the only way to compensate the cost of road blocks, empty return and waiting times in the port and at destination (Ouagadougou or Niamey).

**Madagascar:** La mise en place et le renforcement du système de contrôle des charges routières sur les Routes nationales primaires sont au stade de lancement. Ce système est d'une efficacité très limitée: les camions en surcharge continuent leur route après paiement d'une amende qui est loin d'être dissuasive (seulement 10%).

**Senegal:** The axle load control at the national and international level poses a serious problem of harmonization. Beyond the adoption of regulation 14 of the UEMOA, arises a real implementation problem. Taxes are not harmonised. There's no adequate infrastructure to perform the shedding at the weighing posts. The juxtaposed controls posts are still not operational. Road safety statistics do not reflect the impact of the rehabilitation of the various routes of the classified road network. It is even recorded on some stretches and increase in the number of accidents because of the speed improvement due to the good condition of the road. Road safety campaigns conducted at the national level have had enough positive impacts in terms of number of students, villages, women and single users sensitized.

**Mauretania:** Le contrôle de la charge à l'essieu des véhicules poids lourds, sous la responsabilité du Bureau du Contrôle Routier (BCR) au sein de la Direction Générale des Transports Terrestres (DGTT), **n'est pas effectué en Mauritanie**, notamment par manque d'équipements de pesage sur le réseau routier. Il n'y a pas à ce jour de poste de pesage fixe ou de pont bascule installé sur le réseau routier pour assurer le contrôle des tonnages transportés par les véhicules poids lourds. De ce fait, les pratiques de surcharge des camions sont l'une des causes majeures de la dégradation prématurée des routes mauritaniennes.

**Mozambique:** EU has not supported axle load control or enforcement of traffic regulations. No statistics on trends of accidents are included in the latest 6-monthly report on PRISE.

**DRC:** Le contrôle de la charge à l'essieu n'est pas encore suffisamment répandu à travers le pays. Le FONER examine la question en vue de mettre en place un système de contrôle mobile à gérer probablement par des privés.

La Commission Nationale de la prévention routière (CNPR) produit des statistiques des accidents pour l'ensemble du pays. Rien ne garantit la fiabilité des statistiques publiées dans la mesure cette structure qui attend sa réforme n'a pas les ressources (humaines, matérielles et financières) pour accomplir sa mission.

#### **Indicator 3.4.4. Evidence of HIV/AIDs mainstreaming at all stages.**

##### 9<sup>th</sup> EDF

There is noticeably less reference to HIV/AIDS in 9<sup>th</sup> EDF CSPs (than in 10<sup>th</sup> EDF) as regards transport sector support (and other support sectors). Of the references to the transport sector only a few (e.g. **Lesotho, Uganda**) make reference to specific support activities, others making passing reference only (e.g. Madagascar, **Mozambique** – *'secondary activities....'*) Most CSPs make no reference to HIV/AIDS in sector support activities.

##### 10<sup>th</sup> EDF

All 10<sup>th</sup> EDF CSPs (and national sector policies) examined make reference to HIV/AIDs although not all such references are in connection with EU sector support. Some 75% of CSPs make reference to EU-supported interventions including components for sensitisation by means of information campaigns as well as project specific programmes for each road construction project.<sup>175</sup>

There is also reference to sector policies including reference to national efforts to combat HIV/AIDS (e.g. **Eritrea** – RSDP)

In most countries HIV/AIDS is classified as a 'cross-cutting issue'. Such issues vary from country to country but may include at least a few of the following: environment, PSD, support to NSAs, HIV/AIDS, gender, safety, governance, financial accountability and decentralisation.<sup>176</sup>

All cross-cutting issues are aimed to be mainstreamed in EU support.<sup>177</sup> The 2008 ESA and IO Evaluation notes that *'....it is only with the 10<sup>th</sup> EDF that proposals will be formulated for the inclusion of an HIV/AIDS component in all RIP programmes.'*

##### 11<sup>th</sup> EDF

There appear to be no references to HIV/AIDS in guidelines for programming of 11<sup>th</sup> EDF support or in preparation of MIPs (Multi-annual Indicative Programmes).

In terms of general references and analysis there is special emphasis on the transport sector as a vector for propagation of HIV/AIDS (and STDs). Transport workers, migrant workers, and local populations in border communities and migrant populations in general are especially vulnerable to HIV/AIDS (see e.g. table 1-1/1-2).

<sup>175</sup> Including line items in BOQ for reimbursement of contractors costs (usually engagement of a specialized NGO).

<sup>176</sup> Ghana CSP includes all these issues.

<sup>177</sup> The Lesotho 10th EDF contains a curious combination of reference to HIV/AIDS sensitivity, equal opportunities and 'polluter pays' mainstreaming in a single paragraph.

Table 1-1. HIV prevalence rates in the general population and among truck drivers		
Country	General population prevalence rate (%) (UNAIDS 2007)	Transport sector prevalence rate (%) reported in 2008 UNGASS Country Reports
Benin	1.8	5
Cameroon	5.4	16.3
Congo, Dem. Rep. of	3.2	3.3
Eritrea	2.4	7
Ghana	2.3	4
Guinea	1.5	7.3
Malawi	14.1	14.7
Mali	1.7	2.5
Niger	1.1	1.7
Rwanda	3.1	16.1

Table 1-2. Mobility of truckers and absence from home	
Kenya	Average of two weeks away between home visits
Nigeria	Average 5 weeks away between visits home
South Africa	14-20 days away from home per month
Uganda	70% spent less than one week at home during past four months

Two examples are given below (**Ethiopia** and **Zambia**) which are suggested to be typical of activities of sensitisation in the SSA transport sector.

The **Ethiopia** Road Sector Development Project (RSDP), implemented by Ethiopian Roads Agency, was the first transport project to include HIV/AIDS prevention clauses in its works contracts. The work started in 1998, and it took three years to mainstream HIV/AIDS prevention and control activities within ERA and in the RSDP construction projects. The project team encountered multiple obstacles in implementing HIV/AIDS programs because the issues surrounding sex and STIs were considered as taboo, and awareness within the ERA staff about HIV/AIDS was very low. A World Bank team assisted the ERA to apply for funds from the Ethiopian MAP to be used for raising awareness and preparing a prevention strategy. In July 2004, the ERA completed the HIV/AIDS strategy and policy documents, established a VCT service within the ERA headquarters' health clinic, and organized a workshop in partnership with the Bank for helping five eastern and southern African countries to prepare transport HIV/AIDS prevention and control strategies.

In the transport sector the World Bank<sup>178</sup> is a main player in implementing a multi-sectoral approach to combating AIDS. In particular, its Africa Region Transport (AFTTR) unit has been piloting key initiatives aimed at complementing national HIV/AIDS prevention and control programs, which are usually managed outside the transport sector.

Major milestones were achieved through integration of HIV/AIDS prevention activities in ongoing projects (retrofitting exercise: appointment of an HIV/AIDS focal point; hiring a consultant or NGO for technical implementation of HIV/AIDS activities; distribution and promotion of condoms); incorporation of HIV/AIDS clauses in bidding and contract documents, and enforcement of HIV/AIDS policy in workplace environment. The sector's spearhead operation has been the

<sup>178</sup> Lessons Learned To Date From HIV/AIDS Transport Corridor Projects (Brushett/Osika, World Bank Global HIV/ AIDS Program Discussion Paper, August 2005).

Abidjan-Lagos Transport Corridor HIV Project (ALCO), drawing support from many other donors including EU, and later more or less replicated in other corridors.

The three major lessons learned are: a) the need to dialog with the HIV/AIDS teams in the client countries to accelerate the process of endorsing, disseminating, and operationalizing the policies; b) establishing simple and clear M&E procedures within the national strategic framework; and c) developing evidence-based programs which will help for a better understand of the impact of HIV/AIDS on the transport sector.

The annexes of the *FIDIC Policy on HIV/AIDS in the Construction Sector* contain a technical specification for a HIV/AIDS clause for inclusion in the FIDIC construction contract, and examples of compliance reports—which may be considered as a main streaming effort.

In **Zambia**<sup>179</sup>, RDA's contracts with contractors include a clause on environmental health and safety management, where the contractor is to sensitise workers and local residents on the dangers of contracting and spreading HIV/AIDS and to ensure that all project staff, including truck drivers delivering supplies, have access to condoms. Also the contractor is to consult, liaise and work closely with existing health and local authorities, NGOs and other stakeholders in the project area. The clause is included in all contracts with contractors, including those funded through EDF. Progress reports listed the number of meetings, drama performances and other HIV/AIDS sensitisation activities, but do not inform on participants (numbers, whether community members or staff, proportion of women and men), nor on methods used (was it a lecture or dialogue/discussion), and thus tell little about possible effects of the sensitizing activities.

The main challenges related to HIV/AIDS prevention activities in the Zambian road sub-sector seem to be:

- Lack of management commitment and priority from (some) contractors;
- Lack of capacity (knowledge, skills etc). among contractors and service providers in relation to HIV/AIDS sensitisation;
- No indicators and standardised procedures for monitoring of HIV/AIDS sensitisation activities and their effects.

After 15 years, the search for the right approach, here the “HIV/AIDS workplace approach” is still piloted, in this example as part of the KfW-funded Rural Roads for Poverty Reduction Programme in Southern Province of Zambia. This includes a survey on knowledge, attitudes and behaviours, mapping and assessment of qualified service providers, sensitization of the management of contracting companies, training of focal points and peer educators and M&E. The AWiSA/Afya Mzuri local NGO team worked closely with key stakeholders in Southern Province and at national level. A GIZ development worker is based in Southern Province to coordinate, monitor and document the pilot programme.

This serves to illustrate, not only for Zambia, how these processes turn out to be, and impossible without sustained external funding. If there are lessons to learn by EU, then it would perhaps be with the help of typical case experiences as touched upon here.

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<sup>179</sup> Ministry of Communication and Transport has developed a “HIV and AIDS Policy for the Transport sector in Zambia” [June 2010], based on consultations with key stakeholders within Government, the private sector and civil society organisations. The policy was launched in 2010 and is considered an appropriate framework for enhancing the integration of HIV/AIDS considerations in the road sub-sector.

**Benin:** Programming in progress.

**Madagascar:** L'intégration de la lutte contre le VIH / sida et des questions de genre dans le cadre du 11e FED est comparable à celle du 10è FED

**Senegal:** In Senegal, all running different donor programmes take into account this aspect of HIV/AIDS that is cited in the health and nutrition part of the Plan Senegal Emergent (PSE). Beyond the PSE in all studies of social and environmental impact of transport infrastructure projects is well taken into account the AIDS aspect in terms of communication, information, education and prevention. It is also what makes that Senegal has seen its prevalence rate down below 1%.

With regard to the gender aspect, it should just be mentioned that in the documents of strategy and policy, women and young people occupy a prominent place.

Taking into account gender issues and HIV/AIDS under the 11th EDF will be in the same way as the previous PIN.

**Mozambique:** Preliminary notes on possible structure of 11<sup>th</sup> EDF support to rural roads include reference to 'accompanying measures for transport services, improvements and other cross-cutting dimensions' and also identify road safety and axle load control as cross-cutting issues. There is no reference to cross-cutting issues in the draft ToR identification of the 11<sup>th</sup> EDF Pre-feasibility Study for Integrated Rural Development through improved rural transport<sup>180</sup>.

#### **Indicator 3.4.5. Evidence of gender mainstreaming at all stages.**

##### 9<sup>th</sup> EDF

Few 9<sup>th</sup> EDF CSPs make more than a passing reference to gender issues although all national sector policies prepared during the 9<sup>th</sup> EDF implementation period (some with EU support to preparation) include reference to gender issues. CSP references vary in scope (e.g. promotion of women in the transport sector – **Mozambique, Madagascar, Cameroon**; incorporation of gender perspective in corridor development and management – **Tanzania**; '...despite the lack of specific policies on addressing gender concerns in the transport sector – **Uganda**; improved road and footbridge access to markets and social services in rural areas benefiting primarily women and children, temporary employment of women LB works – **Lesotho**).

In **Zambia**, the ROADSIP II documentation (2003) covers gender issues in exceptional detail i.e. lists the following key issues and recommendations in order to effectively address gender as a cross-cutting issue:

- Inclusion of women in decision making processes, with sufficient representation of women at both programme coordination and decentralised level;
- Greater informal employment of women in road maintenance and construction; the target is that "for every three people employed, at least one should be a woman and this condition must apply for all positions from general labour to supervisory positions";

<sup>180</sup> EUD notes that this is 'a draft programming document under evaluation' and that it can be assumed that cross-cutting elements will be strengthened/elaborated in the document'.

- Capacity building and training, including enhancement of technical and other broader skills for both women and men as well as gender sensitization for male counterparts;
- Higher income generation opportunities for women;
- Development of a strategy to mainstream gender into ROADSIP II activities
- Monitoring of gender mainstreaming, with suggested indicators on number of women in the programme and their positions, number of women attending training, number of women awarded contracts, the number of women contractors.

In line with the ROADSIP II, an Addendum to the (9 EDF) Financing Agreement states that contracts are to be designed to encourage the employment of women and furthermore that pre-project awareness and consultation with women groups should be conducted. One of the indicators is thus the number of women and local labourers employed. It is also mentioned that there will be gender balance in the Boards of RDA, NRFA and RTSA and that contract clauses for gender balance in terms of job opportunities shall be included in every contract under EDF financing. However, all this is good intentions.

An overview of 35 (RDA) road works contracts which were all ongoing in 2009 shows that only just over 4% of the contractors' staff were women. In comparison, a list from the regional RDA Engineer's Office in North-Western Province shows that in three contracts signed for feeder road rehabilitation under the EDF 9 between 19% and 31% of all the contractors' staff were women, while between 19% and 47% of the local staff were women (none of the contractors had women among their foreign staff). Another comparison is with three ongoing GRZ contracts in North Western Province where between 4% and 15% of all the contractors' staff are women. Although the three sets of figures should not be directly compared as they are for works on different types of roads, requiring different type of skills, it can still be concluded that the proportion of women in road maintenance and construction is considerably lower than the target set in ROADSIP II that "for every three people employed, at least one should be a woman and this condition must apply for all positions from general labour to supervisory positions". According to staff in the RDA Regional Engineer's Office in North-Western Province and RDA's ESMU, there are no gender clauses in works contracts encouraging the employment of women. However, in line with the overall GRZ gender policy, contractors have generally been encouraged to employ both women and men (the target is that 30% of employees are women) and many of them also provide sex-disaggregated employment data in their progress reports. Some stakeholders complained, however, that more should be done to get more women into the road sub-sector than just encouraging contractors to employ women (including a standard gender clause in works contracts, for labour-based contracts, for a start).

Evaluation reports do generally not identify sex-disaggregated data for participants/ beneficiaries of capacity building and training interventions.

The 9<sup>th</sup> EDF RSP for COMESA, EAC and IGAD observes '*National gender policies are the exception rather than the rule and women in general do not receive equitable treatment although there is often a mainstream focus on redressing inequalities in the provision of social sector services.....COMESA is in the process of developing a regional Gender Policy and IGAD recently established a Women's Desk, the role of which is to mainstream gender issues in all IGAD programmes and projects.*'

## 10<sup>th</sup> EDF

Most 10<sup>th</sup> EDF SCPS and national sector policies make reference to mainstreaming of cross-cutting issues but, surprisingly, gender issues are only identified as such a cross-cutting issue in a few countries (e.g. **Mozambique** – reference to gender roles, **Tanzania; Uganda; Sierra Leone**).

#### 11<sup>th</sup> EDF

Although there is reference to the importance of existing social dialogue there appears to be no explicit reference to gender mainstreaming in the guidelines for programming of 11<sup>th</sup> EDF support.

#### **Questionnaire responses 49 (gender-disaggregated indicators):**

Most EUDs responded simply “yes” (3), “no” (6) or “don’t know” (6). Others remarked:

- Yes, there is a specific multi-partners working group on gender issues. National statistics are gender-disaggregated
- Some indicators are available but further efforts are needed to consolidate the data, technical assistance provided by stakeholders will support Government of Ethiopia in enhancing the quality of the collection system.
- No. It is difficult to get indicators in Guinea-Bissau. Even more difficult for gender-disaggregated indicators (that we try to get for food security, nutrition and health)
- I doubt we would be able to disaggregate data for the transport sector.
- No. There is no gender issues monitoring system in place in the country
- Just beginning
- Going along with what we experience in water sector there are hardly any gender-disaggregated indicators and/or data collection systems in place. Question 48 is further very confusing: 'Yes, but not for transport sector' is incompatible with the question.
- No real data, maybe just a recommendation in reports with no actual consequences
- There are no strong data collection systems in place. Most information is collected in the context of projects and hence on an ad hoc basis.
- No indicators related to gender in the transport sector Budget Support
- Probably yes.
- To some extent they are disaggregated, but there is a fundamental problem with quality of data





## EQ4. Infrastructure operation and maintenance

**EQ4: To what extent has EU sector support contributed to sustainable, affordable transport infrastructure in Africa?**

*JC 4.1: Sector infrastructure is financially sustainable (EU support has facilitated adequate economic resources and allocations for the transport sector).*

Budget allocations for road maintenance remain inadequate to meet maintenance needs in most African countries whilst, in some cases, not even these (inadequate) funds are actually disbursed due to programming, procedural and management issues (Cameroon being typical of these situations). The result is rapid deterioration of road network condition, especially regarding unpaved trunk roads and lower category roads (vulnerable not only to traffic loads, but also to rain/storms), and an increasing maintenance backlog. Concurrently new construction continues<sup>181</sup> in many countries, this increasing the total length of the network and future maintenance liabilities.

Longer term budgeting is improving in accuracy (but not everywhere, in particular in West and Central Africa) as expressed in preparation of MTEFs and/or multi-annual budgets although programming and reality rapidly diverge in some countries due to decisions being made on a basis of poor quality information and a lack of updating of original projections (outdated sector or sub-sector 'master' plans in many countries).

There are many examples of 'user pays' principles mainly in the form of fuel levies accruing to a Road Fund for maintenance of the road network<sup>182</sup>. Whilst the system is working as intended in some countries there are many examples where the fuel levy is not pitched high enough to meet maintenance needs and/or not all such revenue do not actually arrive in Road Fund coffers (ie 'ring fencing' is not effective), and/or where the still small national vehicle fleet size cannot generate the needed road user charges.

Doubts continue about the affordability of some national road networks due to the size of that network and resultant quantum of maintenance liabilities coupled with relatively low traffic volumes even on major roads (ie conventional procedures for calculation of EIRR cannot return economic justification of investments). In some countries and almost systematically in West and Central Africa, a Core Road Network (CRN) of limited size and strategic importance has been identified upon which available maintenance funding is focussed – in other words a strategic prioritisation of limited funds but also an acknowledgement that the entire network is not affordable (at least for the time being).

<sup>181</sup> No longer with EU/FDI funding but new construction continues with 'new' bilateral and other funding (eg Arabic funds, MCA).

<sup>182</sup> Most SSA countries but not in North Africa.

**Indicator 4.1.1. Adequacy of budget allocations dedicated to maintenance (recurrent) and investment (development) expenditure during the evaluation period compared with needs.**

Budget allocations to maintenance remain inadequate for maintenance needs in a majority of SSA countries (and in some cases, not all of these inadequate funds have been disbursed due to sector institutional management and procedural inefficiencies). The situation is improving in North Africa in this regards. At the same time national funds which could have been used effectively for routine or periodic maintenance have been used for new construction and further expansion of networks that are not being satisfactorily maintained<sup>183</sup>.

Some typical case studies are given below from **Ethiopia, Malawi and Uganda**.

Financial sustainability in the road sector consists in ensuring that sufficient funds will be earmarked to finance the required road maintenance works. Government commitment to road maintenance is a critical element to ensure the sustainability of the road network. Road maintenance is generally divided into:

- routine maintenance carried out regularly several times per year (vegetation control, clearance of ditches and culverts, filling of potholes, re-installment of signaling, small repairs of the drainage system);
- periodic maintenance (bituminous surface treatment or bituminous concrete overlay for paved roads, new gravel layer for unpaved roads, bridge repairs).

The latter is an important strategic operation since it ensures a sufficient structural strength of the pavement, thus preventing or delaying the break-up of the road under trucks traffic which would require a much more expensive reconstruction of the road.

The development and situation in **Ethiopia** provide an example on potential financial sustainability, albeit that emphasis during the last decade has been on network extension, particularly to connect rural communities.

Before 1997, there was a limited road maintenance activity. Under RSDP, significant steps have been taken to protect the investment in the road network by increasing maintenance spending from sustainable domestic resources. Some key figures of road maintenance are presented in the following table.

**Key figures of road maintenance in Ethiopia (in millions of ETB)**

	Routine maintenance of federal roads		Emergency + routine maintenance of regional roads		Total RSDP expenditure (federal, regional, Woreda + urban)
	Expenditure	Average ETB/km	Expenditure.	Average ETB/ Km	
RSDP-I (1997-2002)	676	16,250	170	13,700	7,285
RSDP-II (2002-	848	18,350	513	19,500	18,113

<sup>183</sup> This is an issue that is difficult to examine due to lack of transparency of programming processes. National funds allocated to maintenance by road funds are frequently used for rehabilitation, in some cases against stated strategies of prioritization of routine maintenance. In other cases, a dedicated window was open for investments in RF budgets but resourced from the national budget and not RUC.

2007)					
RSDP-III (2007-2010)	1,370	21,000	439	24,500	34,958
RSDP-IV (2010-2014)	2,010	24,350	1,068	30,000	120,502
RSDP-IV periodic maintenance <sup>184</sup>	1,746				

Source: ERA (2014), Road Sector Development Program: 17 years performance assessment.

The road fund (ORF) was created as the main source for maintenance financing (plus a contribution from the general budget for periodic maintenance of paved roads). At the start of the RSDP-I (in 1997), ORF received annually ETB 320 million which increased gradually to one billion ETB per year five years later, but today (2015) it is still only 1.2 billion ETB (€ 54 million) per year, plus an additional 1 billion ETB allocation from MOFED, to be used by ERA for periodic maintenance, primarily for overlaying asphalt roads. ORF applies a fixed distribution of the funds: 65% for ERA, 25% for the nine Regional Road Authorities, 10% for the Municipal Road Authorities with 50% of this going to Addis Ababa City Road Authority. The operational costs of the ORF are covered by MOFED's recurrent budget. There is broad awareness, certainly at the Office of the Road Fund (ORF) and ERA's Road Asset Management Department that more needs to be done on maintenance, particularly on periodic preventive maintenance (there has been a gradual build up in the maintenance backlog, with about 20% of the main road network remaining in a poor condition).

A recent report on Road Maintenance Needs assessed that the road maintenance budget should reach ETB 3.7 billion (150 M EUR) per year to satisfactorily upkeep the road assets of year 2011. A minimum maintenance strategy would require at least ETB 2.4 billion (95 M EUR). A proposal has been presented to the MoFED to raise Road Fund revenues by 50% to ETB 2 billion (80 M EUR). The state budget would have to finance the balance of ETB 0.4 billion (16 M EUR) as periodic maintenance of paved roads (overlays).

It should be noted that, as the network keeps increasing in length, the financial requirements will rapidly further increase to cover routine maintenance on these new roads and, a few years later, their periodic maintenance. Thus the above-mentioned report concludes that, in year 2020, annual maintenance funding must reach a minimum of ETB 2.9 billion (115 M EUR) for the federal and regional network, plus ETB 0.5 billion (20 M EUR) for rural access roads.

This increase in the Road Fund resources will only be effective if the capacity of domestic contractors is enhanced, and both issues must be tackled in parallel.

Escalating costs are a continuous threat to sustainability and affordability. ERA has formulated the following measures in an attempt to limit cost increases:

<sup>184</sup> Thus is an additional allocation earmarked for funding periodic maintenance

- Training of more professionals and technicians to the benefit the ERA and RRAs, as well as local consultants;
- Improving the quality of road design: local consultants will receive training, and ERA will put new emphasis in the supervision of studies with the use of check lists to better control them;
- Improving project implementation (contract administration in particular) in order to complete projects on time and within budget; a performance evaluation system is being introduced through which contractors are evaluated; those who did not perform satisfactorily will not be allowed to tender on locally-financed projects;
- Improving right of way clearance: a better coordination with the Ethiopian Power Corporation (for electricity lines), Ethiopian Telecom for telephone lines and local administrations for the removal of houses and businesses will take place before project construction tendering; 84 agents in ERA are now dedicated to this task alone;
- Improving institutional capacity in road research adapted to the local conditions; and
- Continued building capacity of road agencies: with the increase in the volume of works, ERA Regional Directorates responsible for construction project implementation, and even more RRAs, need further training and technical cooperation.

Clearly, this will be a long-lasting process whose effects will take time to materialize because of the continuously increasing volume of road works. The World Bank is assisting ERA with a large package of technical assistance starting at the end of 2013. AfDB has also decided to provide project management assistance to ERA specifically focused on the road construction projects that it finances from 2014.

In **Malawi**, the urgency of investment in preservation of the paved trunk/core road network has been articulated by the 3<sup>rd</sup> Joint Transport Sector Review (April 2012) where it was estimated that a backlog maintenance programme for periodic maintenance on 1,170 kilometers and rehabilitation backlog of 670 km would require at least (the equivalent of) US\$ 350 million.

Based on an annual maintenance input of 3.3% of the road network asset (replacement) value, it was estimated that about US\$ 110 million/year would be needed for the paved trunk network of more than 4,300 km, of which approximately US\$ 65 million/year for a Core Network of approximately 2,400 km (55% of the paved network). Another estimate, using unit rates of US\$ 2,000 per km/year for routine maintenance (RM) and US\$ 120,000 per km/year for periodic maintenance (PM) for paved roads, would lead to a lower annual requirement of about US\$ 60 million/year for the full paved network, whereas the Roads Fund, under most optimistic assumptions, might be able to provide US\$ 45 million/year (for the total national, rural and urban network).

Also in **Uganda** it is stated that sustainability of programme benefits depends on adequate maintenance (and control of truck overloading). Using a RMMS UNRA

will soon have the tools to prepare, annually, five-year rolling programmes for periodic maintenance. UNRA will be able to quantify the consequences of under-funding and justify the money needed to bring riding quality, and hence travel speeds, up to an economic optimum.

Availability of funding should not be an issue, but it is. The Uganda Road Fund (URF) is responsible for funding maintenance and vetting claims on its resources. Notwithstanding its independence under its empowering act, the Road Fund relies on allocations from the Ministry of Finance, Planning and Economic Development as exercised through parliamentary votes.

In FY 2008/09, MoFPED had allocated UGX 1,100 billion for road development and maintenance, the largest budgetary allocation for road construction in Uganda's history, which could however in no way be absorbed by the young UNRA organisation. UNRA's budget utilization ratio was only 70% to 80% in the years 2009/10 till 2011/12 (see table below), but that ratio has increased to close to 100% in more recent years. URF succeeded to disburse its budget almost entirely all along those years. However, full disbursement by URF does not mean that all money is actually spent. Particularly at district level, there are unspent balances flowing back to the Consolidated Fund of the GoU Treasury, although districts have 3 months after the end of the fiscal year (until September) to settle contract payments.

#### **Annual budget allocation to UNRA and URF & actual expenditure (in billions of UGX)**

	2009/10	2010/11	2011/12	2012/13	2013/14
UNRA - Budget Allocation	809	577	799	1,177	1,897
UNRA - Actual Expenditure	588	401	649	1,168	1,852
URF - Budget Allocation	116	284	279	278	351
URF - Actual Expenditure	111	283	258	235	352

Source: MoWT.

Note 1: FY 2014/15 incomplete (URF just 1<sup>st</sup> Quarter – UNRA possibly 3 quarters?).

Note 2: URF provided slightly different figures as regards its budget and expenditures

The next table shows the annual and actual disbursements of URF to UNRA, KCCA and DUCAR for road maintenance, plus the amounts used for financing the operations of URF itself. The trend is moderately upwards, with annual variations of the agencies' shares in the following ranges: UNRA: 59-72%, DUCAR: 22-34%, KCCA: 4-5% (only!), and URF operations: 2-3%.

#### **Actual Road Maintenance disbursements of URF to UNRA, KCCA and DUCAR (in billions of UGX)**

	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15 Estimate (Q1-Q3) x 1.3
UNRA	178	168	139	254	253
KCCA	12	11	12	12	18
DUCAR	85	73	79	79	108
URF	8	6	5	7	7
<b>Total</b>	<b>283</b>	<b>258</b>	<b>235</b>	<b>352</b>	<b>386</b>

Source: URF.

Annual maintenance expenditures and comparative receipts from fuel excise do not even hint at the doubling of the national road network in September 2008 when 10,000km of the DUCAR network was transferred to UNRA. Available funding meets only one-half to two-thirds of maintenance alone, or just one-third of the combined maintenance and backlog needs. This failure of Road Fund to preserve road assets is the greatest single threat to sustainability of the backlog road maintenance programme.

The paradox is that, when maintenance funding is insufficient to preserve existing assets, finance ministries fund road developments that add to the burden of asset maintenance and lengthen the list of unmaintained roads.

**Benin:** The structural deficit of the Road Fund is increasing due to insufficient revenues from the fuel levy. Sector Budget Support provided by the EU (and Denmark) relieved temporarily (3 years) the gap but at the same time the Government decreased its own budgetary allocations to the Road Fund. RF revenues cover at best 30% of maintenance needs (as defined by MPW).

**Cameroon:** L'appui de l'UE à l'entretien routier a permis, durant la période 2005 à 2013, de mettre en place un bon dispositif de contrôle des charges des véhicules poids lourds, mais il n'a pas encore permis la mise en place d'un système d'entretien routier adéquat. La durabilité du patrimoine routier n'est pas garantie sans un entretien régulier du réseau routier. Le Fonds routier actuel ne fonctionne pas bien, le système de passation des marchés d'entretien routier est défaillant et les PME ne sont pas performantes

**Madagascar:** Resources planned for road maintenance, to be collected by the FRE (which is a 2nd generation road fund), initially increased to a level close to the full coverage of maintenance needs (90% in 2009). Payment of the fuel levy to FER by fuel importers ceased when the GoM established a fixed retail price and failed to pay promised compensation to the importers. Since 2014, the GoM and fuel companies periodically negotiate upon the level and rhythm of payment of the arrears to the FER, without significant progress or improvement. The only such payment agreed had to be paid (by the petroleum companies) to the Treasury rather than to the FER, with no prospects of the money being allocated to road maintenance. For 5 years, no resources were therefore available for road maintenance and prospects are bleak to restore liberalised fuel retail prices (election prospects in September and change issues), which could make a step forwards in solving the problem of the fuel importers refusing to release the fuel levy revenues.

**Mozambique :** PRISE/PES 2014 records that in the last 6 months of 2014 Government funds (made available) were 58% of target whilst external funds were 16%. Overall, 35% of the targeted amounts were made available. During the same period disbursements were 30% of the overall programme target (73% of national funds; 27% of external funds).

**DRC :** D'après les responsables du FONER, les besoins en entretien routier exprimés par l'Office des Routes, l'Office des Voiries et Drainage (OVD) et la Direction des Voies de desserte agricole (DVDA) sont estimés à 250 millions de

\$US par an. Les ressources mobilisées en 2014 étaient de 114 millions de \$US. Dans l'hypothèse de mobiliser le maximum des prévisions de 2015, les ressources attendues seront de 100 millions de \$US. Ces chiffres montrent que les besoins en entretien ne seront couverts qu'à hauteur de 40 %.

FONER revenues increased annually by 10% during 2010-2014 but the maintainable road network is also increasing with projects financed by donors (Pro-routes, RN1 and recent EU projects such PASTAR and PAREST). PAREST alone re-opened some 500 km in Eastern DRC that it is now to FONER to finance maintenance. The OdR is disorganised and poorly equipped for disbursing timely the funds availed by FONER. FONER has set a monitoring and auditing system to check effective realisation of OdR works, and consistency with technical specification. A technical and organisational audit will be conducted by the WB-financed study on OdR reform.

**Mauretania** : L'appui de l'UE à l'entretien routier, de 2000 à 2015, permet l'exécution correcte de l'entretien du réseau routier et la sécurisation de son financement. La durabilité du patrimoine routier n'est cependant pas garantie sur le long terme après 2015, car le Fonds routier n'est pas encore mis en place.

**Senegal** : Allocations to maintenance funding increased with the establishment of FERA (2nd generation Road Fund), promoted by the EU and the World Bank (its operationalisation was the main object of the conditions before signing the Financing agreement of the EDF-9 road project). However, the level of the fuel levy is still too low to cover maintenance needs. Half of the total annual budget of 50 billion FCFA is sourced from the national budget. Maintenance is implemented by Ageroute, a road agency. Funding available for maintenance has actually been disbursed in full. The GOS demonstrated a firm commitment to provide funds regularly to FERA, and those contributions were indeed on the increase over the years. The coverage of periodic and current maintenance needs of the classified network is achieved at 70%. The maintenance of the rural network was transferred to the local communities without corresponding financial transfers. The share and extent of the paved classified network is steadily increasing, with an ambitious highways programme. However no increase of FERA resources to maintain the extended network – partly financed by multilateral donors and increasingly by bilaterals – is foreseen. Tolls are not installed on major paved roads, only on one new highway (suburban, towards the new Dakar airport).

**Morocco (ENP-S)**: Le Maroc dispose d'un fonds routier, avec des ressources sécurisées, qui n'assure que l'entretien du réseau des routes classées (routes bitumées, en terre et rurale), sous la responsabilité du METL. Les routes rurales non classées dépendent des collectivités locales, sous la responsabilité du Ministère de l'Intérieur. Le Fonds routiers ne finance pas l'entretien de ces routes rurales non classées. Le problème se pose donc actuellement pour la prise en charge de l'entretien de ces routes rurales par les collectivités locales. Le Maroc, par ailleurs, contrôle systématiquement la charge à l'essieu des véhicules ; évitant ainsi des détériorations prématurées du patrimoine routier.

#### **Questionnaire responses 27 (Road Funds) :**

Apart from several comments stating that there is no road fund established, almost all other comments pointed at issues that that have limited the impact of

Road Funds on the sustainability of the road network. The majority relates to a shortage of financial resources for the fund. Other point at allocation issues (not enough funds allocated to maintenance) and institutional capacity issues:

- The benefits of having an operational Road Fund of 2nd generation have been limited by: 1) Lack of capacity of road maintenance SME, 2) Slow implementation of tendering procedures by contracting authorities and 3) since 2011, delays in paying invoices due to lack of funds in the RF account
- Le fonds d'entretien routier ne sert pas à la maintenance mais à la réhabilitation ou la construction de routes.
- Not a second generation road fund; not autonomous; disbursement controlled by the Ministry of Finance; Not enough funds available for maintenance
- No impact because the road fund is not existing anymore. This is a pity because the roads are very much in need of maintenance
- Until the Road Fund was financed (then a five years crises put in danger the whole institutional structure) the maintenance of the network was quite covered by the recovered finances. Nowadays the whole system has to be restarted from scratch
- Financing of the Road Fund is not sufficient to face network needs. Management of the fund would still need further improvement.
- The Road Fund collects too few revenue (20% of the amount needed) and the allocation of the few collected revenues suffers from the 'strong man in the board', plus poor planning in the Road Agency. Procurement problems often make the overall impact too little too late
- There is a road fund, but the funds available to it are not enough
- For a country as big as Mozambique the management of the whole network is of extreme challenge. Compared to other countries in different regions in Africa the achievements are remarkable.
- Contracts awarding procedures management
- Increase of budget allocated to maintenance and improvement of road network
- Priorité n°1 de la Stratégie Nationale des Transports (maintien du niveau de service actuel sur l'ensemble du réseau prioritaire) atteinte.
- No actual maintenance has been carried out. Money transferred to the 'Office de Routes' is not used for actual maintenance
- There is a dedicated flow of funds from the fuel levy which have increased substantially over the years. However, it would appear that not all the money is used for maintenance in the strict sense of the term.
- Due to limited RF human and financial resources
- Jusqu'à 2013 le budget du Fonds d'entretien routier était très faible
- Although the Fund is not fully a second generation one, it helps a lot keeping visible on the agenda the maintenance costs.
- The establishment of the road fund and its operationalisation is still recent, although impact is starting to be seen. About 30% of the network is estimated to be almost properly maintained. This needs to be confirmed, as several big rehabilitation projects are underway.
- The impact of the road fund has been limited. The financial resources are too limited due to the loss of value of the fuel levy and on the limited control of the RFA over the revenues flows. The EC Delegation has been very active in



advocating for an increase of the fuel levy and it seems that Ministry of Finance is considering it. However a stronger and more independent board for the RFA and more direct control over the revenues would be additional important changes to make

***Indicator 4.1.2. Existence and application of approved national transport sector programmes (capital works and maintenance), considered in a realistic MTEF (multi-annual budgeting) ensuring predictable annual budgets.***

Preparation of increasingly accurate MTEFs is a conditionality of budget support and has formed a component of preparation of Joint Assistance Strategies in some countries (e.g. **Ghana, Tanzania, and Benin**). National transport sector programmes are supposed to provide important inputs for MTEF but are not operational (i.e. updated with relevant and reliable data) in most countries. An exception, regarding the road sub-sector only, is the RSDP in Ethiopia, which serves well as an MTEF.

**Ethiopia:** Ever since 1997, but even more vigorously since 2007 (during the third Road Sector Development Programme, RSDP-III), the GoE has identified the transport sector as a priority, allocating a lion's share of the National Budget to it (more than 20% of actual expenditures), equal to around 4% of GDP (see table below). While the focus was primarily on the road sub-sector throughout the three successive RSDP phases, the GoE's first Growth and Transformation Plan (GTP-I, 2010-2015) identified the rail sub-sector as a second focal transport sub-sector (for which massive financial support would be received from the Chinese government and Chinese banks).

**Transport sector expenditures in Ethiopia 2007/08 – 2013/14  
(in millions of Ethiopian Birr; ETB).**

Year	2007/08	2008/09	2009/10	2010/2011	2011/2012	2012/2013	2013/14
Transport sector expenditure	8,608	10,444	15,102	19,863	29,576	35,227	41,071
Total GoE expenditures including external financing	46,915	57,775	72,598	93,943	124,416	154,010	184,974
<b>Transport sector as % of total GoE expenditures</b>	<b>18.3%</b>	<b>18.1%</b>	<b>20.8%</b>	<b>21.1%</b>	<b>23.8%</b>	<b>22.9%</b>	<b>22.2%</b>
GDP at current market price	245,836	332,060	379,135	515,079	747,326	864,673	1,047,393

Year	2007/08	2008/09	2009/10	2010/2011	2011/2012	2012/2013	2013/14
Transport sector as % of GDP	3.5%	3.1%	4.0%	3.9%	4.0%	4.1%	3.9%

Source: MOFED (Macro Economics Department)

**Benin:** No MTEF in the sector.

**Madagascar:** Faute de visibilité sur les ressources financières destinées aux Programmes routiers, la préparation et la qualité des CDMT ne sont pas appréciables. Il y a tendance à l'adoption d'un budget de moyens au lieu d'un budget-programme prévu dans la Loi Organique sur les Lois de Finances (LOLF) de 2004.

**Mozambique:** Forward rolling programme of PRISE has been extended for some years i.e. 2011 – 2014 and now urgently requires revision.

**DRC:** La structure chargée du suivi de mise en œuvre du DSCRDP dépendant du Ministère du Plan élabore les cadres de dépenses à moyen terme (CDMT) pour chaque secteur. Il en existe un pour le secteur des transports.

**Questionnaire responses 42 & 43 (multi-annual transport sector investment plans) :**

- Several uncoordinated strategies are being prepared by different ministries.
- Ethiopia has launched several projects in transport sector, for a total amount of several billions of euro. Some projects are showing financial risks and Ethiopia is negotiating bilateral non-concessional loans to finalise the implementation of some railway, road and energy sector. The sector PFM could be improved.
- There is no prioritisation of investments; The investment plan is not necessary coherent with available financial resources of the country.
- I don't know
- The Action Plan for Mali is revised yearly at the occasion of the Annual Sector Review. It is accurate and comprehensive but we might question the performance of the monitoring of actions planned.
- The tendency is for the Government to create a shopping list based on promises by donors. Some of the those promises happen to be unrealistic, due to different constraints, resulting in bits and stretches of roads constructed in and around areas in bad conditions.
- Road sector is treated as a different sector as the rest of transport. While road sector prepared a multianual program that was - at the beginning quite accurate and up to date, transport sector did not. Road sector program suffered in the last few years because of new emerging donors that deviated their support to areas that were not the priorities of the sector (priority must be understood as priorities yet to be financed).
- Figures, but not a real programming

- National political priorities often have priority over sector investment plans.
- We are not anymore involved in transport sector (except for one indicator for GBS), so no knowledge on multi annual transport sector investment plans etc.
- They have an efficient data collection service, gathering information from donors on ongoing project, but they haven't capacity and/or will to take initiative
- Plans National de Transports are elaborated but not revised
- The plans are not adequate in the sense that they do not match budget availability. Furthermore, activities are carried out not always covered by the investment plans as these are not updated regularly.
- Plan preparation ongoing (EU supports the Plan for road Maintenance)
- Transport investment plans are prepared regularly, usually as part of strategic documents (stratégie nationale de transport, plan développement économique et social, etc.); however, investment plans are usually unrealistic and poorly implemented, evaluated and updated.
- There is a problem of prioritization of investments in Transport in the country. Priorities change with the change of governments which happened frequently over the last 3 years.
- The ministry of public works establishes a plan which is revised annually.
- There is very little value added in preparing complex investment plans in contexts of fluid economic situations and volatility. I have not seen in my entire career an investment plan that has not gone off-track in its second year of implementation. In addition in most of the cases investment plans are needs-based, and countries do not normally manage to leverage the required level of funds to implement them

***Indicator 4.1.3. Evidence of application of 'user pays' strategies (e.g. fuel tax allocation, transit fees, and emission surcharges: ring-fenced Road Fund).***

The highest profile measure of 'user pays' strategies is the establishment of Road Funds whereby a fuel levy is charged with revenues accruing to the Road Fund for maintenance of the public road network. Various estimates have been made of the required level of this fuel levy in order to ensure long term balance between maintenance (and other investment needs) and also such levels will vary between countries. However, an oft-quoted figure of USD 0.10 – 0.13/litre has been estimated. In most countries the initial level was fixed with the stated intention of phased increases over a specified time period. This phased increase has not taken place in most countries.<sup>185</sup> A further issue is that revenues were expected to be 'ring fenced' with the Road Fund and Road Agency acting as independent bodies. The large and reliable revenues accruing from imposition of the fuel levy have, in some countries, proven to be irresistible to the Treasury whilst there are also instances of the independence of the sector institutions

<sup>185</sup> The argument for such continuing increases is somewhat weakened when available, but still insufficient, funding for necessary maintenance cannot be disbursed by the highway authority.

being limited such that funds are directed to activities other than maintenance. A typical example is given of operation of the Road Fund in **Malawi** (PER 2013).

By March 2013, the road/fuel levy should have been at the level of MK 59/litre (petrol) and MK 54/litre (diesel), by adding a *Road Licensing Fee* of MK 12/litre to the earlier levies of MK 47 (petrol) and MK 42 (diesel). The incidental elimination of the latter (MK 47/42) levies on 9<sup>th</sup> March 2013 so that there was just a MK 12/litre level left for petrol and diesel, was restored on 5<sup>th</sup> April to the level of MK 44/litre (petrol) and MK 39/litre (diesel), only 6% of the fuel price, where it should be 8%. Assuming that the annual fuel consumption of the motor vehicle fleet will soon return to a level of 300 million litres (FY 2007/08 was the peak year recording 330 million litres fuel consumption, but the reported consumption went down to around 240 million litres in the last two years), the Roads Fund should be able to collect about MK 16 million from fuel levies in FY 2013/14. At an annual growth rate of the national (motor vehicle) fuel consumption equal to annual GDP growth (adjusted IMF scenario assumption), the fuel consumption would increase to a level of 450 million litres in 2022/23, and the 10-year accumulated road/fuel levies (assuming constant fuel price and fuel levy at 8% of fuel price) could then reach MK 200 billion. This would be equivalent to US\$ 450 million, assuming that the US\$/MK exchange rate for the 10-year period would, on average, not slip beyond 450 MK to the US\$. With an annual routine maintenance budget averaging US\$ 20 million, i.e. US\$ 200 million in 10 years, the Roads Fund (balance) could thus provide US\$ 250 million for periodic (backlog) maintenance—not enough but a significant contribution (that could be increased further by raising the road/fuel levy to 10%, and keep it fixed at that %). There would then remain an average annual RF allocation for periodic (backlog) maintenance of at least US\$ 25 million.

There are other manifestations of ‘user pays’ strategies which have been implemented including transit charges for trucks. There are however problems of transparency as regard such charges. To quote a typical example (Integrated Development of the Milange – Mocuba Corridor, Zambezi Province, Mozambique – Phase II) – *‘Although border crossing statistics for freight (containers and bulk) can be expected to be compiled by customs, it is reported that access to this data is difficult and that there are doubts about the accuracy of such figures. An alternative record is that of trucks paying transit tolls (although records from FE appear to show seriously lower trucks paying for transit coupons than were noted in traffic counts)’*<sup>186</sup>.

There appear to be credible reasons to believe that transit charges are being widely avoided. Other measures for ‘user pays’ such as emission control are almost entirely ignored even if national legislation has actually been enacted.

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<sup>186</sup> Informal figures for freight to/from Malawi show a significant rate of increase over recent years such that at the end of 2011 Malawi represents about 20% of the Quelimane port throughput (from virtually zero in 2008). Such increases are corroborated by recent 24 hour traffic counts and current estimates of traffic growth are of the order of 7%. In sharp contrast, records of payment of transit charges show a reduction of 65% in the first half of 2012 compared with the same period in 2011.

**Benin:** RF revenues cover at best 30% of maintenance needs (as defined by MPW). Transit charges are defined at regional level by UEMOA/ECOWAS. No emission control.

**Ethiopia:** In case the VAT (15%) on fuel and a fuel levy (of 2 ETB per litre) would indeed be made available for road maintenance (as per Road Fund Law), then at least 4 Birr/litre fuel should flow to the ORF<sup>187</sup>. In that case, a national fleet of 350,000 operating motor vehicles, traveling 20,000 km/year on average (i.e. 7 billion vehicle kilometres per year), at an average fuel consumption of 8 km/litre, would annually raise a total amount of  $(350,000 \times 20,000/8) \times 4 = 3.5$  billion ETB. However, the actual transfer to the ORF is much lower: ETB 1.2 billion in 2015. This implies that the actual fuel levy is about 1.4 Birr/litre, while the VAT on fuel is not made available for road maintenance (calculation based on the above mentioned technical parameters).

**Madagascar :** Due to the blockage of fuel levy payment, the FER intends to commission a study on diversifying its sources of revenue, particularly by installing a toll system on newly upgraded roads. Le Taux de Redevances d'Entretien Routier (RER) appliqué est loin de couvrir les besoins nationaux pour l'entretien courant des RN. Son recouvrement est de plus confronté à diverses problématiques liées au système de compensation proposé par les Compagnies pétrolières ainsi qu'à l'absence de l'application de la vérité des prix sur les hydrocarbures (subvention de l'Etat). D'où les importants arriérés de paiement des ressources du FER et dont le recouvrement (incertain) s'étale sur plusieurs années.

**Mozambique:** Revenues are increasingly insufficient for maintenance needs with recent changes in the revenue base of FE (the Road Fund), e.g: changed toll regime in Zambezia with bridge tolls going to Concessionaire, not to FE; exemption of major fuel imports of diesel fuel. No enforcement of emission controls.

**DRC:** The fuel levy is the main source of revenue of FONER. Their level is limited to 1 US\$ cent per litre and adjustments are not considered yet. FONER identify several shortcomings in fuel levy collection, from corruption in Customs services (the volume that escapes taxation would be as high as 50%), and fuel smuggling with neighbouring countries. A study was commissioned in 2013 to adjust FONER revenues but did not lead to significant changes. FONER is rather focused on fighting against leakages in fuel levy. La RDC étant un pays semi-enclavé avec un littoral de 47 km seulement dans sa partie ouest, n'a pas un trafic de transit. La RCA est le pays qui importe ses produits pétroliers par la RDC.

Le contrôle des émissions de gaz n'est pas effectif dans le secteur des transports.

**Senegal :** Fuel levy has not been adjusted since it was establishment as the sole FERA revenue in 2006. GOS has demonstrated high sensitivity to socio-political pressures and haulers' lobbying. Recourse to getting funds from the general

<sup>187</sup> Estimate based on a price of 16.1 Birr/Litre for diesel and 17.4 Birr/Litre for petrol (prices in Addis Ababa in May 2015).

taxation system is more comfortable in this regard. An AGEROUTE study on adjusting the FERA revenue system has considered diversifying the sources of revenues. Although the amount of revenue from other sources might be marginal, the option of exploring alternative revenues is preferred rather than adjusting fuel levies that is feared to be unpopular.

**Uganda** : The total daily motor-vehicle kilometrage estimated on the National Road network (in 2012), based on available traffic counts, would amount to slightly more than 22 million Mv-Km/day, or around 8 Billion Mv-Km per year. Including urban and rural Mv-Km production and an annual average traffic growth of at least 7%, total nationwide motor vehicle kilometrage in 2015, could be very roughly estimated at 15 Billion Mv-Km. This is estimated to lead to an annual (2015) fuel consumption (petrol + diesel) of roughly 1.5 Billion litres which at a US\$ 10 cents/litre fuel levy would raise US\$ 150M for the Road Fund (i.e. more than 400 Billion UGX). URF disbursed about 350 Billion UGX in FY 2013/14.

### **Questionnaire responses 53 ('ear-marking of funds for road maintenance and/or Road Fund):**

The following comments were made regarding earmarking of funds for the road sector:

- Since 2011 the fuel levy and other fees are not collected directly by the RF and they are channelled through the Treasury. This is a consequence of the lack of absorption of the RF.
- In theory the funds coming mainly from fuel levy (but also from road tolls and vehicle licesing) are earmarked for road maintenance, in practice in the last years the Ministry of Finance has imposed a cap to the financial allocation to road fund, without taking in proper consideration the physical need of the network.
- Don't know
- Non, ce n'est absolument pas clair, pas de comptabilité national qui permettrait d'identifier ces fonds. théoriquement c'est le cas, en réalité???
- Yes. All fees and taxes are collected by URA to the Consolidated Fund. MoFPED then disburses these fees from the Fund to URF annually.
- Not out of the petrol taxes which go straight to the Road Fund
- Road tolls, fuel levy and fines for load excess are earmarked and transferred directly to the Road fund. They do not transit through National Budget.
- Funds collected by the Road Fund
- Levies collected by the Revenue Authority, go to the Treasury and channelled to Road Fund
- Road tolls (concessions), fixed amount of fuel levy allocated to road fund, 25% of vehicle overloading fees
- Oui
- In principle yes, but in practice they are often diverted to other uses (no audit available)
- Part of taxes on cars are for road maintenance
- Funds from the fuel levy are transferred to the Road Fund that has is dedicated to Road Maintenance. The allocation of funds (%) to the different road authorities has been fixed by an Act of Parliament. The question is now to what extent the road authorities utilise the funds exclusively for road maintenance.

- They are earmarked, but RF doesn't get the 100% of the levy;
- Taxes sur les carburants Vignettes sur les vehicules
- Une redevance de 25 Francs CFA par litre de carburant consommé à la pompe est destinée au fond d'entretien routier. Cependant, des difficultés existent toujours pour le transfert de ces fonds au fond d'entretien routier. En dehors de cette redevance, le fonds collectés par le système de péage et pesage du pays sont aussi destinés au fond d'entretien routier.
- Fuel levy and annual budget
- Not always. However, the General Authority for roads Bridges and LAnd transportation has some ressources from the advertismment billboards in the streets. These revenues are partially used for road maintenance
- Yes, some: 100% of toll revenue and a special fuel levy for road maintenance
- Payages d'autoroute (ADM)
- Road Fund Administration revenues (mainly fuel levy) are exclusively earmarked for road maintenance, but these are not enough to maintain the network. Ad hoc allocation should be done through the Government budget, but funds for maintenance have kept reducing in favour of more allocations for roads upgradings

#### **Indicator 4.1.4 Evidence that transport (road) networks are affordable.**

Most national sector policies make reference to availability of *'efficient and affordable transport as a condition for economic development and poverty reduction'* (e.g. **Ethiopia, Uganda, and Tanzania**). In some countries this aspiration is expressed in connection with the road network (e.g. **Zambia – 9<sup>th</sup> EDF warrants continued support to achieve overall sector goals of an affordable, maintainable and safe core road network'**; 10<sup>th</sup> EDF support *'...will be made towards financial, institutional and technical inputs contributing to an affordable, improved, maintainable and safe national and regional road network'*).

However, there are concerns about the affordability of national road network, especially in continuing relatively high maintenance needs of un-surfaced, rural roads which should provide the accessibility needs of the majority of the populations of many SSA countries who live in rural areas. Conventional justification of investment requires an EIRR >12% - this level is dependent on traffic levels. Many African roads, even main roads, have low traffic volumes (such that toll roads are not viable except in a few cases e.g. Maputo – Ressano Garcia, or in connection with urban traffic eg Dakar Highway). Also the size of the road network is a burden to adequately maintain in these circumstances. Thus, in some countries reference is made to a core road network (CRN) on which limited funds are to be concentrated (the sub-text being that funds are not sufficient for the whole network).

Caution is being expressed about affordability in some countries (e.g. **Tanzania – There may be a need to limit the development of the primary road network to a core sustainable network. There may also be a need to adopt less ambitious standards and appropriate staged methods for the progressive improvement of the roads which would reduce and spread capital costs over time to make infrastructure development more affordable'**). This concern on oversized standards can also be found in most West African countries even if the tendency

to increase the primary road network was contained – mainly due to the watchdog role of the EU in this regard, supported by other ‘traditional’ donors.

This concern resulted in donor support of this concept as expressed in Tanzania in the 9<sup>th</sup> EDF CSP (options for road sector support – *Support a study of a network development and maintenance strategy which will inter alia define the core road network to be developed and maintained, define priorities between road construction and rehabilitation, define affordable standards for construction, rehabilitation and maintenance, and define affordable strategies for the staged development of road links which require high investments.*’

A related report on rural transport services in **Malawi** is also relevant. A World Bank (research) study report ‘Randomized Experiment in Rural Malawi and Policy Implications’ (Raballand Thornton) puts in question whether the (costly) emphasis on rural roads infrastructure is the way forward. In order to understand why roads in relatively good condition in rural areas may not be used by buses, a minibus service was subsidized over a six month period over a distance of 20 kilometers to serve the five villages in rural Malawi. Using randomly allocated prices for the use of the bus the experiment demonstrated that at very low prices, bus usage is high. Bus usage decreases rapidly with increased prices. Based on survey results of minibus usage, income from travelers and expenditure for minibus operations, it turned out that any price, low (with high usage) or high (with low usage), *a bus service provider could never break even on this road.* In terms of policy implications, this experiment would indicate that *motorized services need to be subsidized, otherwise a road in good condition will most probably not lead to provision of service at an affordable price for the local population* (a contributory reason why walking or cycling is so widespread on most rural roads in sub-Saharan Africa). It may thus be postulated that EU support to rural roads has improved all-year accessibility and passability but not necessarily contributed to improved transport services (except maybe informal services).

Only in some West African countries (Benin, Cameroon among the countries visited), the concept of an affordable core road network (CRN) appears to be actively pursued, although the Road Fund Administration in many countries (and the Road Assets Preservation department created in ERA/Ethiopia) are advocating for the prioritisation of the limited funding raised by road funds.

**Questionnaire response 55 (likely scenarios in coming 5 years regarding road maintenance):**

Most comments highlight the fact that budget available and allocated to road maintenance will remain insufficient to cover all maintenance needs. This situation might get worse due to growing maintenance needs following the expansion of the network:

- The quick expansion of the federal network (paved roads) and the rural roads (around 70.000 km of additional rural roads to be built during the period 2010-2015) will increase dramatically the maintenance needs, and the Government of Ethiopia will have to undertake significant reforms to cope with this scenario.



- Recent important investment in new roads suggest the maintenance needs will become even higher than the funds available
- Accelerated growth of needs. It is unlikely that this can be covered by internally generated resources.
- Les routes sont de plus en plus nombreuses, les besoins en maintenance et entretien vont exploser et rien n'est fait...pas de fonctionnement correcte du fonds routier...donc les routes vont se dégrader, à nouveau, dans les 5 prochaines années.
- The budget allocated to maintenance is still insufficient, leading to backlog in execution of maintenance programme and continuing degradation of road network
- Being an enthusiastic cyclist I cycle many roads in Lesotho. Maintenance on many roads is a problem. Although there is road maintenance it is not systematic and / or enough and I foresee for several roads constructed or rehabilitated over the last 5 - 15 years a deterioration in the coming 5 years.
- Amélioration limitée A partir de 2014 utilisation des crédits bancaires
- Besoins d'entretien routier (courant et périodique) estimées à 32 Milliards FCFA en 2015 (selon Stratégie Nationale de Transport). Le fonds annuels (très variables) disponibles pour l'entretien routier ne couvriraient qu'entre 1/3 et 1/6 des besoins. La situation devrait s'améliorer en raison de l'implémentation d'un mécanisme pour le transfert direct de la redevance d'usage routier au fond d'entretien routier.
- We expect a situation of roads degradation, because there are not enough funding for maintenance
- Maintenance needs will increase because several big rehabilitation projects are underway. It is unlikely that the funding to cover these needs will be covered in the short and medium term.
- L'entretien des systèmes de transport devra être assumé dans sa totalité par les partenaires car le gouvernement n'aura pas des disponibilités financières pour ce faire.
- Funds won't be enough; a specific attribution in the national annual budget would be needed; levy on fuel are not enough (and are not earmarked)
- Maintenance of the priority network could be covered well, if all the potential funds of the RF are conveniently used. After that, donors need to cover the gap, especially for rural roads.
- Mali is trying to increase its financing of the fund. It is unlikely that periodic maintenance could be financed through the fund. If routine maintenance alone is ensured, it would be a great deal.

Several comments are also made on the need increase the revenues basis of Road Funds, on the need to earmark funds for road maintenance and on the use of PPP to increase funds available for road maintenance:

- The government wants to develop roads based on ppp basis
- GoU is moving towards road tolls in the PPP projects and part of these funds are earmarked for maintenance. However, the maintenance backlog will not clear if the funds disbursed to the URF are not doubled. Also, the Designated Agencies need their capacity to be built in planning, budgeting and works implementation in order to absorb the current disbursements.
- Earmarked sources should be completely affected and should be increased in order to cover the complete road network; probably a

delegated/decentralised policy towards rural community should be adopted to assure local intervention through HIMO intervention methods

- There is too much political interference and political games in the budget process. Better should be to ring fence to the fullest possible extent maintenance funds through RFA own resources. But donors, especially the EU, should move away from the logic of road network sustainability. African road networks are not sustainable because there are not enough economic activities to pay for thousands of km of roads in order to cover countries that are among the biggest in the world. In developing countries roads are a mix of economic and social infrastructures. We should come to terms with that (also the European Court of Auditors...)
- The Earmarking of funds is strongly opposed by IMF and WB. A decision on earmarking or not for road maintenance is yet to be initiated. No earmarking is in place at present.
- There is a clear need to ensure a better (more effective) transfer to the Road Fund. We expect some improvement in the future.

One comment stated:

- There is no clear basis to determine the road maintenance needs in the absence of a comprehensive road condition survey. As such there are two prevailing schools of thought: the maintenance funds are sufficient if used efficiently, versus the maintenance funds are not adequate to cover the maintenance needs.

#### ***JC 4.2. EU sector support has contributed to the institutional sustainability of sector infrastructure***

Transport sector institutional capacity deficits are a perennial feature of the sector landscape in SSA. Major institutional changes during the past decade were, at least in part, a response to such capacity problems which had been addressed only piecemeal by donor-funded technical assistance over decades.

In Eastern and Southern Africa, a policy of decentralisation has accompanied (or, in some cases been later added on) to such institutional changes. This decentralisation has mainly applied to delegation of responsibility for lower category rural (and sometimes urban) roads to low levels of administrative control. These lower level administration bodies are typically heavily deficient in technical, physical and financial resources (rural institutions generally being even more deficient than smaller urban administrations). Until such capacity deficits are mitigated it cannot be said that sustainability of lower category roads has yet been strengthened by decentralisation.

National (and regional) institutional capacity for management and regulation of all transport modes is partial and varies significantly between countries and transport modes. Regulators have been established in some countries but political interference and poor implementation of regulators' ruling have adversely affected the regulators' effectiveness. Ministries of Transport have not received any substantial EU TA support, in contrast to road sub-sector agencies.

There is increased participation of the private sector as most works are now designed and supervised by consultants with construction by contractors after competitive bidding. Force account operations have ceased in many countries; direct labour organisations have been disbanded or privatised. However, there are continuing barriers to greater participation of smaller national contractors (SMEs) – issues include inter alia technical and financial capacities, national licensing and eligibility requirements and access to credit. Only recently, EU TA support shifted attention, in some countries (e.g. Uganda), to (road) construction industry institutional development.

***Indicator 4.2.1. Evidence of national sector institutional capacity for network maintenance (including Road Authority/ (independent) Road Fund Administration, as well as private sector with specialised contractors and supervisors).***

Institutional capacity deficits are a seemingly perennial feature of the African transport sector. The major institutional changes were, in part, a response to continuing capacity problems which persisted despite major, long term donor funded technical assistance (the issue of private sector participation and development are covered in Indicator 4.2.4 below).

Problems in provision of adequate road network maintenance arise from multiple issues:

- adequacy of budgets compared with maintenance needs;
- accuracy of information upon which such maintenance needs are assessed and for monitoring and decision making;
- programme management ‘capability’;
- ‘mind set’ – ‘maintenance’ is a conceptual problem in some countries;
- political preferences for new construction (usually at donor expense) over maintenance<sup>188</sup>.

A few typical examples are given below:

In **Ethiopia** (and everywhere else in SSA), capacity constraint is one of the major problems observed at federal and regional levels, and the high degree of skilled personnel turnover mainly resulting from the low salaries of the public sector in comparison with the private sector, contractors and consultants in particular is also a factor to be taken into account. This appears to be a national institutional problem that would be hard to solve at the level of the roads sector alone.

Staff who leave ERA or other state organisations are normally well trained<sup>189</sup> and remain in the roads sector with a private employer (provided they do not leave

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<sup>188</sup> i.e. the build-neglect-reconstruct cycle.

<sup>189</sup> Usually young professionals after only a few years’ experience with ERA.

the country), but the costs to the state bodies of recruiting and developing staff are high, and many positions have to be filled by inexperienced staff. ERA also points out that the increased workload and output, coupled with staff shortages, mean that staff is used more intensively than is considered normal. This is a problem to be addressed if Ethiopia's road network is to continue to improve.

In **Zambia**, cooperating partners considered sector institutional capacity issues which contributed to a breakdown of the sector dialogue (political commitment and instability being other important factors). A lack of reporting severely limited the ability of cooperating partners and GRZ to monitor the performance of the roads sector. Some of the discussions centered on the performance of the sector at the operational level. Two of the main topics were the contractors' high unit rates and an over-commitment of ZMK 1 trillion in 2008. The cooperating partners responded to this over-commitment by suspending disbursements and requested the Auditor General to conduct an audit that covered finance, technology and procurement. In his report, the Auditor General pointed to severe deficits in the procurement process, linked to weak supervision by the Road Development Agency (RDA). The cooperating partners suspended disbursements of ongoing funding and negotiated a common Remedial Action Plan that focused on:

- the implementation of adequate corrective measures in order to address the audit findings;
- guarantees that the shortcomings, which led to mismanagement in the sector, would not be repeated;
- the development of a medium-term strategic sector framework; and
- a review of the institutional set-up of the roads sector.

Before the audit report was made available to the public, the permanent secretary of the Ministry of Works and Supply was dismissed and the boards of NRFA and RDA were dissolved.

Such processes, mobilizing national 'democratic control' mechanisms, are believed to contribute in the longer term to better and eventually sustainable sector governance

In **Cameroon**, the EU-funded PERFED I & II, then followed by two 2 long-term TA support to the Ministry of Public Works provided training and tools for network maintenance. The Road Fund was also supported. In 2013, after an institutional reform introduced by the government on public procurement, the Ministry of Public Works was for the last three years unable to issue a maintenance contract. The unused resources of the Road Fund were relinquished to the Treasury. Most of participants of EU supported training had changed position or gone to the private sector. Most SMEs trained for maintenance works went out of business (due to lack of bids) – or moved over to become building contractors.

A system to (regularly) assess institutional capacity needs, let alone to match capacities and resources to sector management needs, is not in place in any country surveyed in somewhat greater depth (field phase). Uganda presents a single example of a one-off comprehensive approach supported by EU (the "CrossRoads" programme).

**Madagascar:** EU and subsequently the WB kept financing financial audits of the ARM although without a highly needed technical and organisation audit. The latter will be considered under EDF-11. The WB is conducting a study on perennial sources for financing the functioning of the ARM, in view of the absence of funding by the FER and donors since many years.

**DRC:** A reform study in 2013 found that the sector institutions were left to cope with existing (lack of) capacity, ageing technical and management staff, and bureaus that have lost sound administrative routine. Since the major restructuring of OdR in 2000 that led to downsizing the staff from 9,000 employees to 2,500, institutional assessment is a red flag for the management and the unions alike.

**Senegal:** Since the establishment of FERA (in 2005) and Ageroute (in 2010), the donors had the impression that a major capacity increase had taken place compared to the period when the Ministry of Infrastructure and Transport. Neither the EU nor the World Bank undertook a technical and organisational audit despite problems faced during execution of road projects (though the EUD shared its comments and recommendations with Ageroute). Local capacity deficits (procurement, programming) were addressed by the EU supported by a limited number of TA missions. Wider organisational inefficiencies were not addressed, notably the fact that the agency was still to a large extent run as a ministry – with salaries increased by 300%.

***Indicator 4.2.2. Evidence that decentralisation strengthens sustainability of lower category roads (e.g. inter-departmental/ agency arrangement on responsibilities, financial transfers and human resources provision).***

Many countries have adopted a policy of decentralization (i.e. devolution of powers to lower tiers of government) including various degrees of devolution of fiscal powers. These lower tiers are among the worst resourced and capacity-deficient national institutions. Thus, decentralization, in order to have any chance of success must be accompanied by measures to improve culpability and competence of these administrative units including measures to improve local and democratic participation and to strengthen planning and management systems. In policy and development documentation, this situation is usually presented as a capacity challenge but also as an opportunity.

Typically, the nominated institutions are established as ‘budget entities’ with the powers to plan, budget and implement local initiative with an annual budget for infrastructure projects.<sup>190</sup> Various donor funded programmes have aimed at introduction of decentralized planning and financial management but such support has not generally included EU (except for agriculture and rural development as focal sectors in some countries).

As regards the transport sector (roads) decentralization has effectively transferred responsibility for lower category, mainly rural roads (many of which are in poor condition) without transfer of commensurate resources and delegated powers in order to fulfill their responsibilities. There are other examples of

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<sup>190</sup> In Mozambique districts have been granted a budget of approximately USD 30000 from the State Budget from 2006.

decentralization of other components of sector management (e.g. decentralized management of Road Fund (Fundo dos Estradas) to regional level in **Mozambique**.)

At present there are semi-formal arrangements whereby the road authorities or ministries provides technical support to local institutions. An example of a major decentralization programme is the transfer of powers to Woreda levels (**Ethiopia**) where the very large 'rural access' (URRAP) programme requires the efforts of thousands of trained and skilled professionals as well as many small contractors, and many small consultants for design and supervision. During GTP-I, which started in 2010, ERA itself has been instrumental for capacity building at three levels, namely: (i) *high level professional engineers* (150 successfully qualified, whilst some 3,500 are still in study process, scheduled to end in 2016); (ii) *Short training in 8 different specializations* (total of 4,670 trained over a 4-year period, of which 1,265 ERA staff); and (iii) *middle level technicians* for machine-based technology (at the Alemgena Training Centre of ERA) and for labour-based methods including the use of specially designed light machinery, e.g. tractor-towed grader, (at the 2 Labour Based Training Centres of ERA and 25 selected 'vocational' level training institutions of the Ministry of Education) striving for uniform 'occupational standards' through 'model' curriculums and competency assessments. A nationwide need of 40,000 middle level technicians has been estimated with nearly 7,000 certified so far.

**Benin:** The national strategy for rural transport and the subsequent programme financed by Denmark (withdrawn in 2013), Netherlands and the EU significantly impacted on decentralized management of rural roads maintenance and rehabilitation.

**Madagascar:** Les initiatives en matière de renforcement des capacités de la Maîtrise d'Ouvrage Communale (MOC) des routes rurales restent sporadiques; ce, par faute de financement et de stratégie nationale de transport rural. Elles s'inscrivent dans le cadre de la mise en œuvre d'une part de la Charte Routière et d'autre part de la Politique de Décentralisation via le Fonds de développement Local (FDL).

**Mozambique:** In 2014 each district received a budget of MZN 2 million (€53,000) for 'estradas vicinais e não classificados). In the first 6 months of 2014 the only maintenance contracts let were in Maputo and Sofala provinces (attaining 28% and 9% of targets respectively), 0% for all other provinces.

**DRC:** Dans le but de se conformer à la Loi sur la décentralisation qui confère la gestion des routes secondaires de desserte agricole et des voiries urbaines aux Provinces, l'étude que la Cellule Infrastructures va lancer sur financement de la Banque Mondiale reformera l'OVD et la DVDA pour les mettre sous la tutelle des Provinces qui reçoivent actuellement 40 % des ressources du FONER pour l'entretien routier.

**Questionnaire responses 57 (decentralisation) :**

- Decentralisation in road sector management is very recent and no change has been established yet. However, improvements are expected in the next years.
- Pas de décentralisation

- The Designated Agencies that have the mandate of implementation of the road maintenance have a shortage of equipment and human resources. Accordingly, there is a slight improvement in the maintenance of roads decentralised to the local governments.
- No decentralisation happened in road sector management in Guinea-Bissau
- The decentralisation has not yet happened, apart for the rural roads, but because of lack of funds and lack of technical capacity of the decentralised communities the impact has been practically null.
- Decentralisation: insignificant effect due to very poor capacity and limited resources. Devolution: positive effect specially in terms of opportunities to transform past capacity building efforts in opportunities that are slowly proving effect.
- Secondary road network not followed by EUD/Government decentralisation process started a long time ago, hard to compare current situation to previous one.
- Le processus de décentralisation au Tchad est à peine entamé. Dans le secteur du transport, l'essentiel des activités demeure du ressort du Ministère des Infrastructures et de l'Aviation Civile. Les activités qui pourraient relever des collectivités locales ne sont en fait pas du tout assurées au Tchad.
- The decentralisation of roads is too recent to make any comment. However, it is already apparent that there is generally inadequate capacity at the decentralised level to immediately have a positive impact. Time is required to develop capacity as well as transfer it from the centre as soon as the conditions allow.
- Decentralisation not yet implemented
- La décentralisation dans le secteur des routes ne pas encore effective
- There is virtually no decentralisation in Togo! A strategy for decentralised rural road maintenance has been elaborated very recently, results are still to be seen.
- La décentralisation de la maintenance des routes au Maroc n'est pas encore en place. Ce sera le cas avec la régionalisation qui vient d'être annoncée et qui sera mise en place en 2016.
- Decentralisation of rural roads to district councils is foreseen under the current legal framework but has not been implemented. the Roads Authority is still in charge of the entire country's road network. Recently the Government has proposed that they will start the devolution of rural roads to six pilot district councils in the new financial year

#### ***Indicator 4.2.3. Evidence of national institutional capacity for management and regulation of other transport modes.***

Attempts have been made to introduce and/or improve regulatory environments for the transport sector not only in a national context but also for transit routes and transport corridors, although effectiveness of such regulations has been generally somewhat limited (e.g. INATTEP – **Mozambique**; cf. also EQ7). Whilst the regulator may make rulings, implementation of such rulings (including tariffs and prices) remains patchy as the (nominally independent) regulator is often subject to manifest political interference. Despite advocacy and dialogue on the part of sector donor partners this situation is a risk to corridor operational

efficiency and stability of freight costs and passenger fares. The regulator also potentially has an important role regarding bias/increased competition between transport enterprises or modes and subsidies.

**Ethiopia:** Transport sector management is primarily the responsibility of the MoT which, in contrast to ERA, has so far received very little capacity building support (technical assistance). All agencies (MoT, ERA, ERCC, FTA, and ERC) are subject to government civil service rules and have great problems with recruiting and retaining professionally qualified (and trained) staff<sup>191</sup>. ERA, with a tradition in capacity building since the start of the RSDP (in 1997) and ERC as a young and ambitious agency with (Chinese) training opportunities, appear to be more attractive to young graduates than agencies such as the MoT, Federal Transport Authority (FTA) and the Ethiopian Road Construction Corporation (ERCC). Institutional reforms that became effective only fairly recently, with the start of the GTP-I (2010), comprised the separation of the policy, planning and regulatory functions of the Ethiopian Road Authority (ERA) from physical (Force Account) works implementation<sup>192</sup>, with the latter assigned to the newly created Ethiopian Road Construction Corporation (ERCC). Both ERA and ERCC, as well as the Office of the Road Fund (ORF) came under the control of the MoT, whereas before ERA had been reporting to the Ministry of Works and Urban Development. At the same instance (in 2010), the Ethiopian Railway Corporation (ERC) was established under the MoT aegis, with the intention to dismantle the CDE (Chemin de fer Djibouti-Ethiopia) as soon the new standard gauge railway line Djibouti-Addis Ababa will become operational and the operations of the old line (Djibouti-Dire Dawa) will be terminated. Road freight haulage is regulated by the Federal Transport Authority, which provides vehicle usage and operating licences to companies and individuals who supply road transport services. Tariffs are negotiated between the transporter and the user. SPSP-3 and 4 (11<sup>th</sup> EDF) include respectively will include also significant capacity building interventions, for the MoT and the Federal Transport Authority (for promoting road safety in particular).

**Uganda:** The institutional reform process has included the establishment of the Uganda National Roads Authority (UNRA for national roads network management), the Uganda Road Fund (URF for funding nationwide road maintenance), the Civil Aviation Authority (for aviation sub-sector regulation) and the Uganda Railways Corporation (rail sub-sector management). However, the creation of five other designated agencies – planned to operate under the aegis of Ministry of Works and Transport (MoWT) - is advancing very slowly, notably the Districts, Urban and Community Access (DUCAR) Authority, the National Road Safety Authority (NRSA), the Metropolitan Area Transport Authority (MATA), the Maritime Transport Authority and the Ugandan Construction Industry Commission (UCICO). In each case, legislation needs to be passed. The last one (UCICO Bill) might be the first one to get parliamentary approval, while the first one (DUCAR authority) probably presents the most difficult and lengthy process.

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<sup>191</sup> This appears to be a national institutional problem that will be hard to solve at the level of the roads or transport sector alone.

<sup>192</sup> Force Account means the Public Sector, e.g. Ministry of Works, or ERA in this case, undertakes the works with its own work force at its own account.



In the absence of the intended (semi-) autonomous agencies, the MoWT remains both the policy maker and implementing agency in these areas.

**Benin:** Transport regulation is still unknown in Benin. Haulage tariffs are still left to the free market but the new federation of haulers' union is promoting reference tariffs for international haulage towards Niger and Burkina. Its bargaining strategy is to support axle-load control against price hikes.

**Cameroon:** Il n'y a pas d'Autorité de régulation des transports au Cameroun.

**Madagascar:** L'Agence des Transports Terrestres (ATT) doit, par principe, jouer le rôle d'organe de régulation économique. Faute de capacité technique, d'autonomie financière et de décisions, elle n'arrive pas à assurer pleinement ses missions et attributions. Transport regulators were established for air and road transport following the 2003 master plan recommendations. The road transport regulator (AATT) is however unable to collect user charges on freight and faces therefore since its inception shortage of staff, equipment and capacity. The AATT did not play its regulatory role, leaving haulers' cartel control the market, particularly for fuel transport. At several occurrences, interviewees acknowledged a strong link between politicians and the main haulers controlling freight between Toamasina port and Antananarivo. The political elite are reportedly investing in freight transport, particularly fuel transport activities.

**Mozambique:** INATTER established but reportedly not effective (DG replaced unexpectedly during the field visit). Only reference to road safety campaigns and control of exceptional loads in PRISE 6-monthly reports.

**DRC:** Dans le cadre du Projet Compétitivité et développement du secteur privé (PCDSP) financé par la Banque mondiale et exécuté par le Comité de pilotage de réforme des entreprises publiques (COPIREP), une étude pour la mise en place d'une Agence nationale de régulation des transports suivant le modèle brésilien a été réalisée par le Groupe d'études des transports (GET) avec l'appui technique de l'Ecole des Ponts et Chaussées de Paris de 2002 à 2005. Dix (10) cadres de haut niveau avaient été formés à travers le monde auprès des Agences de régulation opérationnelles et ils ont proposé le projet de texte de création de l'Agence. Mais tout s'est arrêté en 2006 alors que l'Agence de régulation est nécessaire au moment où la RDC envisage des PPP dans le secteur des transports. The Government established regulators during the early 2000s but they did not succeed in fulfilling their mission by lack of rule of the law and arbitrariness of the political power in providing exemptions. Road haulage is left to an unregulated market functioning, most operators being trapped in the informal sector. The elite, political and military, are reportedly owners of trucks, bus, etc. and are reluctant to adopt and enforce regulations restricting their own benefits. Transport services were not targeted by EU interventions, unless for waterways transport with the rehabilitation of a few ONATRA boats.

**Senegal:** Axle load controls are not monitored by the transport regulator (Direction des Transports de Marchandises) but by the road department (Direction des routes) in the same ministry. Axle load monitoring was given under concession to a private firm (Afrique Pesage), which is however implementing the monitoring in a favourable way for the haulers: accepting +20% of authorized

weight, reducing penalties by 80% and not enforcing to discharge overloaded trucks. The EU imposed conditions as regards control of overloading before signing the latest road project under EDF-10 (Passy-Sokone). Roughly 60% to 80% of the trucks linking Dakar and Bamako are overloaded.

**Mauretania :** L'Autorité de régulation des transports terrestres (régulation et organisation) en Mauritanie n'est pas indépendante des pouvoirs publics.

**Questionnaire responses 59 (other transport modes) :**

- Railway Ports
- Surtout pour la gestion des ports maritimes et fluviaux (concessions)
- Creation of the Road Industry Council (RIC) with support from EU and DFID. Uganda Construction Industry Commission (UCICO) Bill is about to be sent to Parliament and will take over the RIC. This implies more involvement of the local private construction industry in transport management and investment through future concessions of roads. There is already a concession of railways to a private company.
- despite the government's willingness is to have more PPPs, change of behaviour is difficult to implement
- All except air transportation.
- Concessions for highway, ports, axle load control, railway
- There has been a few experiences (cement factory paving a road, construction company paving a national road and taking fees) but they didn't last.
- Not yet, however preparations are underway to increase PPPs in the ports and road sub sectors.
- Troisième pont urbaine d'Abidjan Railways Management
- Road and rail
- Ports mainly
- 2 major PPP have been signed for the extension of the ports and the management of the 2 new terminals. Nothing for other transport modes.
- Road Transport through the WB OPRC contracts which include 7-year maintenance after construction. All maintenance under these contracts is executed by Chinese contractors. One cannot understand why road routine maintenance paid from EU taxpayer funds has to be executed by Chinese contractors and not by local SMEs.
- port et logistique
- Fluvial: lake ports and shipping concessions Rail: operations of the existing network, BOOT on a greenfield concession

***Indicator 4.2.4. Evidence of increased involvement of the private sector***

There is increased involvement of the private sector (consultants and contractors) but there continues to be barriers to participation of national firms (typically SMEs) who might be expected to play a significant and increasing role in road network management.

SMEs are responsible for a large proportion of employment and economic activity in most African countries (>95% of all enterprises) and thus form a de facto base

for private sector-led growth and poverty reduction. Characteristics of benefits of SME activities include:

- greater labour content offering disproportionately more employment opportunities than larger firms;
- a key factor in transition from agriculture-led to an industrial economy by means of small scale processing activities;
- base of entrepreneurial activities;
- linkages with larger firms supporting national industry in competition with foreign firms;
- can contribute to more equitable income distribution.

There are certain characteristics of SMEs which differentiate such firms from other enterprises:

- small market share (not large enough to influence national policies or obtain benefits from bulk purchase);
- personalized ownership/management participates directly in all aspects of the business;
- independence in such management.

The following issues are not listed in priority order (as the relative importance of issues varies between SMEs). These sub-headings are interconnected (e.g. weak management impacts on quality).

### **Management capacity & productivity**

Low productivity (and poor quality of product) is often linked to management and planning issues. Interviews have identified the following key issues: lack of standardization of specifications, poor management/planning – especially lack of IT competence, poorly qualified and unskilled work force, and no access to plant and equipment which would increase productivity. Management issues are widely perceived as problems for SMEs with planning, programming, estimation of costs, financial and cash-flow management and marketing stressed as of particular importance. Some firms do not employ a full-time accountant. Most firms do not have regularly audited accounts. Planning capacity is especially highlighted as a common shortcoming which impacts upon cash-flow, quality, procurement and timeframes of delivery. Shortcomings in this respect also impact on investment needs (e.g. provision for replacement/maintenance of equipment).

### **Quality & technology**

SMEs have little knowledge or experience of developing or new technologies/methodologies including CAD, IT, environmental and Health & Safety issues, low cost surfacing, economic usage of conventional materials etc. Quality of product can be poor despite increasing efforts to adequately supervise construction/fabrication. Often, poor quality works/products are certified for payment with obvious implications for durability, maintenance needs and safety. In recent years more use has been made of design reviews, technical audit or peer review with publication of results. Many SMEs are highly dependent upon the quality of their workforce which represents a disproportionate part of running costs and output (i.e. SMEs tend to be engaged in works with higher proportions

of artisanal labour). Quality has, despite increased attention to supervision, often been deficient and this is perceived by larger firms as a risk should sub-contracting be contemplated. However, capacity shortcomings are not confined to artisanal/tradesmen – shortcomings have also been suggested regarding technical, administrative and managerial personnel. The following issues impacting quality were the most commonly reported - planning, design, procurement procedures and tendering, construction materials, supervision, certification and associated problems, payment delays, specifications and contractor performance (specifically noncompliance with contract periods).

### **Communication**

Communication issues are often quoted, both inside firms and externally:

- External – Ignorance of opportunities (e.g. tender notices), new legislation/regulations, technical developments, training courses, financial services e.g. micro-finance institutions.
- Internal - Many firms are totally dependent upon the proprietor as the repository of technical, financial, managerial and decision-making powers. Overall internal efficiency therefore depends on the proprietors skills.

### **Eligibility**

Construction licensing in most African countries includes a classification system for public works contractors which grades contractors into classes which define their eligibility for contract award. Experience has shown that it can be difficult for firms to progress to higher classification due to problems in accessing the requisite resources for such higher classifications. A further issue is that whilst the classification provides an upper limit on contract value for which a firm is eligible to bid, there is no lower limit. Thus, a major firm is at liberty to bid for contracts in the nominal range of lower-classified contractors, sometimes offering discounts in case of a single award of more than one such lower value contracts (and subcontracting opportunities are limited as noted elsewhere). There have been efforts to attribute to national companies a certain percentage of value of contracts awarded to foreign firms. However, implementation/enforcement has been patchy and some foreign firms have established 'in-house' national subsidiaries eligible for this allocation.

### **Financial**

The capital market in most African countries is not well developed whilst credit from commercial banks is constrained despite the presence of credit lines other financial instruments and foreign financing services. As well as commercial banks, national legislation permits other, exclusively credit institutions. These institutions are largely dependent on donor funding with a limited capital base often focusing on a particular sector, targeting SMEs.

It has been argued that in most African countries the transition from a centrally controlled and largely non-monitorised economy to a market-orientated economy continues to be impeded by 'echoes' of the previous rules.

Late payment of IPCs is endemic in public works contracts leading to cash-flow problems which can be critical for smaller firms with labour being a large

proportion of running costs and little capitalization. The result in some cases is financial distress or bankruptcy. In other cases the firm must effectively pre-finance a considerable proportion of the contract value. With such risk in mind most rates in bids are likely to be high together with 'front end loading' of bids to ensure a high proportion of the contract value is paid early in the contract period (with obvious financial risks to the client).

High levels of taxation and costs of company registration, including annual renewals of permits were, as expected, cited by many firms as constraints.

Access to finance is a perennial constraint for national firms across all sectors. Collateral up to 120% of loan value in real assets and interest rates typically of >25% plus heavy commission charges are prohibitive whilst there is little uptake by commercial banks of available financial instruments for loan guarantees. Interestingly in some African countries a government contract is not normally acceptable security for a loan to a national firm; a similar contract with an international funding agency may be acceptable.

The conventional contractual requirements for provision of bid bands, bank guarantees, insurances etc can be equally prohibitive for national firms, for similar reasons.

Lack of access to loans means that smaller firms often cannot acquire plant and equipment. Although there is increasing availability of such items for hire, costs can be high. Various attempts have been made to establish 'plant pools' for cheaper hire of equipment but these plans have foundered, not least due to a lack of a credible business plan.

Many SMEs were established using the proprietors' own capital and/or using informal credit sources such as family or money lenders.

Some larger national firms have arranged leasing for equipment, plant and transport on grounds of lower interest rates, lower collateral (the equipment has its own collateral value) and, in some cases, longer repayment period. However, this facility is only available from some commercial banks and is valued in USD (and thus subject to lower interest rates).

SMEs thus do not appeal to many commercial banks as they represent low value, longer term, higher risk investments compared with, say, the mining sector (which is largely foreign financed), services, property development, etc. On the other hand banks do register a higher percentage of non-performing loans to small national firms. Banks thus concentrate attention on well-established larger firms (national and foreign).

### **Bureaucracy**

As is to be expected, most SMEs complain about high levels of bureaucracy, especially in connection with company registrations and annual renewals of permits including classification for public works.

### **Contracts**

Terms of contract are usually based upon international formats and terms (e.g. FIDIC, EDF) which are designed for major works of high technical content. Simpler contract formats have been developed but even these formats may be beyond the experience of some national firms.

Similarly, specifications and design standards vary (e.g. BSI, AASHTO, SABS) and many national firms have only a shaky appreciation of such requirements. Standardization would obviously be desirable but has not been fully adopted (even in a single programme in one sector, difficult specifications are used for concurrent projects).

Subcontracting of elements of a large contract awarded to a major (national or international) contractor has attractions for the prime contractor. However, interviews have revealed that there are some worries on the part of the major contractors who have all had bad experiences of poor quality or tardy delivery of subcontracted works.

Firms are limited by their eligibility for an upper contract value. Thus packaging of contracts (i.e. splitting a body of works into smaller pieces) would potentially facilitate access of SMEs to such works. However, whilst it is physically possible to do this in some cases the administration of multiple smaller contracts is onerous compared with a single large contract.

### **Environmental issues**

Although EIAs and EMPs are prepared for capital works projects most smaller-value works are not required to prepare these. SMEs in general have little appreciation of such environmental issues including health and safety issues, public safety, construction nuisance (e.g. dust, noise), permanent environment impacts and mitigation measures.

### **Representation & Business Associations**

Various intermediary organizations usually exist to represent interests of national companies, not least to government but the effectiveness of such representatives is reported to be limited. A particular bone of contention is the perceived advantage given to international firms, especially for higher value contracts, most of which have been financed by foreign funding such that foreign firms are 'crowding out' national firms.

### **Construction Costs**

Escalating construction costs/unit rates is an issue affecting many countries in the region. These increases have, in recent years, been very much higher than national inflation rates and well in excess of directly linked impacts (e.g. fluctuation in price of oils/fuels). Obviously, as contracts continue to be awarded this is reducing the coverage of national budgets, already acknowledged as seriously deficient compared with needs. A contributory factor is an almost complete absence of price reference data (nationally and regionally).

The cumulative effect of the identified issues is a perceived lack of stability and confidence in continued survival of the SMEs.

### **Potential support measures for SMEs**

In many African countries there is at present no coherent policy or strategy for SMEs (or national firms in general) development in the infrastructure/construction sector. Whilst various activities/actions could be undertaken in advance of a policy/strategy framework, it would be desirable for such sector policies and strategies to be prepared.

### **Capacity building/training**

A feature of management structures of firms in the construction sector is that many managers or proprietors are (successful) engineers or technicians who have taken (or been appointed) to such a management position. A technical background does not necessarily guarantee management abilities including planning, tendering, estimating and financial management. Management topics should thus be an essential component of such capacity building. Works quality is dependent upon management but also on the artisanal skills of workers. These skills cannot be acquired only theoretically. Practical, on-site application is essential. To a limited extent association between national and foreign firms has led to practical training of national artisans. Such associations could be encouraged as of value to both parties especially with the possibility of long term subcontracting arrangements for the national firm. Management training should cover business development and entrepreneurship issues such as preparation of business plans, market research and financial management. Although many firms have expressed a willingness to consider contributing to costs of capacity building, experience has shown that this assertion is not always borne out in practice. It is thus suggested that any such programme and should include hard (e.g. practical and technical issues of construction/product quality; contract management) and soft (e.g. cash flow and finance management, tendering) issues, should also be subsidized to a considerable degree.

### **Facilitation of access to financing**

Various funding agencies support credit lines or similar financial instruments, some with specific sector concentration. As far as is known there is no such sector-specific instrument available for the construction sector. Whilst the introduction of such a facility (specifically for loan guarantees) would be valuable, experience shows that financing institutions and commercial banks: a) have little experience or understanding of construction sector practices regarding bid bonds, guarantees, conditions of contract etc and; b) little interest in national firms, especially SMEs as a profit source. Provision of such a facility would have to be accompanied not only by measures of standardization/explanation but also a willingness to make the product more lucrative for the financial institutions and provision of a service to screen SMEs and to prepare an acceptable business plan so as to qualify for a loan. Perhaps a joint approach with government may be desirable as would be efforts of sensitization and informing the banking sector as to the practices and potential of the infrastructure sector?

### **Contracts**

There is much existing legislation and regulation of construction sector activities. Enforcement of the legislation would be a contribution to transparency and professionalism in the infrastructure sector but at present such enforcement is low or absent.

### **Budgets & programming**

Integrated or rolling programmes (typically 3-5 year duration) are produced for some sectors. However, experience shows a sharp and rapid divergence between proposals and reality, the usual result being lower budget provision and disbursement over a longer than predicted time span. More credible programme planning and better delivery of government commitments would be a necessary and welcome step towards continuity of programme implementation of works.

### **Packaging**

A review of system for contractor classification has been considered for some years. In principle such a revision appears to be desirable but the qualification levels would require careful consideration.

### **Subcontracting**

Encouragement of subcontracting to smaller national firms would obviously be desirable, especially as some major firms have indicated their wish so to do as regards work items with relatively higher labor components. Again, enforcement of existing regulations would be a good starting point.

However, subcontracting has its hazards for prime contractors. The tasks/work items most attractive for subcontracting to both main contractors and potential subcontractors are those which have a higher labour content. Unfortunately these tasks are often on the critical path for the contract as a whole. Quality issues are also particularly important in some of these tasks.

An alternative approach is that foreign firms must present an association or joint venture with national firms for eligibility to bid (this is usually contract/tender specific, not a longer term association - see below).

A 'third way' which has been much discussed in many African countries is by establishing 'vertical integration agreements' between SMEs and larger national and/or foreign firms. This cooperation could lead to or include the association or joint venture noted above.

### **Financial**

Some form of government subsidy of commercial interest rates for legally registered national firms.

Existing provisions for payment of interest on late payment values are rarely involved. Again, strict compliance with contract conditions should be enforced. In case of such delayed payments perhaps a case could be made for a similarly delayed payment of tax for national companies engaged in public works?



A scheme (government/donor) whereby a contractor awarded a public works contract has access to fund/insurance provision (with or without cost) which will pay delayed interim certificates to the contractor after a specified period of delay would be a major advance in confidence improvement and security for small contractors. A side effect would be additional comfort to finance institutions granting loans to contractors.

### **Representation & Business Associations**

Better communication of opportunities (e.g. tenders, available support for national SMEs, market opportunities, legislation, etc.) by representative bodies to their members would be very desirable.

Representative organizations operate at national and provincial levels although resources are limited. Reinforcement of capacities at, say, regional levels would be desirable to advise provincial members in these regions of opportunities (e.g. tenders, training courses).

In conclusion it is clear that capacity building of national firms is not only a matter of training (management and technical skills). Facilitation of access to financing, better information regarding opportunities (tenders, available training courses, legislation and regulations), improved tendering practices, positive discrimination for national firms (sub-contracts and tender evaluation), appropriate contract packaging and an accurate and realistic system of classification of contractor all are components of capacitation.

**Benin:** 100% of the road works are contracted with the private sector (except emergency works left to a force account unit). The situation was already the same in 2004. The EU did not involve in SMEs capacity building during the period under review. The overall capacity of the private sector improved, based on relatively qualified and experienced entrepreneurs (previously public engineers). Their environment is hardly enabling (corruption, difficult access to credit/finance) but the introduction of 3-years programming of maintenance works was helpful.

**Madagascar:** Presque la totalité des travaux routiers et des activités de consultance (maîtrise d'œuvre, études, contrôle et surveillance des travaux) sont assurés par des Entreprises et Cabinets de Consultants nationaux dont une partie sont des filiales de Grands groupes internationaux.

Des programmes de renforcement des capacités des PME et des Bureaux d'Etudes nationaux ont été mis en œuvre dans le cadre des Projets financés par l'UE.

Le système d'agrément utilisé auparavant pour les critères l'admissibilité à l'attribution de marchés vient d'être remplacé par un nouveau système de classement.

**Mozambique:** In 2014, 383 national contractors were engaged in 994 contracts for routine maintenance of paved and unpaved classified roads. Some contracts were used for local contractor training (e.g. EN3 Impaputo – Goba – patching) whilst adoption of the road camp system and multi- annual contracts were

included to support local contractors to draw up work plans for negotiating bank finance for acquisition of equipment etc. In parallel there are programmes aimed at improving district and municipal capacities (including SMEs). EU is launching the PRODEPEMES project for capacity building of SMEs in the road sector.

**DRC:** Les privés sont impliqués dans les travaux d'entretien financés par le FONER ou des travaux réalisés dans le cadre des Projets financés par la Banque Mondiale (Pro-routes) et l'UE (PARAU). On peut citer les entreprises Forest (au Katanga), MW Afritec, INCC (Kasai) Bacom (Kalemie au Katanga).

**Ethiopia :** Considering the main roads, the Ethiopian Road Construction Corporation (ERCC) is the most important “publicly-owned” (private) contractor for road maintenance. Last year it had a turnover of about ETB 3 billion (€ 58 million), of which ETB 1.3 billion related to construction works and ETB 1.7 billion to maintenance works. The ERCC comprises 10 regionally based contractors dealing only with federal roads. The ERCC employs about 13,000 people. Another eight private contractors are engaged in routine maintenance contracts (usually of a duration of 2 years) for 11 road sections with a total length of 2,879 km (78 to 473 km per road section), mostly unpaved roads, for a total contract value of ETB 695 million (€ 31.2 million). The overall average unit price is 240,000 ETB/km for 2 years (€ 10,782 per km). In general, 30% of the routine maintenance expenditure is based on labour-based methods (for all type of roads), generating off-farm employment.

Only two private contractors are presently engaged in three periodic maintenance projects of in total 161 km of unpaved roads for a total costs of almost ETB 96 million, corresponding with an average unit price of almost ETB 595,000 per km (respectively € 4.3 million and € 26,730 per km).

The road construction industry is dominated—but not yet monopolized—by Chinese contractors, as shown by the participation in 100 recently finished and on-going RSDP projects (see table hereunder). Among the 22 foreign contractors, 14 originate from China, which are having a market share of almost 50% (in value terms).

### Number of contractors

Type of contractor	No of contractors	No. of projects	Road length (km)	Contract Value (billion ETB)	% road length	% contract value
Chinese	14	35	2,631	41.3	41.4%	49.6%
Other foreign	8	13	1,024	11.1	16.1%	13.3%
Local	31	52	2,697	30.9	42.5%	37.1%
Total		100	6,352	83.3	100%	100%

Source : ERA

**Uganda :** The road industry comprising about 800 road contractors operating in Uganda, is composed of three groups:

- numerous small-scale contractors working on many low-value contracts with limited capital and expertise;
- a few medium-sized contractors able to undertake larger and higher value contracts, and needing a substantial and predictable flow of work to allow them to invest and develop work force competence;
- a very small number of large contractors, with foreign domination, and tendencies towards monopolization of the market.
- 

The currently recommended way to further develop the road industry is primarily focused on providing better perspectives to the medium-sized contractors group. This is complicated by the current dominance of Chinese contractors, lately winning practically all (paved) road rehabilitation contracts under national and international procurement procedures (often the numbers 1-10 among around 15 bidders are Chinese, whereby successful, lawyer-supported 'challenging' of initial ranking is not uncommon).<sup>193</sup> What appears to be fierce competition among Chinese contractors is considered by some as an 'engineered' route to monopolization of the road industry.

Greater insight in procurement practices has been provided by the introduction of Independent Parallel Bid Evaluation (IPBE)<sup>194</sup>. A recent evaluation indicates that the outcome of the parallel exercise corresponds in 50% of the cases with the Agency's decision, while the Agency has been prepared to adjust the initial selection in about 1/3 of the non-corresponding outcomes.

### ***JC 4.3: EU support has contributed to physical and technical sustainability of (road) sector infrastructure***

Capital investments in infrastructure have mainly used donor funding (in which EU has played a major role) whilst maintenance and operation of the infrastructure was deemed to be the responsibility of the recipient government. Indeed, a commitment of such responsibility was a conventional conditionality for such donor support. This commitment has not been delivered in most cases resulting in maintenance neglect, premature deterioration and failure of the infrastructure assets and an increasing maintenance backlog.

Trends in maintenance coverage of national road networks are variable but often deficient although records of such trends of network condition are equivocal as considerable capital investment<sup>195</sup> has resulted in a rapid improvement in condition (especially of higher category roads) whilst deterioration due to maintenance neglect is slower in being recorded.

Control of overloaded vehicles, which represent a very real and fast-acting threat to road pavements, is improving but it continues to be woefully inadequate due to lack of commitment and enforcement, non-functioning weigh station equipment and thus lack of detection. Damage caused by overloading on unpaved roads

<sup>193</sup> Rehabilitation works tend to be more 'loosely' specified (under national procurement rules), with more 'occasional' (less strict) supervision, in comparison with upgrading works (unpaved-to-tarmac), mostly tendered under international procurement rules) with more control by external financiers.

<sup>194</sup> Introduced by DFID and carried out by Crown Agents, UK.

<sup>195</sup> Rehabilitation of large portions of regional corridors in particular for West, Central and Southern Africa.

can be even more rapid and dramatic – a single passage of a heavily overloaded truck (eg logging trucks) on a wet unpaved road can destroy the road pavement<sup>196</sup>.

Given the shortcomings noted above it is perhaps no surprise that few road pavements have been found to reach their economic or physical design life although it is salient to observe that no ex post evaluations of infrastructure investments appear to be carried out.

#### **Indicator 4.3.1. Trends in reduction of maintenance backlogs<sup>197</sup>**

It has always been a paradigm of support to the transport sector that new construction/reconstruction (i.e. capital investment) was usually paid by donor funding whilst maintenance was the responsibility of recipient governments as any other recurrent costs such as wages. Indeed government commitment to such maintenance was usually a condition of such support. In most cases this commitment was not fulfilled. A back-log of periodic maintenance built up over the years in many countries due in part to a lack of funding allocated to maintenance and in part because most countries preferred a cycle of construct-neglect-reconstruct to the more effective cycle of construct-maintain (routine and periodic), not least because these countries were not paying the increased costs arising from maintenance neglect. Eventually donors became convinced that increasing back-logs of maintenance were actually negatively impacting on network conditions as a whole (not mentioning jeopardizing economic viability of capital investments) and donors began funding back log periodic maintenance<sup>198</sup>.

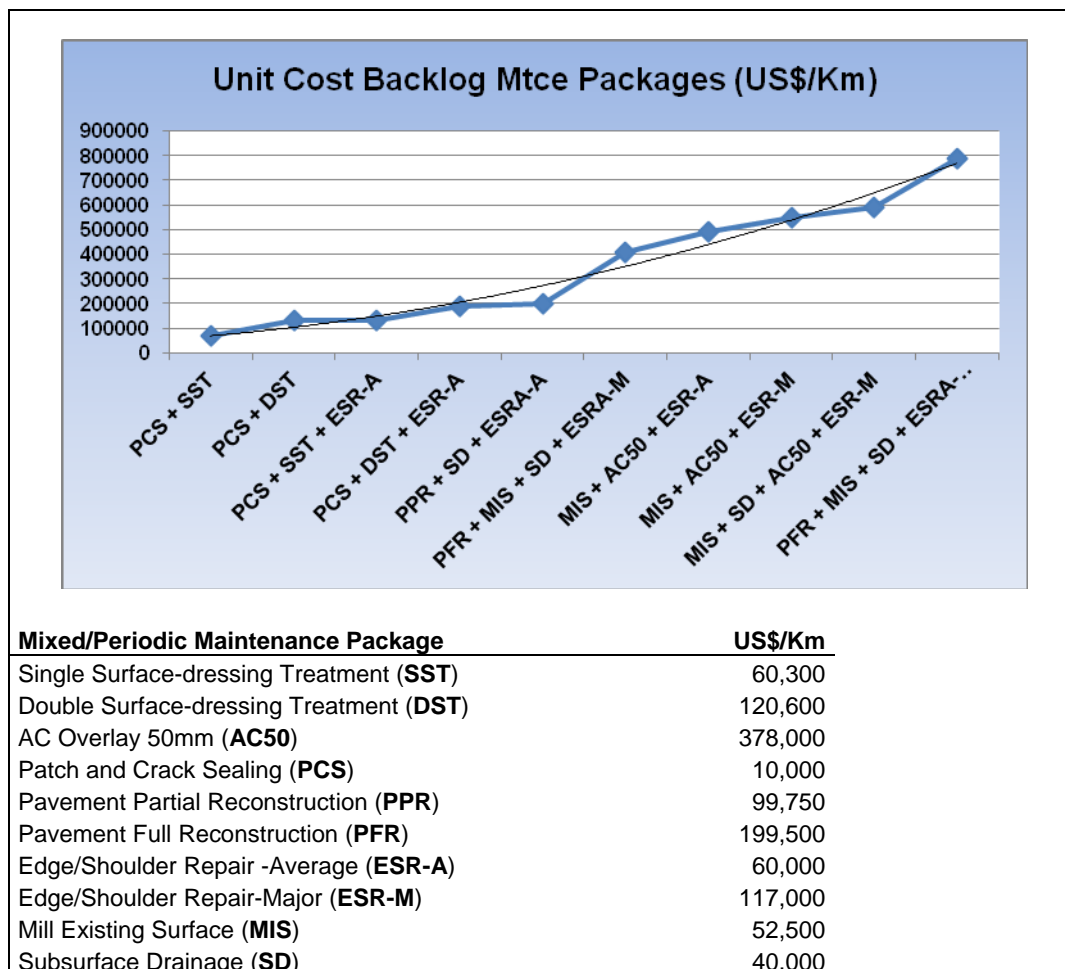
There is a wide the range of unit costs (US\$) for simple and more extensive backlog maintenance packages for paved roads (a factor of 1 to 8 between most simple and most extensive), as illustrated in the following figure from **Malawi** (2011/12 cost level) with an explanation of the various abbreviations in the table below, showing also the estimated unit costs/km (*including “mark up” for miscellaneous and contractor costs/profits, and supervision*).

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<sup>196</sup> In some remote areas it is still possible to see dilapidated ‘rain barriers’ from the colonial era (eg Western Uganda) or “barriers de pluie” in West Africa. These barriers were closed at each end of a section of road (without major junctions) and remained shut for some time (eg half day) following rains. It is reported that the system worked well but has not been enforced in recent times.

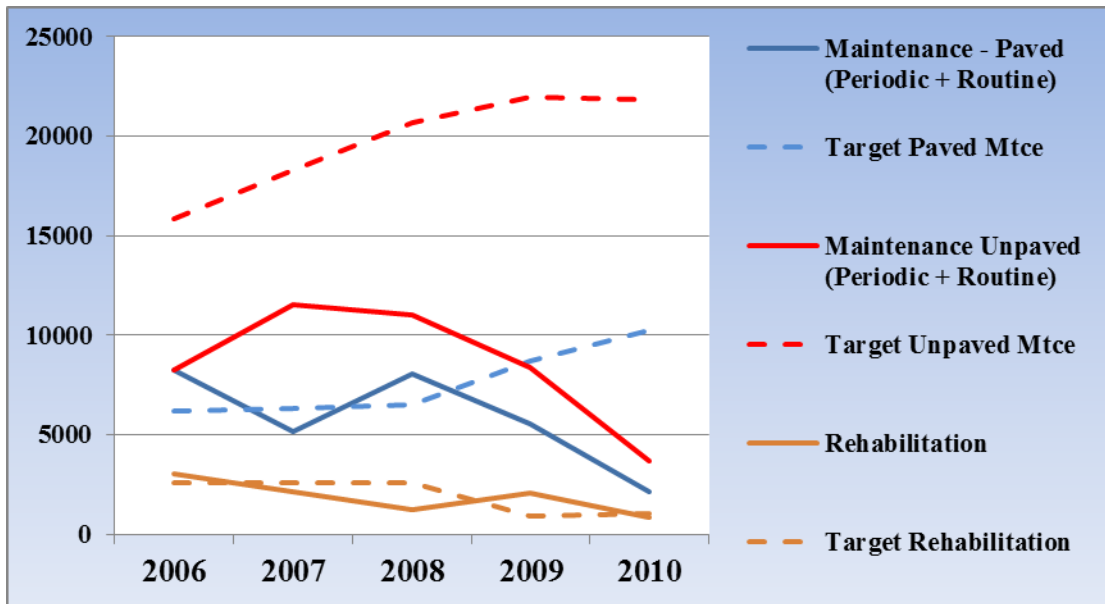
<sup>197</sup> A few words on concepts: **Routine Maintenance:** Maintenance activities which are normally required annually or more frequently, which are often specified on a repeated cycle and which normally suit length workers and small contractors. These include cutting grass and clearing drains. **Periodic Maintenance:** Maintenance activities which are normally required less frequently than annually, which are often specified in response to minor defect and which normally suit small and medium contractors. These include re-gravelling a gravel road. **Rehabilitation:** Activities which are specified in response to major defects and which are required to return a road to a maintainable condition. These include repairing a collapsed culvert and reforming a damaged length of carriageway. **Upgrading:** Activities to increase road capacity (can be a means of reducing annual routine maintenance costs and/or whole life costs). New Construction: In general and unless other priorities apply maintenance and rehabilitation of existing roads is a better use of scarce funds than new construction and does not unduly add to the burden on Road Managers.

<sup>198</sup> Sometimes justifying such a turn around by terminological contortions in which it was argued that such backlog of periodic maintenance was not actually maintenance.



Some brief case studies are set out below:

In **Zambia**, most attention went to upgrading of roads to asphalt standard—achievements in 2009: 552 km (against a target of 394) and 2010: 744 km (against a target of 413), at the cost of road maintenance. Road assets preservation was less-than-effectively managed (under ROADSIP II), looking at the mixed results of the output in terms of kilometres annually rehabilitated, and subjected to periodic and routine maintenance, as shown in the graph below. In % of annual target achieved, rehabilitation scored best (97%) and maintenance of unpaved roads worst (43%), with a downward tendency in maintenance performance more recently.



Source: EU delegation Indicator reporting (2006-2008) and RDA Annual Report (2009-2010/draft)

A single year in **Uganda** (summary of UNRA Achievements in Road Maintenance FY 2008-09) shows satisfactory results in (simple) manual routine maintenance and patching, and in spot-gravelling, but certainly not in periodic maintenance and rehabilitation, increasing next years' maintenance backlog load.

Latest recorded achievements (FY 2013-14) in roads maintenance of the National Roads (~ 20,500 km), show manual *routine* maintenance on almost 19,500 km and mechanized *routine* maintenance on around 1,700 km of paved roads and 10,500 km of unpaved roads. However, there is hardly any *periodic* maintenance on paved roads and re-gravelling of unpaved roads reaches just 600 km/year.

#### **UNRA Achievements in Road Maintenance financial year 2008-09**

Road Maintenance Interventions	Planned quantity	Achieved quantity	Remarks
Manual Routine Maintenance	10,970km	10,350 km	
Light/Medium/Heavy Grading – Unpaved	21,000km	6,133 km	Only one cycle of grading done instead of the planned three
Spot Graveling – Unpaved	45,500m <sup>3</sup>	50,942 m <sup>3</sup> (Spot improvement on approx. 60km)	The target was exceeded because of operation no pothole.
Spot Graveling - Unsealed Shoulders of paved roads	850km	716km of shoulders spot repaired	The target was not achieved because of procurement delays.
Patching ( Paved)	2,700km	2,700km of road maintained by patching	The target was exceeded because of operation no pothole.
Rehabilitation - Paved	100km	5 km (Busoga – Mityana)	Procurement of works took longer and works commenced in the fourth quarter.
Res ealing	220 km	10 km (Fort Portal – Mpanga)	Procurement of works took longer and works commenced in the fourth quarter.
Re-graveling	1,400km	760km.	Most new contracts commenced in the 3rd quarter.

Figures on periodic maintenance and rehabilitation performance from **Malawi**, also show (in tables) a low annual output and disappointing progress in achievements (lately).

#### **Periodic Maintenance Planned vs Achieved 2006 - 2012**

Fiscal Year	2006/07	2007/08	2008/09	2009/10	2010/11	Averages (2006-11)	2011/12
Planned (Km)	24.4	40	126	102	209	100	277
Achieved (Km)	18	20	67	110	67	56	52
% Achieved	74	50	53	108	32	63	19

#### **Rehabilitation of Paved Roads Planned vs Achievement 2006 -2012**

Fiscal Year	2006/07	2007/08	2008/09	2009/10	2010/11	Averages (2006-11)	2011/12
Planned (Km)	53	164	75	186	231	120	259
Achieved (Km)	38	85	67	65	124	64	2
% Achieved	72	52	89	35	54	62	0

All over, trends in backlog maintenance are difficult (if not impossible) to single out from existing statistics of maintenance operations and network conditions.

**Benin:** Work in progress, initially with financial and TA support from the EU.

**Madagascar:** Les statistiques sectorielles nationales sont partiellement mises à jour dans le cadre des Rapports économiques et financiers publiés annuellement par le Ministère chargé de l'Economie et l'Institut National de la Statistique (INSTAT). Maintenance of the national roads network is shared 46%/54% by ARM and MPW (though it was supposed to be entirely delegated to the ARM). ARM enters the outcome of the construction and maintenance operations it conducts, into the road database but is not able to register the MPW operations because information is not transmitted.

**Mozambique:** Sector statistics published in PRISE 6 monthly report.

**DRC:** Les statistiques actualisées sont difficiles à obtenir, mais la Direction des Infrastructures du Ministère du Plan et l'Institut national de statistiques font un effort de collecter les données actuelles sectorielles. National records are embryonic, generally supported by donors' TA. The OdR centralises data collected by regional bureaus ("brigades") on a monthly basis. The extent they are based on updates following specific road inspection is doubtful. Often with force account units, such monthly tables are limited to a desk work using secondary sources.

#### *Indicator 4.3.2. Trends in road network condition*

See Indicators 3.1.2 and 4.3.1 above.

#### *Indicator 4.3.3. Proportion of road network under routine and preventive (periodic) maintenance*

Bearing in mind that only 'maintainable' roads (i.e. roads in good/fair condition) should be under routine maintenance (when in good condition) and periodic maintenance (**before** fair condition turns into poor) regimes<sup>199</sup>, the proportions of the network under such maintenance regimes continue to be less than is necessary. Thus a maintenance back log is created or expanded more while expansion of the network (by new construction) continues in many countries, thus adding to future maintenance needs. Clearly, the rationale of the focus on road maintenance is (long term) road network asset value protection. If for example UGX 200 billion is added in a year to the asset value by upgrading roads to tarmac standard (in particular parts of the country), while UGX 300 billion is lost from the asset value (spread all over the country) due to lack of maintenance (and therefore the need to rebuild sooner or later at high prices), then the value of the overall road network asset of the country will fall in value, gradually but steadily. The battle is between short-term 'political profiling' (with tarmac roads) and long-term 'asset value growth' (network asset management), the latter so far on the losing side, particularly as a result of election campaigns.

A typical case study (**Malawi**) exemplifies such issues. The full SBS indicator list consisted of:

<sup>199</sup> i.e. it is waste of money to try and maintain un-maintainable roads – such roads should be subject to rehabilitation to restore them to a maintainable standard.



- Only ~60% of the targeted routine maintenance of paved roads has been carried out (whilst routine maintenance of unpaved roads has exceeded targets).
- Only 19% of planned periodic maintenance has been carried out (thus adding to the back log).
- Virtually no planned rehabilitation of paved and unpaved roads has been carried out.
- Only 68% of the planned budget for periodic maintenance has been made available.
- And yet, somewhat counter-intuitively condition of paved and unpaved roads is reported to significantly exceed targets.

As a response to this summary, a quotation from the 2010/2011 Evaluation of EC support to the Republic of Malawi: *'However, the road network in Malawi, whilst an essential national asset, is hugely expensive in terms of recurrent costs of maintenance, without which the economic and social benefits of major capital investment or rehabilitation will not be fully realized. If maintenance is not affordable or of adequate quality, service levels fall, vehicle operating costs and journey times increase, premature (and avoidable) deterioration of road condition will take place and whole life costs will be significantly greater. Although resources made available for road maintenance have increased there are continuing reports, including Joint Transport Sector Review Aide Memoires, of funding deficits leading once again to inadequate maintenance and an increasing back log of periodic maintenance.'*

See also indicators 4.3.1 and 3.1.2.

#### **Indicator 4.3.4. Adequate enforcement of appropriate axle load control and GVW legislation (i.e. is overloading under control) at national levels.**

Several evaluation reports on Eastern and Southern Africa (**Uganda, Ethiopia, Zambia, Malawi**) note positive trends, e.g. **Ethiopia**: focus on continuing to strengthen axle load control in order to consolidate the remarkable reductions of truck overloading registered, overloading being, together with insufficient maintenance, a main cause of early road deterioration. Similar reports available on West and Central Africa are far less optimistic: comparing establishment of axle-load control posts, against repeated commitments over EDF9 and 10 and regional agreements, is lagging far behind schedule and, when exceptionally established (Cameroon, Niger...), notably lenient, particularly regarding off-loading.

Overloading a truck can be a sound commercial decision for a trucker if the chance of apprehension is small, fines are light (i.e. are not commensurate to the levels of damage caused by the overloaded truck) and the road condition is good (if the road condition is poor, the truck may be damaged by overloading<sup>200</sup>).

<sup>200</sup> Although much of the truck fleet in SSA is old and truckers perhaps would care more about potential damage if trucks were newer.

A recent SSATP study<sup>201</sup> summarizes the issue as follows: *“Heavy goods vehicle overloading is a serious problem across much of Sub-Saharan Africa. Such overloading not only significantly accelerates the rate of deterioration of road pavements but, when coupled with inadequate funding for road maintenance, it contributes significantly to poor road conditions and high transport costs. The indicative cost of overloading in East and Southern Africa has been estimated at more than US\$4 billion per annum. This exceeds the amounts being spent on road rehabilitation. Therefore, unless the problem is tackled head on, it will negate the expected benefits from the huge amounts of resources that countries and donors are investing into improved road infrastructure across the continent. The cost associated with vehicle overloading can be avoided through effective control measures”*.

The issue has been highlighted in practically all “Joint Development Partners” Transport Sector Annual Meetings, Reviews and Aides de Memoire<sup>202</sup> in many of the SSA countries—since 2000, if not earlier.

In some (very few) countries, this has led to comprehensive (holistic) attempts of addressing the overloading challenge, but in most countries the approach has been rather piecemeal<sup>203</sup>. In practically all cases the donor community was the initiator pushing for corrective action, in dialogue and/ or by attaching certain conditions to grant or loan agreements.

An overload control system incorporates a broad range of issues that need to be addressed, namely:

- Legislation & regulations
- Infrastructure and equipment
- Institutional/organizational setup
- Human resources/training
- Enforcement/operations
- Public support/cooperation

The EU has been involved in axle load control interventions<sup>204</sup>, since 2005, in the following SSA countries: Benin, Burkina Faso, Cameroon, Chad, Ghana, Kenya, Malawi, Mali, Niger, Senegal, and Zambia. (CRIS data 2005-2013). In other countries (e.g. Ethiopia, Madagascar, Mozambique, and Tanzania) other Development Partners were leading.

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<sup>201</sup> SSATP has provided consolidated information on the issue in the following documents:

- Guidelines on vehicle overload control in Eastern and Southern Africa (March 2010: SSATP WP90)
- Emerging good practice in overload control in Eastern and Southern Africa (April 2010: Main lessons learned; and June 2011: Selected case studies in Namibia/strategy, Zambia/control program, Zimbabwe/de-criminalization, Botswana and South Africa/cross-border overload controls).

<sup>202</sup> Typically formulated like: *Axle load control: Immediate action can and should be taken under the present legal and institutional setting to improve performance. An action plan should be developed and subsequently monitored by a small Task Force. The donors would be willing to provide financial and technical support to this Task Force and to the implementation of the action plan with well-defined targets.*

<sup>203</sup> In a number of countries (e.g. Kenya) political will for enforcement has been absent. This may have something to do with ownership of trucking companies and with the very strong trucking lobby.

<sup>204</sup> In several countries the intervention was just an Axle load control study (e.g. Benin, Kenya) in others (e.g. Cameroon, Ghana, Zambia) such a study was followed up with a more or less comprehensive investment programme.

**Zambia** (member of SADC) represents one of the better-documented cases, where (non-EU) Norway (NORAD) had the lead initially. In September 2001, Zambia embarked on a national Axle Load Control Programme (ALCP) which was originally based on a project document entitled “*A Process Related Axle Load Control Programme for Zambia*” (Roads Department, 2001). The document was subsequently adopted by the ROADSIP Committee of Permanent Secretaries as the Action Plan for Axle Load Control in Zambia. The original ALCP was revised in accordance with comments made in an appraisal report (April 2002), from the Task Force (May 2002) and from other stakeholders. The new approach is largely in accordance with the SADC MoU and the model legislative provisions on management of vehicle loading.

Specific goals, objectives and outputs were identified, and added to the programme components to the extent that they were measurable. The programme was launched in April 2004 and supported by NORAD (NOK 30 million) and the EU (Euro 2.5 million), altogether close to Euro 6.3 million. It was envisaged for about four years (2004-2008). It was recognized that the budget had to be flexible between various (10) components—budgets and work plans were adjusted accordingly at the Annual Meetings.

The objective of an ALCP is generally twofold, notably to contribute to:

- A sustainable road sector, by a substantial reduction in damage caused by overloaded vehicles;
- Reduced risk for traffic accidents caused by overloaded vehicles.

The measurable overall programme output was targeted as follows:

- Overloading of vehicles should be reduced from more than 20% to less than 5%;
- Overloading on Gross Vehicle Mass (GVM) should decrease from more than 55% to less than 5%.

The programme in Zambia comprised the following ten inter-related components:

- Information and Awareness Campaigns (<3% of total budget)
- Improve Organization and Procedures (4-5%)
- The ‘Legal Initiative’ (<2%)
- Change of Present Procedures and Training (4%)
- Weighbridge Equipment and Sites (60+%)—8 co-financed by EU/Norad (in addition: one by Danida, and two by World Bank)
- Minimize Corrupt Practices (1%)
- Establishing a Vehicle Overload Management Information System (1%)
- Commercialization/Privatization of Weighbridges (1%)
- Project Monitoring (3%)
- Project & Budgets Administration (19%)

The important lessons learned by Zambia are that:

- The process of amending Part V of the (Zambian) Public Roads Act has been slow. This has affected progress on some other vital program components;

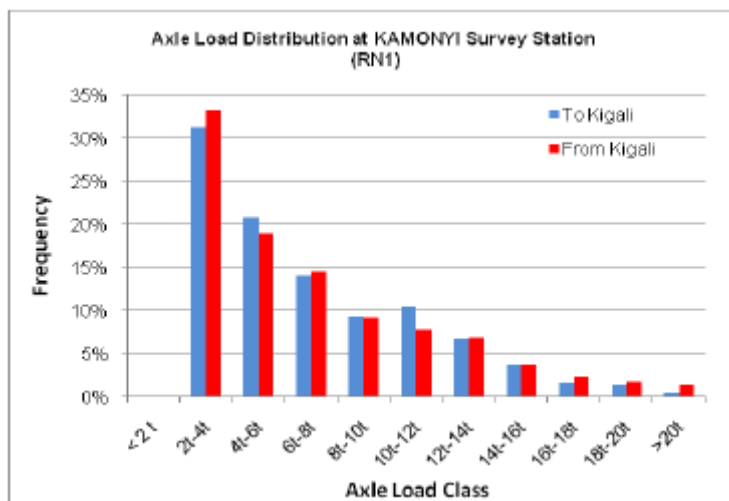
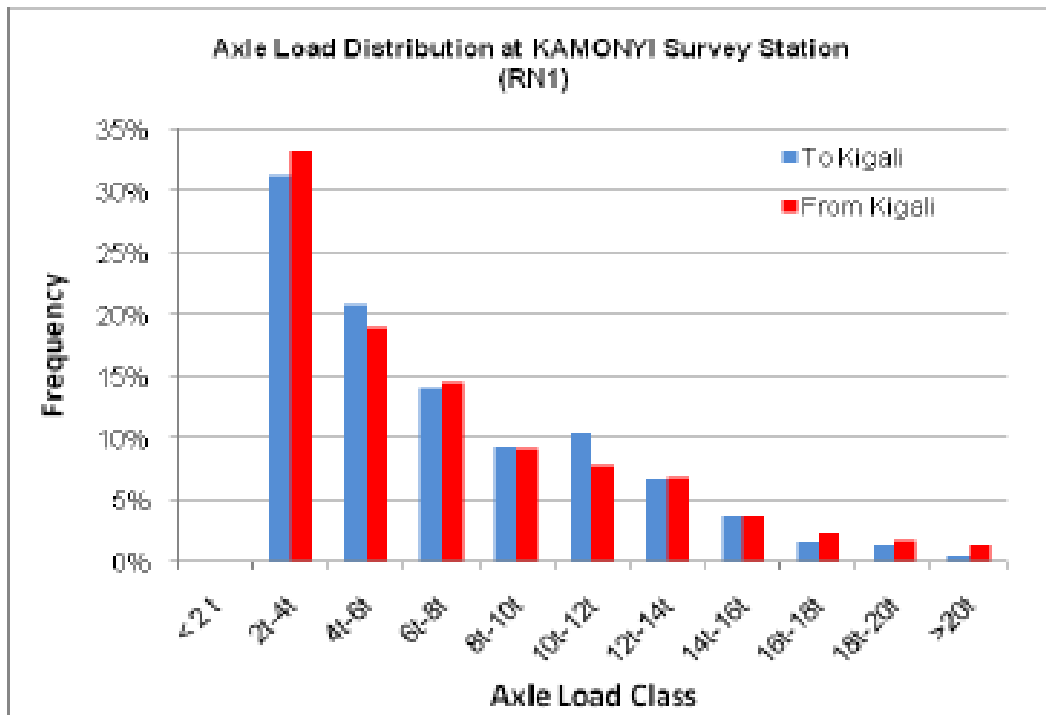
- The wide-ranging scope of the project requires more than the four year period assumed for its implementation;
- Before starting the project, it is important to have ample time to develop the implementation plan and detailed yearly budgets;
- It is also important to have a fully operational accounting and financial management system in place before commencing implementation; and
- It would be advantageous to divide the project into separate subprojects, one for operation and one for investment, and run them separately according to their own, different time schedule.

In **Rwanda**, most goods are imported through the ports of Mombasa (Kenya) and Dar es Salaam (Tanzania). About 75% of land-based Rwandan freight is transported by road over 1,500km from the Port of Mombasa to Gatuna at the Uganda/Rwanda border; the balance (25%) comes in through the Port of Dar es Salaam over a distance of 1,300km to Rusumo border point.

The axle load surveys under this study concentrated mainly on the heavy commercial vehicles (including passenger bus with seating capacity of over 40). Other vehicle categories were left out as they pose insignificant damage to the road pavement in terms of axle loading. The exercise took 2 weeks. The first week of the surveys covered all the key border points into Rwanda at: Gatuna (RN2), Rusumo (RN3), and Rubavu (RN4). The fourth station was sited at Kamonyi on RN1 in order to capture all vehicles coming through the Kibuye (RN7), Butare (RN1), Gisenyi (RN11), and Cyangugu (RN6) directions. The second week of surveys covered the following stations around Kigali: Nyacyonga (RN2), Rugende (RN3), Shyorongi (RN4), and Gahanga (RN15).

The actual survey work was undertaken for 12 hours (07.00hr to 19.00hr) every day for 7 days at each of the stations. Vehicles were weighed from both directions with the assistance of the policemen. The survey managed to capture a total of over 10,000 vehicles for weighing within the two weeks of fieldwork. This study did not make use of any fixed weighbridge as the existing ones at the border points were out of operation. The survey was accomplished by a set of 3 WIM equipment and one (1) set of Static weigh pad; all had the capability of weighing an entire vehicle axle load in one go.

The overall overloading (legal limit is 10 T) on the main roads varies from 9% to 38% considering both lanes, but it was found extremely high (56%) for a particular lane on RN2 link between Gatuna and Kigali, and very low (1%) for the Kayonza to Rusumo road section, in the Tanzania direction.



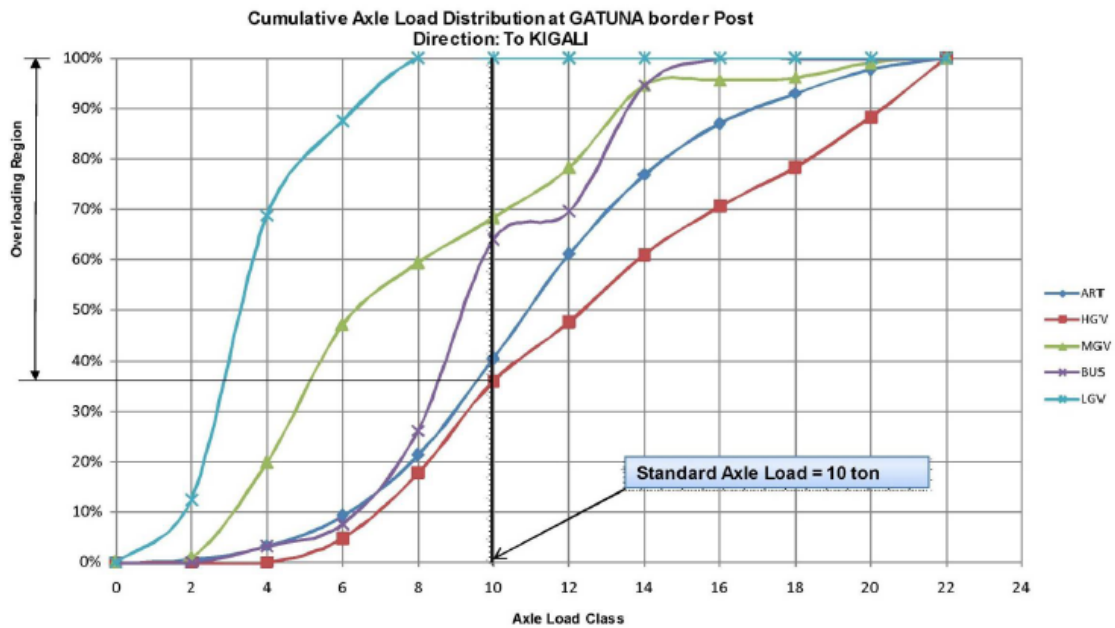
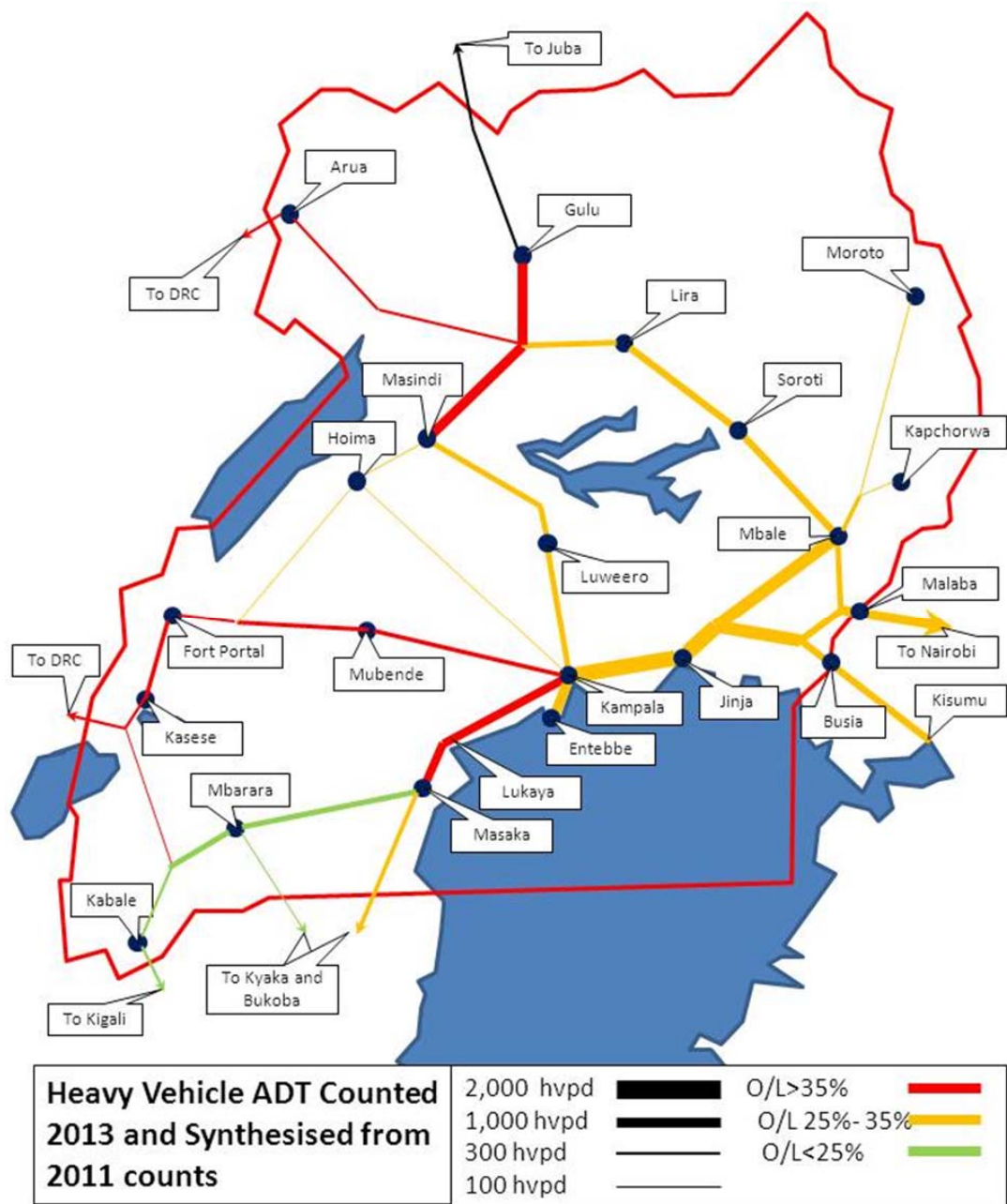


Figure 3.5: Cumulative Percentage Axle Load distribution at Gatuna towards the Kigali Direction

A sample of recent axle load survey in **Uganda**, presented in the following table, shows vehicle types with average overload percentage, while the attached map indicates distribution over the national network of heavy vehicles with percentage overloaded.

Heavy Vehicle category	Count	Weighed	O/L	%O/L	Sample %
2 Axle Heavy	3721	2400	693	29	64
3-4 Axle Heavy	1330	579	215	37	44
5> Axle Heavy	2939	1646	613	37	56
<b>Total</b>	<b>7990</b>	<b>4625</b>	<b>1521</b>	<b>33</b>	<b>58</b>



Source : Weighbridge Operations Study (2015)

In FY 2013/14, almost 192,000 trucks on national roads were weighed, with more than 105,000 (55%<sup>205</sup>) found overloaded (UGX 383 million paid in fines). The busiest weighbridge (of 7 fixed Weigh in Motion and 3 portables) is at Magamaga (east of Jinja) on the Northern Corridor road.

<sup>205</sup> 'Policy' target set was reduction to 40% overloading.

On the regional level, the issue of overloading and the urgent need for its more effective control has been a key item for consideration by both the Southern Africa Development Community (SADC) and the Common Market for East and Southern Africa (COMESA) for many years. Based on consultations with both public and private sector stakeholders in the SADC/COMESA region, a reform strategy for the control of vehicle overloading was developed – *Enabling Legal Reform: Vehicle Overloading Control (SATCC, 1999)* - which comprises two instruments annexed to the SADC Protocol on Transport, Communications and Meteorology, notably:

- Memorandum of Understanding (MoU) on Vehicle Loading; and
- Model Legislative Provisions (MLP) on Management of Vehicle Loading.

In addition, a *Model Agency Contract in respect of Facilitation and Operation of Weighing Stations* has been prepared.

However, the effect of such regional ‘agreements’ on national actions (the range of measures need to be implemented/enforced by country agencies), has so far been disappointing.<sup>206</sup>

In April 2011, West African Ministers of Infrastructure, Transport and Energy endorsed the provisions of a draft Supplementary Act stipulating the axle load standards for heavy duty goods transport vehicles plying public roads in the sub-region, with a statement from the secretariat of the Economic Community of West African States (ECOWAS) in Abuja, stating that this was to protect West Africa's road infrastructure from degradation by overloaded vehicles. The draft Act provides a harmonised mechanism for the standardisation and control of the dimensions, weight and axle load of heavy duty goods transport vehicles and ensuring the control of overload. Member States are required under the proposed Act to impose prohibitive sanctions for non-compliance. The Act stipulates the authorised total laden weight or authorised total transport vehicle for each type of vehicle and requires Member States to formulate and incorporate in their official transport documents, a note not only attesting that a vehicle's weight and dimensions have been checked, but clearly stating its laden weight and axle load system.

Member States are also required under the Act to subject every vehicle prior to registration and entry into service, to technical inspection after which the dimension, weight and axle type should be clearly inscribed on two plates affixed to the vehicle. It further obliged member states to install equipment and devices to monitor compliance such as weigh bridges, weighing scales and dimension gauges along road corridors including in facilities that generate annual road freight for heavy duty vehicles of over 200,000 tonnes. Operators of platforms such as ports, logistics depots, rail road, warehousing, industrial and storage facilities that generate heavy duty traffic of over 200,000 tonnes are also required

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<sup>206</sup> This is another example of tardiness in implementing regional protocols/agreements.



to equip such platforms with the facilities for the inspection of the dimensions, weight and axle load of heavy duty vehicles loading in their domains<sup>207</sup>.

The Act is accompanied by an implementation road map that includes a graduated sanctions regime applicable between 2011 and 2014 when all member states are expected to be in full compliance.

In **Cameroon**, EU's support for the development of the road network throughout the various EDF amounts to some € 500 million. Road network protection policy was initiated in the late 90s, with few resources and limited political will. The resistance of carriers to control of overloading was initially strong - regardless of the evidence of the damage caused. After regular consultations and dialogue organized by the Public Works Ministry over ten years or so, the haulage industry eventually came to an agreement on the enforcement of axle-load control on regional corridors. Overload rates started to decline, after many years at 80% and more.

EU's support (€ 3m) introduced advanced technologies, based on automation (including the issuance of fines), transparency, weighing and interconnection of control stations. The sanctions were tightened, even for control officers. However, part of EU support was to improve the conditions of exercise of control functions for agents and law enforcement. Station management has gradually been devolved to the private sector with continuous monitoring exercised by the administration computer data centralization. Weighing equipment maintenance was contracted to private operators that brought about an operating ratio of over 95% in 2012.

EU support has made several diagnostics on the practices and conditions for conducting checks to formulate an approach adapted to the context, the expectations and capabilities of the actors. This approach allowed adjustment of the development of work stations to the needs of users and agents, thus limiting the possibilities of discontent. The control avoidance practices are becoming more expensive for carriers, mainly diversion onto the secondary network of unpaved roads and unloading-reloading before and after testing. Overload rate was thus reduced to less than 10%.

Après une hausse consécutive de 2009 à 2011, le montant des amendes<sup>208</sup> émises s'est stabilisé avec une légère baisse en 2013.

### **Evolution de certains paramètres du contrôle des charges, autres que les camions citernes<sup>209</sup>.**

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<sup>207</sup> In fact most ports have installed weighbridges at port gates. Usage has been proven to be sound commercial investment to detect losses, if not specifically to control overloading on public roads.

<sup>208</sup> Les amendes appliquées : F CFA 25 000 par tonne supplémentaire pour les surcharges inférieures à 5 tonnes ; F CFA 50 000 par tonne supplémentaire pour les surcharges comprises entre 5 et 10 tonnes ; F CFA 75 000 par tonne supplémentaire pour les surcharges supérieures à 10 tonnes.

	2009	2010	2011	2012	2013
Nombre stations de pesage	13	14	17	17	17
Nombre véhicules pesés	486 108	606 574	1 178 821	1 544 218	1 944 974
Nombre véhicules en surcharge	58 769	74 381	152 483	142 882	132 217
% des véhicules en surcharge	12,1%	12,3%	12,9%	9,3%	6,8%
% véhicules en surcharge inférieur à 5 tonnes	98,3%	98,1%	98,8%	99,1%	99,0%
Véhicules en extrême surcharge >20 tonnes	81	36	64	17	59
Amendes en milliard des FCFA	1 745	2 059	3 517	3 459	3 044

Source : Pesage routier au Cameroun – Rapport Bilan 2010, 2011, 2012 et 2013

#### ***Indicator 4.3.5. Record of road pavements attaining anticipated designed economic life (according to appropriate design standards and traffic projections)***

Ex post assessments of performance of infrastructure investments are almost never carried out (for EU-supported interventions or other donor support in the transport sector). This is unfortunate as it would give insight not only into the adequacy of design and quality of construction but also on estimates of growth of traffic (upon which calculation of EIRR is based) and of adequacy of maintenance regimes and maintenance budgets. Such an assessment would also examine the realism of any planned strengthening of a road pavement after x years in order that a road pavement may achieve its economic design life.<sup>210</sup>

In the admittedly subjective (but extensive) experience of the evaluator, virtually no roads in Africa attain or exceed their design/economic pavement life.<sup>211</sup>

**Benin:** No such assessment. However, the quick deterioration of EU-funded Parakou-Bérougué (130 km) can be already assessed. The suburban 2x2 urban corridor (10km) between Cotonou and Calviti has not faced the same quality issue (close quality control by the EUD staff itself). Severe quality issues are already assessed by the on-going evaluation for the recent Mbaikoara-Kandi. In all two cases, most quality issues are related to the minimal standards pushed for by UED to fit into the budget pre-identified in the Action Fiche, aggravated by work control defaults (particularly for Parakou-Bérougué).

<sup>209</sup> Les camions citernes sont un cas particulier du transport routier camerounais : certains ne sont pas pesés ; ils ont droit à une tolérance à l'essieu et au Poids Total en Charge de 3 tonnes et les amendes ne sont pas recouvrées.

<sup>210</sup> It is common practise to provide a relatively cheaper road pavement (e.g. double surface dressing on a granular or stabilised base course) with a planned strengthening overlay after a specified number of years (or when traffic levels reach a specified level). This staged strengthening (almost) never takes place.

<sup>211</sup> The only exception which comes readily to mind is the Accra-Tema Expressway in Ghana (which was reportedly built to the same design specification as the concrete-pavement section of M1 motorway in the UK).

**Madagascar:** Une évaluation ex-post des investissements en capital soutenus par l'UE dans les infrastructures est, par principe, menée après la clôture d'un projet routier. Des rapports d'évaluation de l'appui de l'UE dans l'ensemble des secteurs et dans le secteur des transports sont aussi disponibles (dont les Rapports d'Evaluation pays tous les 10 ans).



## EQ5. Economic and social development

**EQ5: To what extent has EU support to the transport sector in Africa contributed to sustainable social and economic development?**

### JC5.1 EU support has facilitated provision of improved transport services

The overall answer to this JC is that the EU has made a positive contribution to transport services in some areas, but this has not been a primary focus of engagement for the EU to date. Given the stated importance of transport services to poverty alleviation and to accelerating growth, some references argue that this objective should be given greater focus in EU policy dialogue and support initiatives in future.

Underlying this JC is an acknowledgement that road infrastructure is a means to an end, not the end itself. Benefits only accrue to the population through the provision of safe, well regulated and affordable transport services. A comprehensive and fully functioning Sector Policy Support Programme (SPSP) should therefore incorporate consideration of transport services. However in reality EU engagement in the sector has generally evolved from an initial engagement in funding road (typically highways) infrastructure projects (mainly rehabilitation or upgrading of existing roads), organised and managed by the public sector. Most transport services are provided by the private sector. Many transport services are overseen by separate institutions such as the police, and issues of enforcement of regulations requires cross-discipline coordination. Given these factors it is unsurprising that the EU has traditionally not been heavily involved in strengthening transport services in Africa, especially in its predominant sub-sectoral focus of roads.

The focus of much of the engagement that has occurred has been in relation to overloading of lorries/axle load control with the primary objective of protecting existing road infrastructure. Recently road safety has become higher-profile issue although it cannot be said to have been treated as a sector-specific cross-cutting issue. This does concern transport services, but a high proportion of those killed are pedestrians, so the issue is broader. Overall it is possible to say that the EU has made a positive contribution but attribution is less clear.

Traffic deaths and injuries are continuing to climb across most African countries in which the EU has been actively supporting the transport sector. Road traffic deaths in Africa are the highest in the world, measured on a per-capita basis. Whilst a major contributory factor has been the growth in vehicle numbers (annual vehicle growth rates of 8% per annum is commonplace), in some instances, such as the Northern Corridor in Kenya, increasing traffic speeds following EU funded road rehabilitation may have been a contributory factor. WHO, together with programmes such as SSATP, has played an important role in highlighting the high incidence of road deaths, noting that these are already the 8<sup>th</sup> biggest cause of deaths and as progress is made with contagious diseases such as HIV/AIDS and malaria, the incidence is set to rise further, more than doubling by 2030.

Overall the EU has played a positive role in ensuring that road safety is now on the agenda. The SPSP approach has the potential to be far more comprehensive than using stand-alone project modalities. However there are data reliability issues that inhibit the use of accident rates for variable tranche indicators under sector budget support programmes<sup>212</sup>. Furthermore enforcement of speed limits, wearing seat belts, wearing motor-cycle crash helmets etc, is typically a police responsibility, and this institutionally separated from the Road Authorities and Ministries of Transport and Works that are the main interlocutors for the European Union Delegations (EUDs).

The outcome data with respect to reduced travel times and travel costs is rather partial. Clearly rehabilitated roads have higher average travel speeds than non-rehabilitated roads, unless traffic congestion or traffic management measures (such as enforced speed restrictions) limit speeds. There is evidence of reduced travel times on almost all roads in which the EU has invested, but there is no overall mechanism for tracking performance. There are similar issues with measuring travel costs: whilst road condition is an important variable, other factors including fuel costs, exchange rates (most vehicles in Africa are imported), taxes and duties distort vehicle operating cost time series, and there is little data available. This makes inter country and inter project comparisons difficult.

#### **Indicator 5.1.1 The regulation of transport services has improved with EU support**

It is important to recognise that the EU involvement in the transport sector in the period preceding the period under evaluation was dominated by road infrastructure rehabilitation projects. The adoption of a sector approach was only initiated gradually. In many cases the main interlocutors for policy engagement have remained public sector Ministries of Transport and/or of Works, together with their respective road agencies. It should also be noted that the Cotonou Agreement is EC/EU to Government and therefore has its foundations in public sector activities. Generally road transport services are provided by the private sector albeit that the public sector has regulatory functions that are key factors for an efficient and fair market in transport services. Therefore it is unsurprising that it has proved to be challenging for the EU to support improved transport services, except in the minority of cases where support has been given to other modes of transport, primarily railways. The lack of focus on transport services by the EU is symptomatic of a broader problem: a recent study concluded that transport services represent *'the forgotten problem'*<sup>213</sup>.

This assertion is borne out in a number of countries. For example as noted in the 2012 **Ethiopia** Country evaluation report<sup>214</sup>: *"Only in recent years has the Commission succeeded in increasing government concern about road transport services, with no definitive steps confirmed yet"*.

<sup>212</sup> Given that there are usually 4-6 indicators for SBS, safety tends to be 'crowded out' as a potential tranche indicator.

<sup>213</sup> Gwilliam, K. et al. (2010) Chapters 9 and 10 in Foster, V. and Briceno-Garmendia, C. (ed.) *Africa's Infrastructure: a Time for Transformation*. Washington: World Bank.

<sup>214</sup> Source: *Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation. ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 Volume 1.*

The entry points to improved transport services typically concern: i) improved regulation of private sector operations; ii) strengthened enforcement, for example of axle load controls, in order to assist network management and sustainability; iii) improved regulation, to avoid transport cartels forming and support development of a level playing field; iv) adoption of improved safety standards, for example for bus, mini-bus (matatu, taxi), and motor-cycle taxis (boda-boda); v) measures to simplify cross-border transit operations and reduce waiting times; and vi) improved inter-modal operations such as inland container depots, rail-road transfer facilities and related connectivity enhancement measures.

In many cases these operators have considerable political and economic clout, and there is reluctance by the authorities to tighten regulations and their enforcement even though it would contribute to improved transport services. There are examples of good practice, for example in **Rwanda or in Cameroon**, and even in **Kenya**, which is not known for good governance or for traffic management, standards of enforcement have risen over the evaluation period. To take simple examples, there has been a clampdown on overloading of minibuses (known as matatus in Kenya); vehicles now have to be fitted with seat belts and the wearing of seat belts has been made compulsory<sup>215</sup>.

Most improvements are however limited to axle-load control, closely following heavy pressure given to infrastructure sustainability issues, particularly by the EU. Progresses were recorded as well in road safety, notably in Southern Africa (Zambia set a dedicated agency, for example), with the increasing pressure of CSOs in this respect.

According to the European Court of Auditors **Benin and Burkina Faso** have shown insufficient commitment to effectively tackling vehicle overloading<sup>216</sup>. It observed that the network of weighbridges is not suitable for axle load control and does not ensure adequate national coverage, the “offloading” policy of taking excess load off a vehicle is not applied and the fines imposed are too low to have a deterrent effect. It also reported that insufficient efforts were made to address the root causes of vehicle overloading. It cited the high transport prices due to stoppage times at borders, informal road barriers, the inefficient use of the transport capacity due to illicit arrangements between transport operators to share the market and the lack of competitiveness of other transport modes, notably railways. The issue must be related first to the typical low economic density of most African regions, and the almost general constraints of haulage’s empty returns. Consequently vehicle overloading is not the result of a shortage of available transport capacity.

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<sup>215</sup> The enforcement of these measures is worthy of a study in its own right. Successive attempts were made by government to enforce such measures but government always backed down when the minibus drivers went on strike. Finally the government held firm and after a number of days the minibuses trickled back to operation with the safety measures fitted. Interestingly commuters were in favour of the measures and literally millions walked to and from work during the final strike period.

<sup>216</sup> European Court of Auditors Special Report Number 17, 2012, paragraph 22.

**Senegal** is reported to have adopted appropriate policies and overall has adequate vehicle control equipment. However, these policies are not implemented effectively and constraints hampering the effectiveness of overloading regulations — such as the high transport prices and oversized vehicles — are insufficiently addressed. **Tanzania** and **Zambia** have an appropriate national regulatory framework and approach that includes systematic controls thanks to a developed network of weighbridges, the imposition of fines and the mandatory offloading of non-compliant vehicles. As a result the rate of axle overloading is only 1.6 % in Tanzania and 3.3 % in Zambia. Road deterioration due to vehicle overloading is much less severe in these two countries than in some others but there is scope for improved data collection and analysis, and expanding and upgrading the weighbridge infrastructure.

In a number of cases the strengthening of enforcement of has been part of the broader policy dialogue between donors and Governments including, but not limited to, the EU. Overall it is possible to say that the EU has made a positive contribution but attribution is less clear.

The introduction of a renewed thrust of EU sector programmes on improving transport services effectiveness is relatively recent (3-4 years) and if it can be identified in programming documents, it has hardly yet started to be implemented. The EU approach of transport effectiveness is comprehensive, intending to seize the various dimension of the haulage industry first, and to a lesser extent to passengers' road services. Some other donors, by contrast, are clearly associated with specific transport services initiatives, such as the World Bank which has pushed for Bus Rapid Transit (BRT) systems.

In many countries the relationship between transport service providers and the Government is essentially confrontational. In **Ghana** an evaluation undertaken in 2005<sup>217</sup> assessed the support given by the Commission in terms of streamlining transport regulations, enforcing axle weight regulations, enhancing road safety and improving traffic management. It found: *“Axle load control continues to be dysfunctional and ineffective with considerable doubts over commitment and political will to enforce axle loading. Little evidence of effective enforcement of traffic regulations in general. The Commission experience of support to this issue is truly awful with no impact to date”*. The issue of improving transport services in Ghana has remained a key objective of EU support to the transport sector, through the Support to the Transport Sector Development Programme (TSDP) 2008-20, with the EU implementation starting in June 2009 to June 2016. EU funding totals €79m and supports transport policies established by the Government of Ghana<sup>218</sup>.

The TSDP overall objective is to expand growth, reduce poverty and establish Ghana as a transportation hub for the sub-region. The support is anchored through an infrastructure project – rehabilitation of the Tarkwa- Bogoso Ayamfuri road which provides a link between three regions: Western, Central and Brong Ahafo.

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<sup>217</sup> [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/reports/2005/951664\\_vol2\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2005/951664_vol2_en.pdf).

<sup>218</sup> Decision No 209/23.



Despite appropriate policies being in place, it is interesting to flag the delays in implementing key measures designed to strengthen transport operations. For example the Ministry of Roads and Highways, acting through the Ghana Highway Authority (GHA), has only recently began implementing the Axle Load Regulations in the Road Traffic Regulation 2012. A statement issued by the GHA and signed by its Acting Chief Executive, M.A Abbey in January, 2014, said “*as part of its implementation programme, the GHA assisted by the Ghana Police Service, embarked on a nationwide sensitization and education programme to sensitize stakeholders in the transport business on the axle load regulations in the Road Traffic Regulations 2012 (L.I. 2180)*”.

There has been considerable resistance from transporters to improved enforcement<sup>219</sup>. The Ghana Haulage Transport Owners Association (GHATOA), a coalition of road haulage operators in the country, objected and in January 2014 it warned that GHATOA might withdraw its services from key roads, ports and farms. GHATOA claimed the regulation seems to be targeted at “*collapsing the haulage industry*” and described the call on importers to reduce the tare weights of the over 15,000 articulated vehicles in the country to meet the axle load specifications of 16 tonnes for a six axle truck as “an impossible demand”.

It is of particular interest to regional development that different axle load standards are applied in other countries and GHATOA believed that Ghana ought to collaborate with other countries in the sub-region to move towards harmonization of axle load regulations and their implementation. It was observed that that Ghana could not afford to lose out on the Sahelian-bound cargos, given that the country has spent invested heavily in convincing importers and exporters to route through the Tema and Takoradi ports<sup>220</sup>.

This highlights the inter-connectivity of transport operations, especially in key corridors. Although this example relates to access to the inland countries of West Africa, the major corridors of East and Southern Africa (such as Mombasa – Nairobi- Kampala- Kigali) and the Beira and Maputo corridors have similar challenges in applying consistent standards around transport services.

Similar feedbacks can be gathered from all recent EU evaluation of country level strategy, transport SWAp or BS: over the last decade, the haulage industry developed everywhere outside any regulatory framework and indeed therefore generated high financial returns for low quality services. It attracted high level of capital investment by economic and political elite. Hence, reluctance for reform is high (in Cameroon, Congo, Mali, Zambia, Kenya, Uganda) while EU pressure was long kept low. The same evolution towards dis-integration and deregulation was recorded for urban transport, with highly visible results of lack of comfort and safety against high prices.

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<sup>219</sup> See more at: <http://www.myjoyonline.com/business/2014/January-17th/haulage-transport-owners-reject-new-axle-load-regulation.php#sthash.dOc7Sv0G.dpuf>.

<sup>220</sup> Agreement to raise the GVW and/or axle load limits should not be taken lightly as it should involve strengthening of road pavements throughout the country; the more likely scenario is this strengthening does not take place resulting in an increasing and accelerating deterioration of the main road network over the years following agreement to increase truck loading (as there is a delay in impacts on the roads to become critical).

A further key issue<sup>221</sup> relates to **rural transport services**. As noted in a recent SSATP publication<sup>222</sup>: *“There are no easy solutions to directly improving existing transport services. Powerful vested interests will resent changes they perceive as threatening. Working in rural areas is doubly difficult given the difficulty of monitoring operators away from the main towns and off main corridors. In order to address key issues, it is first necessary to undertake surveys to collect information on the nature of services that are currently provided. This will provide direct evidence of the case for intervention and which areas of the country are most in need. Furthermore, major new initiatives in rural transport services are likely to require changes in the legal and regulatory framework backed up and guided by a new articulation of (Rural) Transport Policy”*

Institutional arrangements for rural transport services differ to those of urban transport services and the main national services. In **Ethiopia** for example woreda roads (the equivalent to district roads are not directly managed by ERA. In **Uganda** District, Urban and Community Access Roads (DUCAR) are coordinated a dedicated unit based in the Ministry of Works and Transport (MoWT). In **Tanzania** they come under the Prime Minister's Office Regional Administration and Local Government (PMO-RALG). This separation of responsibility may have been an inhibitor to addressing rural transport services. In West and Central Africa, rural road maintenance was merely abandoned and rural transport is only re-emerging as an EU focus<sup>223</sup> with the 11th EDF programming (in about a dozen countries, notably Chad).

The desk phase review has provisionally found that that comparatively little attention has been paid by the EU to rural transport service provision.

**Benin:** See above on the Rural Transport National Strategy.

**Madagascar:** Les activités de soutien aux pauvres des zones rurales à travers l'amélioration de l'accès aux services de transport ont été menées dans le cadre du Programme ACORDS qui cible les régions sud classées les plus en retard en matière de développement à Madagascar (Régions des Provinces de Fianarantsoa et de Toliara). Il s'agit notamment des projets intercommunaux et/ou communaux de réhabilitation des routes rurales ou d'aménagement d'infrastructures de transport fluvial (appointements pour bacs).

**Senegal :** national rural transportation strategy (SNTR) adopted in 2002 is based, inter alia, on the need to meet the social demand for the most disadvantaged groups and implement a decentralized and participatory management system in the subsector. The SNTR also has objectives to ensure coherence and synergy of the actions, to promote the intermediate means of transport to decrease costs and to take into account the environmental aspects in this sub-sector. This SNTR is designed and adopted the PTMR(Programme de Transport en Milieu Rural) which aims to improve the accessibility of the poorest

<sup>221</sup> In principle, feedback of EU interventions should be the entry point, not a per se key issue.

<sup>222</sup> “Good Policies and Practices on Rural Transport in Africa; Planning Infrastructure & Services” John Hine, published SSATP, September 2014.

<sup>223</sup> Unless in Benin where rural roads were EU focus during the 10th EDF (with DANIDA).

to rural transport services. For the year 2014 the AGEROUTE conducted on rural roads 91% of the routine maintenance goals, 154% of periodic maintenance goals and 58% of building new sections.

**DRC:** La DVDA, l'UNOPS et la CTB travaillent dans les zones rurales identifiées comme ayant une haute potentialité agricole pour améliorer l'accessibilité des populations qui y produisent les denrées alimentaires. On apprend aussi aux populations rurales comment réhabiliter et entretenir les routes de desserte agricole par les techniques à haute intensité de main d'œuvre (HIMO).

### **Indicator 5.1.2. Evidence of increased competition between passenger service providers and freight operators**

It is important to emphasise that road provision does not necessarily lead to lower transport fares: in the absence of competition there is no incentive for road transport providers to improve services or pass on cost savings (mostly from reduced maintenance costs) to users. Hettige (2006) observed that transport prices may thus fail to fall sufficiently to allow the poor and very poor to access transport services even where these are available<sup>224</sup>. Competition among transporters tends to rise when roads are improved to all-weather standard, especially on bitumen roads: on many earth and gravel roads across Africa competition is mostly absent; in rural areas, truckers' competition is highly unlikely<sup>225</sup>.

There are a number of different determinants of competition in the road transport sector, including issues of registration, cartellisation of transit routes, vehicle leasing, capital availability for investment etc. In some cases the structure of the industry is fully deregulated whereas in other cases the Government attempts to impose controls that may alter – in one direction or the other – the degree of competition, both in relation to passenger services and freight operations. When transport services are left deregulated, haulers as well as minibus operators and taxi drivers are systematically setting some degree of cartelization by restraining free access to the market, fixing tariffs and setting queuing systems (tour de role), particularly in Central and West Africa. Levels of service are kept low and operators are hindering law enforcement by an intensive recourse to red-tapping and political lobbying. In many cases it is challenging to alter the status-quo, and for the time, most governments kept low profile in this respect against the increasing concerns demonstrated by the donors', particularly the EU.

In **Ghana**, the Ghana Private Road Transport Union (GPRTU), runs truck and bus terminals, and helps enforce transport tariffs and fares. In **Tanzania**, the Surface and Marine Transport Regulatory Authority (SUMATRA) regulates the frequency and fares of the larger buses operating in rural areas; however, there is much less control over the operations of smaller vehicles. Police enforcement of safety and licensing regulations, together with axle load control, is very common on major routes, but less common on lightly trafficked rural roads in Africa.

<sup>224</sup> Hettige, H. 2006 "When do rural roads benefit the poor and how? An in-depth analysis based on case studies".

<sup>225</sup> Raballand, Macchi, and Petracco 2010, Rural Road Investment Efficiency; Lessons from Burkina Faso, Cameroon, and Uganda; The World Bank.

Wide differences in the pattern of motorcycle and bicycle taxis have been observed. In some countries such as Ghana for instance, motorcycle and bicycle taxi services are rare, while in other countries (Nigeria, Kenya, Benin, Uganda or Tanzania) they are very common, helping to increase competition and promote the availability of cost effective services. In some countries such as Tanzania, the services are not legally allowed although there is no enforcement to prevent the informal operations.

In contrast with urban transport policies, rural transport policies in Africa appear to be relatively silent on services and tend to focus on the provision of infrastructure, planning the location of facilities close to the population, and the provision of IMT. However, concern over poor services and the operation of cartels is evident from the **Kenya** Transport White Paper<sup>226</sup> or the Ethiopia's country-level evaluation (2012). Besides cartelization, in fragile or post-conflict countries supported by the EU (DRC, Guinea) price are led by a simple shortage of offer of transport services, or security issues (East of DRC).

For example a review of **Uganda** transport documents reveals little direct engagement with transport operators except under the Crossroads programme which is DFID managed and co-financed by the EU. Even under this programme, the main thrust is on contractor training rather than direct engagement with passenger service providers or freight providers. The Mid-term Review of the Capacity Building project found that stakeholder participation of the private sector was below expectations but increasing. This is, however, a long way from concluding that the programme is supporting competition so the evidence base is very weak.

The level of cartelization is far higher in most West and central Africa countries, at least around transit traffic and urban transport. Only few EU interventions in this respect were recorded, unless in Mauritania<sup>227</sup> where liberalization was pushed through with success in 2005 against a high level of cartelization of haulage activities. In many countries in those two regions, cartelization was more rampant and hence it was harder for the EU to focus on the issue, and bring a credible alternative policy framework. Analyses of the share of transport in the value chain, particularly of transit transport, contributed to raise the issue and upscale EU and other donors' concern.

As an indicator, it appears tenuous to argue that in most cases the EU has successfully promoted competition between passengers operators, and separately promoted competition in freight services.

**Madagascar:** L'ATT ne joue pas encore son rôle de régulateur économique national des transports terrestres. La concurrence dans le secteur des transports routiers de frets et de passagers au niveau national est biaisée du fait de la cartellisation pratiquée par les Groupements et/ou Associations professionnels des Transporteurs. Lesquels organisations professionnelles ont des fortes

<sup>226</sup> Republic of Kenya, Ministry of Transport and Communications, 2004.

<sup>227</sup> P&B 2012, Étude de l'impact de la réforme sur le sous-secteur des transports terrestres.

influences au niveau du Gouvernement et des Autorités ministérielles (blocage et harmonisation des prix, entrave à la stricte application des réglementations relatives au contrôle des charges routières et aux spécifications techniques des véhicules,...)

**DRC** : Pas de régulateur dans le secteur des transports en RDC en dehors de l'Autorité de l'Aviation civile (AAC). Au niveau national, il n'existe pas une réglementation en matière de la concurrence. Mais au niveau régional, il en existe une adoptée en janvier 2012 par la Conférence des Chefs d'Etat et de Gouvernement de la CEEAC pour le transport aérien (Décision n°20/CEEAC/CCEG/XV/12)

### ***Indicator 5.1.3. Transport safety standards have improved***

In most African countries, the mortality and injury rates are rising, so this Indicator is not satisfied – transport safety standards have not improved, certainly as far as road traffic (the focus of most EU support) is concerned.

EU support to road safety has been limited – most commonly reference is confined to a few lines in CSPs and formulation fiches<sup>228</sup>. However, some project documents involving major construction make reference to road safety concerns and some designs are subject to a specific road safety audit (although engineering good practice would be expected to accommodate the best possible safety standards (ie road safety of the finished infrastructure and H&S standards during the construction).

In 2010, the United Nations General Assembly declared the first-ever “Decade of Action for Road Safety” which paved the way for a declaration and action plan adopted by the African Heads of States in January 2012. The launching of the Decade brought the challenge of road safety to the forefront of development. However, improving road safety will be difficult and long, and implementation of the action plan in Africa will continue to require significant efforts in particular to address: (a) continued inadequate institutional capacity to lead the execution of the action plan; (b) the limited and uneven progress of the RECs in delivering on their regional harmonization and monitoring effort; (c) inadequate funding; and (d) weak technical leadership at continental level.

The UN target of the Decade is to save a cumulative total of 5 million lives, 50 million serious injuries and US\$ 5 trillion. It is concentrating on five pillars to achieve this goal:

1. Road safety management;
2. Safer roads and mobility;
3. Safer vehicles;
4. Safer road users behaviour;
5. Post-crash response

<sup>228</sup> The Malawi 10 EDF CSP is typical *Particular areas requiring support are road safety (including facilitation of institutional reform to create a Road Traffic Authority), axle load control, network survey capacity, development of maintenance plans and public and private sector technical capacity and training*.

As noted by the Global Road Safety Partnership (GRSP)<sup>229</sup>, road safety in a global sense, is well-researched, well-documented and the situation is known. It is dire and action is required to prevent the loss of millions of lives. The WHO's Global Status Report on Road Safety<sup>230</sup>, 2013 shows that there were 1.24 million deaths on the world's roads in 2010, similar to the number of deaths in 2007. This plateau in the number of global road deaths needs to be viewed in the context of a corresponding 15% global increase in the number of registered motorized vehicles. The mortality rate globally equates to more than 2 deaths every minute. A further 20 to 50 million people sustain life changing injuries that cause physical, emotional and economic impact to the injured, their families and communities.

Road traffic crashes are the leading cause of death for young people aged 15-29 years. Today, they are the eighth leading cause of death globally, and with the rapid increase in motorization, particularly in low- and middle-income countries, without significant intervention, road crash deaths are on track to becoming the fifth leading cause of death by 2030. In social terms, the impact of road crash death and injury to families is devastating. In economic terms, particularly to struggling economies in low- and middle-income countries, it is equally so. Families are faced with medical bills and lost wages. A greater burden is placed on scarce and already stretched medical facilities within communities, and on a national level, the cost is estimated at between 1 and 2% of gross national product. Globally, the annual cost is estimated at US\$518 billion.

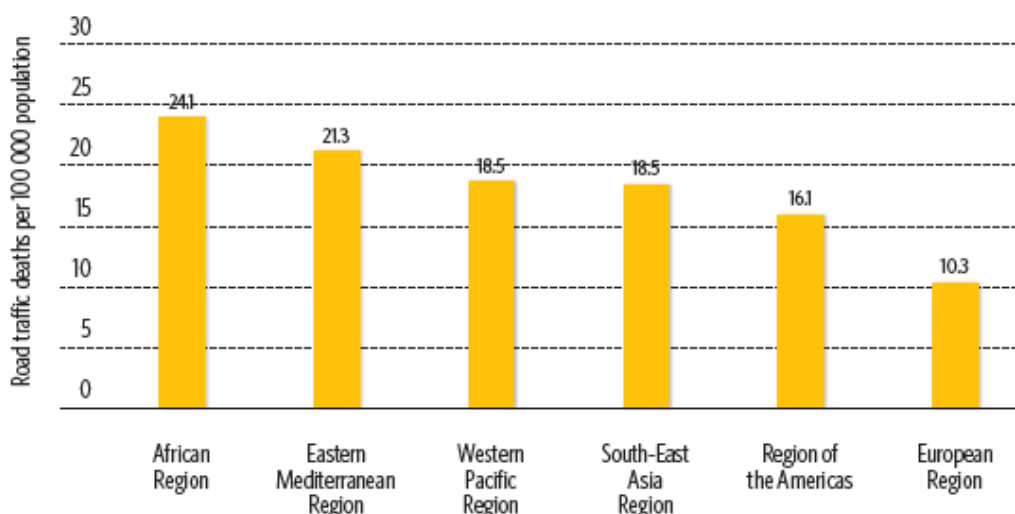
Although the aim of reducing the annual burden of road traffic deaths has yet to be realized, the lack of increase suggests that interventions to improve global road safety may have mitigated deaths that would otherwise have occurred. Between 2007 and 2010, the number of road traffic deaths decreased in 88 countries, suggesting that progress can be made with sufficient national commitment. Of these 88 countries, 42 are high-income countries, 41 are middle-income, but only five are low-income, so progress is slowest in low income countries. 87 countries that saw increases in the numbers of road traffic deaths over the same period and in Africa the problem is especially acute. As shown by the WHO 2013 report, below, Africa has the highest per capita rate of road traffic deaths:

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<sup>229</sup> Global Road Safety Partnership, Annual Report 2013.

<sup>230</sup> [http://www.who.int/violence\\_injury\\_prevention/road\\_safety\\_status/2013/report/en/](http://www.who.int/violence_injury_prevention/road_safety_status/2013/report/en/).

Road traffic deaths per 100 000 population, by WHO region



As noted on the SSATP website<sup>231</sup> the road safety situation in Africa is rapidly becoming an obstacle to competitiveness and development in Africa, exceeding the impact of HIV/AIDS. Two circumstances underscore the urgency to address the road safety issue. First, relative to the rest of the world, Africa has an extremely high rate of road fatalities, and second, road safety management structures are still not sufficiently robust. Although Africa has one of the lowest road network densities, at 0.08km/sq. km, and its vehicle fleet accounts for only 2 percent of the world's total, every year more than 300,000 people lose their lives on the streets and highways in Africa. In spite of the low motorization, Africa's road related fatality rate of 32.2 per 100,000 is the world's highest, and fatality rates per vehicle in Africa are about a hundredfold higher than those of well performing regions.

It has also been established that over 65 percent of those affected by road traffic crashes are the vulnerable road users, including pedestrians and cyclists. Unless drastic measures are put into place, indications are that Africa's projected growth in motorization would increase road crashes by 68 percent over the next decade.

According to projections by WHO, road fatalities in sub-Saharan Africa will increase by 112%, from approximately 243,000 in 2015 to 514,000 in 2030. This expected escalation comes as some improvement is being projected for the two diseases which are the focus of the Millennium Development Goals (MDGs)—malaria and HIV/AIDS, suggesting that greater attention should be paid to road traffic accident prevention when the MDGs are revised in 2015.

SSATP observes that the establishment and strengthening of road agencies were a key institutional reform of the African transport landscape in the late twentieth century. Today road safety lead agencies are at the frontline of a public

<sup>231</sup> <http://www.ssatp.org/en/page/road-safety>.

health epidemic in Africa and need considerable investment and support from national governments and the international community alike in order to effectively tackle this crisis. A road safety management framework has been prepared to assist countries and the regional economic communities to recognize and address the significant deficits in road safety management capacity. For those with functional and efficient agencies, the goal is to significantly strengthen them and to take agency leadership forward as in order to build a safer and more prosperous future for Africa.

It is evident that multi-faceted institutional support is required, as funding road investments alone can contribute to higher accident rates. In **Kenya** an independent report<sup>232</sup> of accident safety rates on the Northern Corridor, which benefitted from EU investment, indicates that this route had one of the worst road safety records in the world with an annual fatality rate at about 50 per 10,000 vehicles plying the corridor. Furthermore the 2012 EU country evaluation<sup>233</sup> indicates that the fatality rate in the evaluation period for the two road sections funded by the EU actually may have increased during the first years of their operation, because of increased speed, contrary to trends at the national level where there was a decline.

Accordingly, a lesson learnt is that optimisation of the performance of the Northern Corridor in Kenya calls for a broad array of well integrated interventions including major infrastructure investment projects and implementation of important institutional reforms. This would include, for example improved enforcement of traffic speed controls by the police.

In **Uganda** it was found that *“No traffic regulations are systematically enforced at any level and the considerable efforts, again donor-driven, to effect control of axle loading have produced almost nothing in terms of fully-functioning weigh stations and effective control systems”*<sup>234</sup>

In **Ghana** enforcement of traffic regulations in general is limited as police lack resources to effectively pursue many infringements. Police barriers on main roads are still in place but it is still common for police to request ‘help’ from drivers as a priority over enforcement of traffic regulations. The result is that many of the vehicles on the road are un-roadworthy (inspections of vehicles are also ineffectively implemented; it is estimated that up to 20% of the vehicles on the road are unlicensed and/or un-inspected) that, combined with over-speeding (often a result of newly reconstructed road) can be a deadly combination.

Safety in connection with road transport services is a serious issue that is largely ignored. Old, weak, un-roadworthy taxis, frequent breakdowns, high accident rate, unprofessional services, overloading and fare hiking are common. Drink-driving (and other chemical assistance) continues to be a problem with recent

<sup>232</sup> By Eric A. Magolo and Winnie V. Mitullah (2007): National Road Safety Conference. The Kenyan Experience”. African Road Safety Conference 5-7 February 2007.

<sup>233</sup> Kenya: Evaluation of the European Union’s Co-operation with Kenya, Final Report Volume 1, Contract No EVA 2012/304196, June 2014 page 93.

<sup>234</sup> Framework Contract EUROPEAID/119860/C/SV/multi Lot 2: Transport and Infrastructure Specific Commitment No. 2006/131970 Final Report Mid-Term Evaluation of the District Roads Re-gravelling Project Phase I (DRRP I) in Uganda [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/reports/2005/951664\\_vol2\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2005/951664_vol2_en.pdf).



figures of 66% of drivers injured in accidents who received hospital treatment and who were actually tested showed positive for alcohol (admittedly only a small sample as it is most unusual for such testing to be carried out). In this case too it is clear that improved standards of driving and vehicles, combined with better enforcement is required if progress is to be made.

Two key questions are posed by this indicator:

- Given that transport safety standards have not improved, is there more that could have been done by the EU to mainstream safety, as part of EU support to the transport sector in Africa?
- Are there cross-learning opportunities with examples of best practice that could be adopted elsewhere?

**Benin:** EU not involved in road safety.

**Madagascar:** Un Programme national de Sécurité Routière vient d'être élaboré par le Ministère chargé des Transports. Sa mise en œuvre reste conditionnée par les résultats de la recherche de financement (en cours). Les campagnes d'information et de sensibilisation en matière de sécurité routière s'effectuent de manière sporadique.

**Senegal :** Under the PATMUR, the LASER NGOs have formed throughout the program SAFE ROUTES TO SCHOOL, in Dakar and Ziguinchor, more than 15 000 students and teachers and developed the outskirts of 18 schools in terms of number of safety barriers, traffic signs, speed bumps put in place.

**Mozambique:** PRISE first 6 monthly reports of 2014 refers to activities carried out including load control, road warning signage, control of use of road reserve and road safety campaigns by ANE in partnership with INATTER.

**DRC:** D'après les statistiques fournies pour la ville de Kinshasa, par la Commission Nationale de la sécurité routière (CNPR) pour la période de 2001 à 2013, le nombre d'accidents oscille entre 2.500 et 2.900 accidents par an sauf pour les années 2007, 2008 et 2009 au cours desquelles on a connu respectivement 3.674, 4.483 et 4.252 accidents. Bien que les statistiques signalent une diminution du nombre d'accidents depuis 2008, le nombre des tués par contre augmente régulièrement sur la même période. On est passé de 335 tués en 2008 à 485 tués en 2013. (Chiffres dont la fiabilité n'est pas assurée).

#### ***Indicator 5.1.4. Evidence of reduced travel times on roads funded by the EU.***

Reduced travel times, together with reduced Vehicle Operating Costs (VOCs) represent the most significant economic benefits of improving road infrastructure (and most project/sector evaluations point out that the roads improved by EU support have resulted in reduction in travel times). Valuation of time-savings is however contentious because it traditionally makes assumptions about earnings for example in European transport investment-related Cost Benefit Analysis (CBA). As a consequence the valuation of travel time gains is therefore biased towards the better off, and is inherently inequitable. This is because the poor

(both rural and urban) with low earning potential and therefore a low value of time will not be adequately weighted in most CBAs. Whilst there is ample evidence of reduced travel time rather less information was found on valuation or equity of benefit of reduced travel times, in part reflecting the lack of good data.

With freight the situation is rather different, because it depends on the type of freight. Typically reduced travel times will support market integration, for example helping rural fresh produce producers to send cash crops, especially perishable crops further, and can play a vital role in enhancing equity and supporting rural livelihoods.

Given these different benefits and beneficiaries it is important good data is available to evaluate whether roads funded by the EU have achieved their anticipated benefits. Mid-term reviews and ex-post project evaluations must be carefully planned in advance. Unfortunately this does not appear to have happened in all cases. A typical review report is the following related to District Roads Re-gravelling Project Phase I (DRRP I) in **Uganda**: *“The project has undoubtedly contributed to reduced travel times and lower transport costs. According to the Channelling Agreement [equivalent to the Financing Agreement] measurable indicators for monitoring and evaluation were to include increases in traffic volumes and in agricultural production. The baseline data was to be collected in the first six months of the project and to be monitored throughout the implementation of the project; but no such data regarding traffic, agricultural production, farm gate prices, or changes in transport modal availability or prices could be made available to the review team. Consequently a meaningful economic analysis of the project impact could not be undertaken for the Mid-Term Evaluation”*.

By contrast the 2012 evaluation of NRCP for **Kenya** shows substantial reductions in travel time for trucks along the NC in the order of 40-50% of the time. However average travel times remain very high so even though the travel time for a truck on a route between Mombasa and Nairobi has been halved since 1998, the average speed is not more than about 20 km/h<sup>235</sup>.

This raises the interesting question about whether the focus of traffic surveys should be project specific (i.e. to justify whether or not individual EU funded investments have achieved their objectives) or system-wide, with data collected nationally in order to identify priorities and assist with network management. The shift towards sector budget support would suggest the latter, but a countervailing trend is to want evidence that EU investments have achieved the anticipated (log-frame level) outputs, outcomes and where possible impact.

**Benin:** Traffic counts were improved under EU support for capacity building of the DPSE in the MPW for road maintenance programming, not for a monitoring of transport activities. Other transport statistics are only derived from macroeconomic modelling and are of no use for transport regulation.

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<sup>235</sup> Kenya: Evaluation of the European Union's Co-operation with Kenya, Final Report Volume 1, Contract No EVA 2012/304196, June 2014 page 88.

**Madagascar:** Les statistiques sur le parc de véhicules automobiles, les trafics de voyageurs et de frets à l'échelle nationale ne sont pas régulièrement mises à jour.

**Senegal :** AGEROUTE has implemented about ten automatic counters on the main roads of the country. These counters provide on-going statistics over a long period. Some of these roads as part of corridors, investigations and campaigns records of information with the authorities of the border posts allow us to follow the evolution of the traffic with neighbouring countries on these various corridors.

**Mozambique:** No systematic routine collection of traffic data.

**DRC:** Le Projet PARAU et l'Office des routes effectuent des comptages des véhicules sur les routes où ils travaillent.

#### **Indicator 5.1.5 Evidence of reduced travel costs for passengers and freight.**

A major review of transport services and their impact on poverty and growth in rural Sub-Saharan Africa<sup>236</sup> under the DFID financed Africa Community Access programme (AFCAP) has noted that: *“Detailed studies of road quality and road improvement impacts on transport services in terms of vehicle operating costs, transport prices paid by end users, traffic volume, modal split etc., in Africa remain remarkably sparse, at least so far as published material is concerned”*.

Much of the evidence base goes back to the 1990s, before this evaluation period, and certainly is not attributable by source of road improvement funding. The report notes that “among the rare instances of published data, information for southern Ghana suggest that minibus charges to users are approximately double those for paved roads per km (Porter 2002a), while Ellis and Hine (1998) presented figures for paved and earth roads in Zambia with differences of even greater magnitude”. This can be to some degree be justified [by changes in vehicle operating costs] including reduced fuel efficiency, reduced vehicle utilization due to lower speeds, higher vehicle maintenance costs and reduced overall vehicle life.

Nonetheless, transport prices may be substantially inflated above transport costs, because essentially there is so often a strong seller's market, especially where cartels operate. Certainly, for truckers using international corridors, Teravaninthorn and Raballand (2008)<sup>237</sup> argue that road conditions [mostly relating to paved roads, though not necessarily in good condition] do not have a large negative impact on operating costs and that relatively large profit margins are obtained by trucking companies along some corridors.

In West and Central Africa, large mark-ups by providers in transport cartels are the main determinant of high transport prices. Cartels create a large gap between

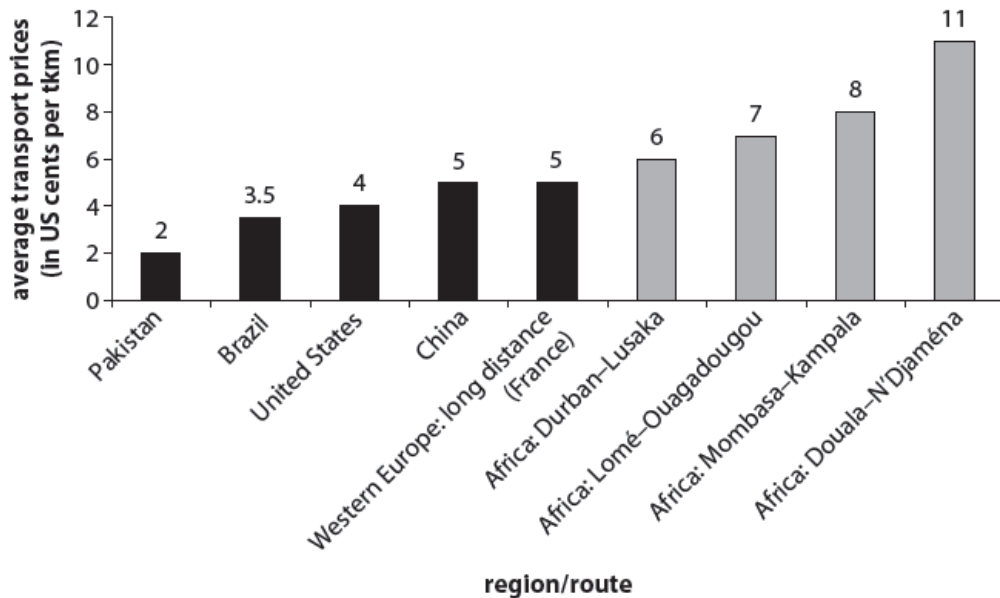
<sup>236</sup> *Transport Services and their Impact on Poverty and Growth in Rural Sub-Saharan Africa* by Gina Porter AFCAP/ Durham University, January 2013.

<sup>237</sup> *Teravaninthorn, S. and Raballand H. 2008 Transport Prices and Costs in Africa: A Review of the Main International Corridors, July 2008. Washington: World Bank, AICD working paper 14.*

costs and prices and provide low quality. Operators in such markets achieve high profits despite low yearly utilization of their vehicle fleets and many nontariff barriers. Under such conditions, it would be expected that new operators would enter the market aggressively, but this does not happen. In fact, there is an oversupply of trucking capacity because outsiders find it hard to break into a market dominated by cartels and market access rules. In East Africa the trucking environment is more competitive and the market more mature. Major corridors in Southern Africa are the most advanced in terms of prices and efficiency of services, mainly because of a deregulated transport market.

As a consequence freight prices remain higher (see below) than in other regions of the world, with particularly high prices being experienced in West and Central Africa. It is however difficult to come to specific findings about EU interventions at this stage by lack of documentation and, eventually, lack of financing of impact monitoring by EU transport sector projects. The relatively high costs and long timeline inherent to impact monitoring prevented the EU to gather credible evidences of the outcome of its interventions. Hence, the credibility issue faced in recent years while numerous empirical facts – and research demonstrate a high level of contribution to social and economic development. The main issue is the mismatch between highly claimed overambitious expectations (roads being the road to development) and the inability to measure and attribute EU contribution through its transport sector interventions.

**Figure 2.1 Average Transport Prices: A Global Comparison in 2007**

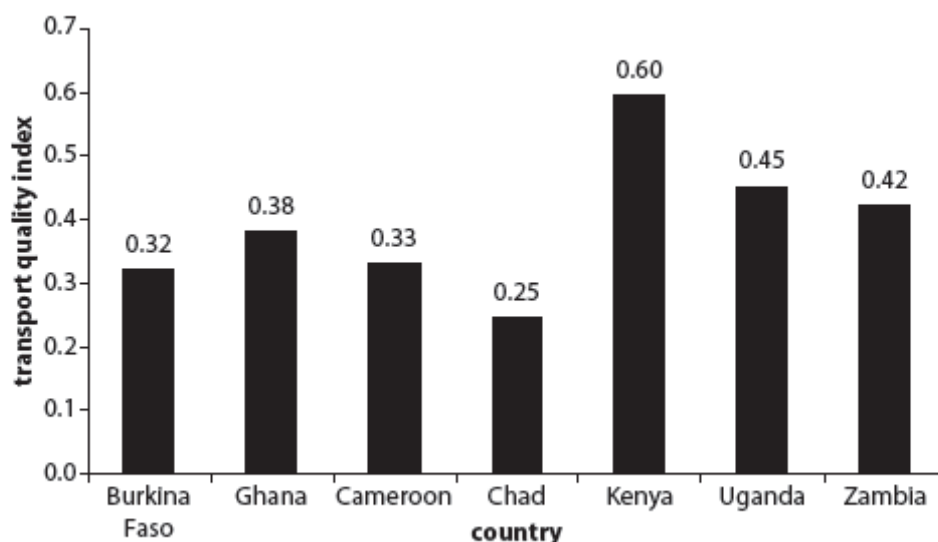


Existing transport cost analyses also flag the need not to neglect secondary and local roads. Teravaninthorn and Raballand cite a survey showing that 4% of total transport distance comprising rural and local transport trucking contributed almost 50% of total transport costs from Ghana to Europe. This indicates the massive scale of benefits potentially achievable from rural road investments: they

call for revisions of road economic analysis to focus more on secondary networks and rural access.

The same study notes major differences in quality of transport fleets in Africa, with generally higher standards existing in East and Southern Africa compared to countries in West and Central Africa. This is presented below:

**Figure 5.1 Transport Quality Index Based on the Trucking Survey Results**



Source: Trucking survey and own calculations.

These inter-regional comparisons are revealing, but performance cannot be directly linked to EU support in particular countries or regions. Indeed since the EU has been supporting the transport sector so widely across much of the continent, and has been applying the similar principles and practices, it rather suggests that its influence in the area of transport operations and freight costs has been limited. [One caveat to this is that transport sector budget support (SBS) the Commission's preferred instrument, has been applied so much more extensively in Anglophone Africa than in Francophone Africa].

As noted above travel costs are influenced by a range of factors, including factors like energy costs. It would be an over-simplification to equate falling travel costs with progress, as in some countries including **Nigeria, Ethiopia and Ghana**, fuel prices have been subsidized to keep them at unrealistically low levels. In these cases part of the IMF-led macro-economic dialogue has concerned the removal of fuel subsidies, because they disproportionately benefit the wealthy and thereby contribute to inequality. Furthermore they encourage wasteful and inefficient use of transport (such as the excessive use of large private 4-wheel drive vehicles) and transport services.

This indicator does not distinguish between financial costs and economic costs. It would be appropriate and to be encouraged for Governments to charge road users a levy to pay for road maintenance, and that levy, possibly through road

tolls, vehicle licence fees and/or a fuel levy could contribute to the financial cost for users (i.e. driving up their costs) but would not represent an economic cost as it would be a transfer payment.

Overall, of course, lower travel costs are associated with welfare gains and can contribute to improved mobility and strengthened trade competitiveness. Generally international indices indicate African transport competitiveness is improving, and this is evident from the World Bank's **Logistics Performance Index** and its Indicators<sup>238</sup>. It may be seen from the table below that between 2010 and 2014 **Kenya** moved up from 99<sup>th</sup> place to 74<sup>th</sup> place in terms of logistics competitiveness; **Rwanda** from 151 to 80<sup>th</sup> place; **Burkina Faso** from 145<sup>th</sup> to 98<sup>th</sup> place; **Liberia** from 127<sup>th</sup> to 102<sup>nd</sup> place; **Ethiopia** from 123<sup>rd</sup> to 104<sup>th</sup> place and **Burundi** 2012 result from 161 place to 107<sup>th</sup> place.

**Table 1.5** The top 10 low-income performers on the 2014 LPI

Economy	2014 LPI			2012 LPI			2010 LPI		
	Rank	Score	% of highest performer	Rank	Score	% of highest performer	Rank	Score	% of highest performer
Malawi	73	2.81	58.1	73	2.81	57.8	na	na	na
Kenya	74	2.81	58.0	122	2.43	45.9	99	2.59	51.0
Rwanda	80	2.76	56.3	139	2.27	40.5	151	2.04	33.4
Cambodia	83	2.74	55.8	101	2.56	50.0	129	2.37	44.0
Burkina Faso	98	2.64	52.5	134	2.32	42.3	145	2.23	39.4
Liberia	102	2.62	51.9	119	2.45	46.3	127	2.38	44.4
Ethiopia	104	2.59	51.0	141	2.24	39.6	123	2.41	45.4
Nepal	105	2.59	50.9	151	2.04	33.1	147	2.20	38.6
Burundi	107	2.57	50.2	155	1.61	19.5	na	na	na
Bangladesh	108	2.56	50.1	na	na	na	79	2.74	56.0

na is not applicable.

Source: Logistics Performance Index 2010, 2012, and 2014.

Corridor studies in Central Africa, note that whilst rail and river transport was important it has subsequently lost its market share to road freight operations. The regional transport industry thus is mainly dominated today by two road and road-rail corridors that link the port of Douala to the capital cities of the **Central African Republic (CAR)** and **Chad**. These corridors provide the economic lifeline between the coastal (Cameroon) and the two landlocked countries (Chad and the Central African Republic). Besides the two capital cities, two other sub-regions play a crucial role for international trade. These are the southwest region in **Chad**, where most of the country's cotton exports and all the country's oil exports are produced, and the southwest forest region in the CAR, where the logging industry is concentrated. Thus, Douala is one of the most important ports in West and Central Africa.

<sup>238</sup> World Bank "Connecting To Compete Trade Logistics in the Global Economy", 2014.

As noted by the Africa Infrastructure Country Logistic report<sup>239</sup> Central Africa's international transport is characterized by cartels. Transport quality is low but prices are high despite the fact that prices may differ widely along corridors of the region. In this sub-region, freight bureaus and transport associations are very powerful and do not allow many truck operators to bypass the system.

While bilateral freight allocation protects the trucking industry of landlocked countries, it creates de facto cartels and slows down market and regional integration. Furthermore, the protected operators often do not meet regulatory requirements. For instance, the transport fleet in Niger is not appropriate to handle freight peaks and for various reasons is less competitive than are coastal countries' fleets.

In practice, authorities and trucking companies acknowledge that bilateral quotas are not enforced. In the case of Niger it was estimated that the Nigerien fleet had a 36% on the Togolese corridor in 2007 whereas it should have been in theory two-thirds, and similar imbalances applied to the Central African Republic and Cameroon. On the ground, landlocked countries' fleets do not carry more than 50 percent of total traffic because the fleets are inadequate and uncompetitive.

Inadequate investment is a problem. It has been estimated that the Nigerien fleet of articulated trucks is on average 29 years old, and its operating costs per vehicle kilometre are some 30 percent higher than the Beninese or Togolese fleets. Shippers who are forced to use local fleets have to pay a surcharge that reflects higher prices, lower quality, or bribes (if shippers want to use their own transporters). These costs are detrimental to the interests of landlocked economies. However it is not clear whether the EU and other development partners have the ability to effectively promote reforms. Development partners, including the AfDB, have been promoting the role of regional economic commissions such as ECOWAS to become more proactive, because ultimately local and/or regional ownership of the challenges is essential if effective reform is to be instituted.

Corridor studies in East Africa indicate travel costs have been reduced substantially but are still high. For example, it costs US\$ 5,000 to transport a container from Mombasa to Bujumbura by road; compared to US\$ 1,000 to transport the same container from Japan to Mombasa. Most of the savings in the transport costs for the trucks plying on the improved road sections can be expected to be gradually transferred to the cargo owners due to competition among the transporters on the Northern Corridor. Conditions for the same to happen in West and Central Africa regional transit roads were not identified yet in EU regional programmes focused on transport facilitation.

The 2012 evaluation of the Northern Corridor Rehabilitation Programme NCRP<sup>240</sup> calculates that a truck passing on an improved road section will save about 33%

<sup>239</sup> "Transport Prices and Costs in Africa: A Review of the Main International Corridors".

<sup>240</sup> "Evaluation of the Northern Corridor Rehabilitation Programme Phase I & II". Final Report Grontmij, 2012.

of the Vehicle Operating Costs (VOCs). According to cost calculations carried out by the comprehensive Corridor Diagnostic Study, the VOCs constitute about 53-60% of total transport costs for transporters between Mombasa port and Kampala. As about 30% of the Northern Corridor has been improved by the three EU projects, this means that total transport costs are reduced with about 5-6% for transports between Mombasa Port and Kampala. Similarly for the trucks plying between Uganda and Kenya the total transport costs are reduced with about 5-8.5%. The 2012 evaluation of the NCRP calculates the Economical Internal Rate of Return (EIRR) of the two completed phases to be as high as 40%, demonstrating a very positive return.

Improved logistics competitiveness may reflect several factors such as better organisation by the private sector and a lower regulatory burden (i.e. the kind of factors that are identified in the World Bank's "**Doing Business**" surveys). The state of physical infrastructure (roads, ports, inland container depots, railways etc.) is clearly an important contributor, but not the complete answer. It should also be borne in mind that non-aid funded infrastructure funding has been rising fast, as transport infrastructure has been identified as a top priority by African Governments. EU support is likely to have contributed to these improvements although the extent of the contribution will have varied from country to country and over time.

It is also useful to consider the implication of potentially reduced travel costs on the poor<sup>241</sup>. The World-Bank-financed **Transport Poverty Observatory (TPO)**<sup>242</sup> household surveys provided information on the trend in the proportion of household expenditure attributable to transport for the poor in rural areas in Ethiopia, as was cited in the 2012 EU Country evaluation<sup>243</sup>. Between 2004 and 2007 the share of spending on transport by the poor increased from 0.28% to 0.35% - both are extremely limited shares showing the constraints on mobility in rural areas.

For the extreme poor during the same period, the share increased more sharply from 0.16% to 0.36%. It is a complex argument but it is believed that an increased share of transport for the poor and extreme poor means, with stable passenger tariffs during the same period, improved mobility in remote and isolated areas. Of course this is not the same as reduced travel costs, as envisaged in the indicator. Once more, direct attribution is not easy.

**Madagascar:** Les systèmes de tarification pour les transports de fret et de passagers varient d'un trajet à l'autre (selon l'état de la route et la longueur du trajet) et suivant les types et les capacités de matériels de transports utilisés.

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<sup>241</sup> This issue is covered in greater detail under EQ6 'To what extent did EU transport sector support policies, strategies and interventions contribute explicitly to poverty reduction in Africa'.

<sup>242</sup> "Transport and Poverty Observatory Study Monitoring Indicators Update Report" for Ethiopia Roads Authority by Selam Development Consultants, Addis Ababa, 2009.

<sup>243</sup> Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation Volumes 1 and 2. ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012.



**Senegal** : In principle, decreases in vehicle operating costs and the time savings, and competition should result in lower transport prices. However this is not observed on a development such as on the corridor Dakar-Bamako.

The price of transportation applied for an articulated combination ("40 tons'), as reflected by interviews are on average between Dakar and Bamako:

Cement: between 1 300 000 FCFA and 1 600 000 for the 40 tonnes

Fertilizers: 1 600 000 CFA FRANCS for the 40 tonnes;

2 x 20 feet container: between 1.600 000 FCFA and 2 000 000 CFA FRANCS.

The prices applied ' do not take into account the condition of the road which has a positive impact on the consumption of fuel, recurring charges (breakdowns, pneumatic, road charges, etc.) and the number of rotations of the trucks

In General, interviews conducted with the shippers and carriers as well as the reports of studies carried out on this issue, confirm that prices of road transport of goods remained stable in the countries of the sub region; and this from the devaluation of 50% of CFA franc in January 1994. The road transport sector works in Senegal and in the countries of the sub-region in logic of survival in the very short term, with marginal costs where are taken into account immediate expenses (fuel, wages, road charges...)

### **JC 5.2 Outputs and outcomes of EU interventions are taken up by other development partners and used in subsequent socio-economic development activities (e.g. rural development/ health/ education interventions).**

National Governments, development partners and civil society all recognise the importance of improving transport infrastructure, and the rationale for remaining in the sector is clearly articulated in EU country strategies for both the 9<sup>th</sup> and 10<sup>th</sup> EDF. In some countries, particularly Ethiopia, EU support and the introduction of sector budget support has been recognised as genuinely innovative, and other donors have followed suit. Investment in transport corridors has assisted in promoting trade, and has strengthened logistics performance, although significant differences remain between the major corridors of West and Central Africa which are subject to cartels and other restrictions on competition, and East and Southern Africa where performance has improved due to reasonable competition.

From documentation reviewed it is difficult to find a direct linkage between the results of EU sector investments and subsequent socio-economic development activities such as rural development, health and education interventions. One reason is likely to be that there tend to be quite substantial lags between the completion of infrastructure investments and their full benefits feeding through; another is one of attribution – it is challenging to link changes across sectors, especially as part of a regional and strategic evaluation. Another common issue is the spatial division of labour between donors regarding socioeconomic projects: they generally tend to focus on a region, independently of EU road rehabilitation projects or the sections of the road network that is likely to benefit from maintenance under EU SBS programme. Conversely, EU road infrastructure projects are not identified according on-going development projects funded by

other donors, or susceptible to be so but generally according to a broad network improvement strategy or at best based on a multi-criteria analysis.

Nonetheless this is an important expectation of the EU in investing in the sector, and it is appropriate that it is pursued further.

#### ***Indicator 5.2.1 Complementary and coordinated interventions by EU, EU-MS and other sector funding agencies (facilitated by EU-supported transport service provision)***

The role of member States in the transport sector varies – in many instances Germany, typically represented by GIZ, has engaged in longer term support to the sector, with a technical focus, the UK (DFID) had played a relatively minor role, whilst engaging in trade facilitation projects (TRADEMARK in East Africa) and providing budget support in specific cases such as Ethiopia. Support by Scandinavian member states and the Netherlands has become more selective as they have increased their focus on a more limited range of countries (for example DANIDA in rural roads in Benin).

A number of member states have chosen to support the sector through funding of the International Development Banks (IDBs) including the World Bank and AfDB. In addition considerable private sector funding support by Irish Aid, KfW, the Netherlands, SIDA and the UK, has been channelled through the Private Infrastructure Development Group (PIDG)<sup>244</sup> and through the Infrastructure Consortium for Africa (ICA)<sup>245</sup>. The IFC, for example, is managing the Infrastructure Development Collaboration Partnership Fund.

In all cases reviewed the EU has sought to participate, and in many cases led, sector coordination efforts including active participation in sector work groups. The quality of engagement has varied from country to country, in general reflecting the degree of country leadership provided by the beneficiary. It has typically strengthened during the evaluation period but the results have been variable, and in some cases coordination strengthened and then deteriorated.

For **Ethiopia** closer engagement was recommended in the Country Strategy Evaluation report (May 2004), which states that “*As a leading donor to the RSDP, the Commission should take a more pro-active role in co-ordination both with the Government (Ministry of Infrastructure and ERA) and with other donors (in the RSDP donor co-ordination group)*”. The 10<sup>th</sup> EDF CSP for **Ethiopia** gives a clear indication of coordinated support by donors including the World Bank under the Road Sector Development Programme (RSDP2). The Ethiopia programme evolved to attract new member states to the sector including DFID. Further multi-donor cooperation relates to General Budget support in relation to the **Plan for Accelerated and Sustained Development to End Poverty** (PASDEP), so an appropriate coordination framework is in place. However the 2012 Country Evaluation for Ethiopia found that: “*The attempt to improve aid effectiveness*

<sup>244</sup> Private Infrastructure Development Group (PIDG) <http://www.pidg.org>.

<sup>245</sup> Infrastructure Consortium for Africa <http://www.icafrica.org/en/fund-finder/facility/infrastructure-development-collaboration-partnership-fund-8/>.

*through rationalisation of the division of labour between development partners was quickly restricted to the European Union itself, with no clear benefits over the period”.*

In Tanzania a rather similar pattern emerged. By about 2006 very strong donor coordination had developed, in part around general budget support and PFM strengthening dialogue, but extending into the roads sub-sector. Issues subsequently emerged, especially in relation to PFM, which led to divergence of views between donors operating in Tanzania. Despite this a multi-donor evaluation referred to with respect to EQ2, was positive overall.

In Cameroon and almost all other Central African countries, the EU led the donor coordination in the transport sector but with a focus on infrastructure during most of the evaluation period. The transport services approach, when it was taken over by donors, was led by the World Bank, like in DRC. The existence and relevance of this division of labour was further assessed with the field case studies: to what extent infrastructure provision and services regulation are gaining to be treated separately without losing consistency in policy dialogue?

It is only recently that the EU, backed by evidence collected by country and programmes evaluations, has entered into the regulatory approach, at least beyond axle-load control. The same applies, even if to a lesser extent, to West African countries where the transit traffic called for long attention on the regulatory aspects of haulage.

The presence of the EU through EUDs in country has been an important asset in supporting coordinated actions in line with the harmonization and alignment objectives of the Paris Declaration and Accra and Busan meetings. The traditional donors to the sector have generally sought to coordinate effectively, and the quality of coordination has undoubtedly improved overall during the evaluation period.

One challenge, however, has been that it has proved difficult to bring new and non-traditional donors to the sector such as China into the fold. This is not an EU specific problem: it has been experienced by a number of other development partners including the World Bank and the AfDB, although for reasons of sensitivity comparatively little has been published about it. One reason is that China is, for example, a shareholder of the AfDB making it difficult for senior management to be openly critical of actions which in some cases appear to run counter to the principles of the Paris Declaration. For example, transport infrastructure investments by the Chinese in **Angola** have been linked to the granting of natural resources concessions by the Angolan Government.

It is important to note that the Joint Annual Review (JAR) process provided an important opportunity to take stock of the quality of coordination between the EU, member states and other sector funding agencies. Yet with a few exceptions such as the Zambia JAR for 2011, which was published in April 2012, there is a lack of information from this important source in recent years. It is not clear whether this is by omission or because of some other factor such as the creation of EEAS.

It is difficult to be clear about the overall trend in Complementary and Coordinated. In some countries the quality of cooperation has definitely strengthened (Cameroon, Burkina, Senegal): In other countries such as Tanzania and Zambia, the reaction of donors to adverse circumstances such as the build-up of **arrears** (in Tanzania) and adverse audit reports (in Zambia) has varied. In fragile and post-conflict (DRC, Guinea) or even non-democratic countries, the weaknesses of the involvement of the government in EU-led coordination efforts impacted expectations.

Some of the most interesting evaluation findings relate to how the EU and member states have reacted to adverse circumstances, especially when the funding instrument is sector budget support.

**Benin:** The BS to the RF can hardly be assimilated to an SBS. However, non-compliance to tranche indicators was translated into disbursement level. Causal and governance issues were not spotted as such but the policy dialogue sustained annually was a rare opportunity for an in-depth exchange of views. Conditionalities are widely perceived as fair and a proper way to deal with the issues faced by GOB to honour its commitments. They were however not instrumental to push for the expected reforms: the system preferred taking its losses (a small fraction of the initial €25m) rather than going for a change.

**Madagascar:** L'efficacité des conditionnalités relatives à l'appui de l'UE dans le Secteur des Transports reste limitée. D'une manière générale, ces conditionnalités concernent des décisions relatives à des actions bien déterminées et ne portent pas sur les principaux changements ou résultats attendus.

**Senegal :** Although sometimes certain conditionalities are difficult to achieve, considering them in the financing agreements allowed to gradually implement sector reforms (FR, AR, DCMP, ARMP, .....

**Mozambique:** The current program is a third generation of Road Sector Budget Support. It entails an allocation of € 24.5 million, having Sector Budget Support (SBS) as operating modality for € 20 million. The facilities for the provision of Technical Assistance to ANE, the Road Fund, the Ministry of Public Works and Housing and SME contractors were reinforced with a budget increase to € 3.8 million through an addendum to the Financing Agreement in November 2013. The respective addendum has extended the implementation period of the agreement until March 2017.

Technical assistance objectives will be achieved through project modalities. The support to ANE, Road Fund, the Ministry of Public Works and Housing commenced in May 2014, while the SME project is under procurement for selecting a service provider. The respective balance is reserved for monitoring, evaluation and audits.

Schedule of disbursements:

- In September 2011, after favourable assessment by the Commission of the last tranche of the EDF 9 - Road Maintenance and Capacity building program (FED/2007/018-851) a combined fixed and variable tranche of € 5.078.125 were disbursed.
- In July 2012, the fixed tranche of € 5 million for the current Programme (Road Sector Budget Support 2010 – 2013; FED/2010/021-448) was authorized by Brussels. It constituted the first instalment under the 10th EDF Financing Agreement.
- In August 2013 a request for the release of the second disbursement was introduced at the Delegation. This request was refused mainly because of non-compliance of the general PFM conditions for budget support in late 2013 (the EMATUM case). The correspondent €5 million programmed under the fixed and variable tranches was de-committed as the assessment of the EMATUM case was being prepared.

Moreover a parallel addendum to the Financing Agreement was proposed to formalise the agreement of a revised PAF for 2014 and to revise the disbursement schedule for the last fixed and variable tranches of the programme (fourth tranche).

The latest payment in 2013 responds to the government's request for payment of the 2<sup>nd</sup> tranche based on 2011 performance. This payment consists of a fixed tranche of €2M and a variable tranche of a maximum of €3M which is assessed upon 2011 performance (which is the most recent assessment information).

Application of conditionalities has been fraught with problems. During 2012 the PRISE monitoring framework consisting of 21 indicators was revised and new proposals were discussed during the PRISE meetings. There was a need to set new goals and there was consensus that the original framework had to be adapted in line with national priorities as well as considering lessons learnt from the previous years (experiences proved that some indicators were no longer relevant and/or measurement was not feasible) but it took time to reach an agreement without external "midterm" review of the RSS. Indeed it was only in 2013 that the goals and targets for the period 2012-2014 were adopted. Finally a new framework of eight indicators was retained including two new indicators to monitor district roads and periodic maintenance. These last two indicators are a result of the policy dialogue conducted during late 2012. Although there are still questions related to the technical notes, these two indicators confirm the focus of the monitoring and dialogue on two relevant issues of the sector, which were neglected by the previous frameworks. An addendum to formalise the revised PAF in EU's Financing Agreement has been proposed in parallel to the disbursement request of the third tranche assuming that it is acceptable for all parties involved<sup>246</sup>.

***Indicator 5.2.2. Evidence of development activities that may have not taken place if EU funding had not been available (for transport sector intervention).***

<sup>246</sup> The addendum has subsequently been accepted by BXL and the 3<sup>rd</sup> tranche released.

There are some challenges with this indicator, as the counter-factual is difficult to demonstrate or to provide an evidence base to justify assertions made. Donor (in this case EU) funding in the transport sector may have allowed national Governments to spend their money on other things: this is known as fungibility. Given the rather sparse evidence base from existing reports, it is proposed that the case studies should look for evidence of development activities that would not have taken place if EU funding had not been available.

The 2012 Ethiopia Country evaluation<sup>247</sup> confirmed that: *“At local level, better access to permanent (rural) roads in good to fair condition allows easier access to markets, and thus an increase in prices and production incentives. Surveys undertaken concluded that road improvements have provided a wider range of alternative income-earning opportunities, and have helped promote diversification of agriculture and generation of employment”*.

To some extent this is evidenced in the evaluation where it is noted that connectivity is related to (internal) road network density, is an acceptable proxy, given the lack of a precise mapping of road extensions. Road density across Ethiopia (per 1000 inhabitants) increased from 0.51 km to 0.56 km from 2004 to 2008 due to an extension of the road network by 7,863 km in four years. 76% of this increase is constituted of rural unpaved roads, and 18% paved federal (interregional links) roads. However data is insufficiently disaggregated to draw direct linkages: other variables such as crop prices and changes in rainfall patterns may have as great or a greater impact on development activities in the short term.

The GoE road strategy is thus oriented to paving the major links between regional capitals and Addis on one hand, and from Addis to Djibouti port for export on the other hand. For the import-export corridors, the GoE did not succeed to develop viable alternatives to the northern route to Djibouti. The link to Berbera that is the only competitive alternative to Djibouti was not developed due to first instability in Somalia and subsequently the inability of the donors to finance the project as Somaliland has not been recognized internationally.

Strongest evidence was collected when EU interventions unlocked an isolated area or an area where conflicts closed down road access, like in DRC with the PARAU I & II projects<sup>248</sup> or under LLRD funding<sup>249</sup>. Trading and agriculture are developing at a swift pace and provision of public services are reactively improving, all the more so if a capital or secondary cities is close enough. Reactivity in remote rural areas is more tenuous.

A similar positive output took place for regional transit routes when a degraded segment was rehabilitated by the EU. The amplitude of the traffic increase varies with the level of degradation reached previous to EU intervention, due to the limited sensitivity of the old and dilapidated haulage fleet to road condition in

<sup>247</sup> Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 Volumes 1 page 33 and Volume 2 Page 99.

<sup>248</sup> ADE 2013, DRC Country Evaluation.

<sup>249</sup> Transtec 2007, Evaluation de la stratégie de financement LLRD à l'Est de la RDC.

West and central Africa particularly. In Guinea, repairing a 10 km highly degraded section of the regional corridor to Mali effectively leveraged the corridor's potential (and the usefulness of the other 120 km rehabilitated previously by the EU)<sup>250</sup>. Another counterfactual can be found in Madagascar where only a significant share of the RN6 could be rehabilitated with the resources available to the EU on EDF9. As the road did not reach Antsiranana, the northern capital, only limited socioeconomic developments and related traffic were recorded after completion<sup>251</sup>.

The other priority of a balanced road infrastructure strategy is the density of the feeder road network for improving the access to market for rural goods and services. This leg of the GoE strategy was somehow neglected during the period, by reaction to the weight given to this rural network during the "Derg regime". The GoE is indirectly acknowledging this unbalance is prioritizing 70,000 km of feeder roads in its next 5-years plan. The EU contribution assisted all elements as SBS provides additional resources for the government strategy and in addition the EU implemented in parallel major trunk roads rehabilitation projects inherited from previous EDF cycles.

**Benin:** EU interventions in the road sector brought marginal benefits in the haulage activities. Extra costs related to bad road conditions or taking an alternative road (+300 km) are to a large extent passed to the client and/or compensated by overloading. The developmental activities eased by EU road projects are therefore commercial in nature, with a strong and constant unbalance between imports (booming) and exports (kept minimal).

**Senegal:** The implementation of "conditionalities" laid down in the Conventions of financing for the roads rehabilitation project (9 ACP SE 017-10 ACP SE 2), before launching the bids, has allowed the realization of structural reforms of the sector, including:

- the establishment of an autonomous road maintenance fund (FERA) ;
- the institution of a para-fiscal charge levied on the specific tax on petroleum products (TSPP) resulted in a substantial increase in the financial envelope for the road maintenance;
- improving the performance of l'AATR (AGEROUTE) et ;
- the effective implementation of the axle load control.

The implementation of these commitments of institutional reforms by the Government of Senegal goes in the direction of a better support of road maintenance for the sustainability of the investments.

**DRC:** Les activités agricoles des zones couvertes par les interventions de l'UE (Projet PARAU) ont augmenté à cause de la facilité d'évacuation des produits vers les zones de consommation.

#### **Questionnaire responses 65 (EU transport sector interventions enabled other projects/developments) :**

<sup>250</sup> Alanet 2012, Évaluation Finale du programme du 9eme FED dans le secteur des infrastructures routières en République de Guinée.

<sup>251</sup> ADE 2013, Madagascar Country Evaluation.

The following examples were provided:

- All EDF funded road projects in Cameroon have been evaluated at the end of implementation, including impact in other sectors. Evaluation reports are available upon request.
- In Ethiopia population is particularly scattered in rural areas (more than 80% of the 95M habitants of Ethiopia) and the increased geographical coverage of rural roads and federal network have had an important impact in improving access to health and education infrastructure (Delegation to Ethiopia prepared some video on this, available upon request). Just to give an example, Ethiopia will match most of the MDG, with the exception (probably) of the maternal mortality; an analysis of the main causes of mortality (70-80% of the fatalities are due to three causes: bleeding/haemorrhage, obstructed labour/dystocia, pre-eclampsia and eclampsia) shows that remedies for these main causes are not particularly complex and are generally available in health centres but women are often not able to get there in time because of the catastrophic condition of the rural roads network.
- Lack of transparence
- Feeder roads programme for rural accessibility and access to markets for commercial farming, Northern Corridor improvement for regional development; lower investment and maintenance costs with low cost seals technologies; support to the private sector in the local construction industry through Roads Industry Council.
- Improved rural accessibility and better access to local markets
- Improvement of rural accessibility, by implementing national road networking and maintenance, has lowered transport costs, and increased access to health and education facilities
- Main projects over the period had an impact in terms of regional integration and therefore spurred trade (an ex-post evaluation of these closed project will be carried out by our Delegation in April 2015).
- Improved accessibility and lower costs have tripled the hotel and tourism industry in the center and Eastern region of Burundi, thanks to transport interventions (RN 12, RN 13, RN 19, VUB)
- Acces is proven as the first step for development but measurement of effects remains weak.
- No
- Financing of international road corridors led to significant increase in traffic and trade with neighbouring countries, reduction in travel times
- Better service levels, lower transport costs / Regional integration
- (There's no EU transport sector budget support, all further notes are about project approach) EU reopened major roads after the civil war from which every further activity has benefitted, in social, enomic and institutional sectors
- The key output in the road sector was improved accessibilty which lowered transport costs and was important for social and economical development.
- No
- Desenclement des zones rurales Construction d'un quai fruitier au port d'Abidjan Appui aux reformes dans le transport des marchandises par route en vue d'un appui budgetaire regional de la Banque Mondiale



- 10 FED - 511 km de routes bitumées réhabilitées 11 FED - 137 km de routes bitumées envisagées Ce qui a donné comme résultat entre autres: La réduction du coût de transport, L'amélioration de la sécurité routière L'augmentation des échanges commerciaux Le développement de l'industrie (cimenterie à Malbaza, transport pétrole de Zinder vers Niamey, entre autres)
- Better service level.
- The support to rural/feeder roads rehabilitation / construction has helped the cafe / cacao sector to revive. The rehabilitation / building of several urban roads has created some economic activity and improved the town salubrity.
- Tourisme, ouverture à la concurrence dans le secteur aérien
- Access to markets by small holders farmers through our rural roads programmes. Cash transfer to poor people in terms of wages for roads rehabilitated under labour intensive methods

### **Indicator 5.2.3. Recognition of the role of EU support by sector stakeholders.**

Recognition of the role of the EU varies across the continent. In most cases where the EU is active in the transport sector, the scale is such that it is the largest or second largest donor to the sector (although the increasing presence of the Chinese is altering the balance), The EUD's have generally played a full and positive role in sector working groups, often co-chairing or chairing sector coordination meetings. It support has typically been respected by other donors and the fieldwork tended to endorse this finding. To some extent this is to be expected: most development partners are not openly critical of other sector partners. Feedback from sector stakeholders such as civil society is necessarily more anecdotal, and where frustrations were expressed, this was typically of the sector management rather than the role of donors including the EU In **Benin**: Sector partners are the main direct beneficiaries of EU support. Their perception of its role is therefore excellent.

**Madagascar:** See indicator 254

**Senegal:** The EU is regarded as first partner of Senegal for the transport infrastructure sector.

**Mozambique:** Sector partner perceptions of EU added value vary: very high added value as regards political neutrality, high added value as regards sector experience, limited or no added value as regards variety of available instruments, flexibility, amount of funds, strategies/policies, EDF procedures, and focus on cross-cutting issues. Other respondents perceive certain EU attributes as delivering even negative added value, such as lack of flexibility, slow decision making, cumbersome EDF procedures, etc.<sup>252</sup>

**DRC:** En général l'opinion est bonne pour l'appui de l'UE dans le secteur des transports dans la mesure où cet appui a permis la réouverture des tronçons des

<sup>252</sup> Although EUD comments that 'EDF procedures are 'more or less at par with other internationally agreed procedures....'

routes très importants pour approvisionner Kinshasa la capitale de la RDC des denrées alimentaires. Seulement les arrangements institutionnels pour la mise en œuvre de cet appui (gestion directe) qui ne sont pas appréciés par les agences gouvernementales.

### JC5.3. EU sector support has contributed to improved economic (and social) accessibility and stability

The EU has made a contribution to improved economic and social accessibility and stability through its support to the transport network in Africa, but it is unclear how great that contribution is. This is partly because needs and priorities vary greatly across the continent, and also because in some countries the EU has primarily been supporting highway construction whilst in other it has also supported the building or maintenance of rural roads. Some countries suffer from road networks that are too extensive but unmaintainable, whilst others have networks that are insufficient, and as a consequence many communities are inaccessible. The lack of reliable data is highlighted by many stakeholders, and this inhibits rigorous analysis.

#### *Indicator 5.3.1. Trends in accessibility to remote areas (e.g. percentage of rural population within 5km of an all-weather road)*

The World Bank promoted the development of a rural access index<sup>253</sup>. However the examples given in relation to access to all weather roads and to health and education facilities are principally based on Nepal, and does not appear to have taken off subsequently.

As noted by Porter there is substantial evidence in the post-2000 literature to suggest that all-weather roads often do have a mostly positive impact on poverty alleviation and growth in many regions across rural Africa. One study undertaken, once more in relation to **Ethiopia**, found that benefits may accrue through four channels – reduced costs of acquiring inputs, increased output prices, reduced impact of shocks and permitting entry into new, more profitable activities<sup>254</sup>. Clearly, such road-related benefits implicitly require - and are likely to generate - some associated expansion of transport services, but detailed empirical evidence concerning the specific interrelations between road construction, road improvements and transport services and their impact on poverty alleviation and growth remains sparse.

Much of the focus of research has been on Ethiopia, precisely because inaccessibility contributed to the famine that occurred in the 1980s: food was available in parts of the country but did not reach areas with food deficits in time. A key contributor has been low levels of rural accessibility.

As noted in the country evaluation<sup>255</sup> the EU contributed to increased economic accessibility both in rural areas and to external markets by supporting

<sup>253</sup> "Rural Access Index: A Key Development Indicator" Peter Roberts Shyam Kc. Cordula Rastogi. World Bank Transport Papers 10, March 2006.

<sup>254</sup> Dercon, S., Gilligan, D.O., Hoddinott, J., Woldehanna, T. 2009 *The Impact of Agricultural Extension and Roads on Poverty and Consumption Growth in Fifteen Ethiopian Villages*. *American Journal of Agricultural Economics* 91, 4: 1007-1021.

<sup>255</sup> Source: *Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 Volume 1 Page 32.*

improvement of the road network, its density and its condition through its two SPSPs. This contribution, albeit aligned on RSDP objectives, was however insufficiently focused on rural road extension and maintenance, even in the EU-driven policy dialogue. The access of rural communities to markets and agricultural inputs was limited, while the focus on the Southern route to the port of Djibouti did not contribute to releasing the pressure on the Northern route. However, evidence from national average and sampled itineraries points to overall improvements in road density, accessibility and travel time that are attributable to the EU at least to the extent of its share in RSDP's budget (9%). Vehicle cost savings associated with better road conditions were largely offset by inflation, but transport tariffs are still too low to underpin modernisation of the transport industry.

Economic decision models such as Road Economic Decision model (RED), which is a simpler version of the World Bank developed Highway Development and Management Model (HDM-4) still do not adequately capture the impact of rural road improvements on travel time or wider social benefits.

Where all-season roads are complemented by regular, reliable and *affordable* public transport, it is logical that greater benefits will accrue for all, including the poor. Thus, Bird et al.<sup>256</sup> report that in Tanzania, households within 100 meters of a gravel road passable 12 months a year, *with a bus service*, earn about one-third more p.c. than the rural condition for enhancing their mobility (Bryceson et al. 2008<sup>257</sup>, also Porter 2002a, 2007, 2008). While empirical evidence strongly emphasizes remoteness and consequent poor access to markets as a key factor in chronic poverty, much literature focused on remoteness still tends to limit discussion principally to infrastructure provision and roads *per se* (if it discusses transport issues at all - there is a tendency to focus simply on distance and national policy neglect of regional inequality), without adequately taking into account the crucial significance of associated transport services.

The scale of the remoteness and accessibility problem in Africa [associated with much lower population densities than those in other developing regions] is strongly emphasized in relatively new work by Linard et al (2012)<sup>258</sup> which develops a new high resolution population distribution dataset for Africa and analyses rural accessibility to population centres. Contemporary population count data was combined with detailed satellite-derived settlement extents to map population distributions across Africa at a finer spatial resolution than ever before. Substantial heterogeneity in settlement patterns, population concentration and spatial accessibility to major population centres is exhibited across the continent. The average per-person travel time to settlements of more than 50,000 inhabitants is around 3.5 hours, with Central and East Africa displaying the longest average travel times. The analyses highlight large inequities in access, the isolation of many rural populations and the challenges that exist in providing access to services.

<sup>256</sup> Bird, K., McKay A and Shinyekwa I. 2007 Isolation and poverty: the relationship between spatially differentiated access to goods and services and poverty. Stellenbosch workshop, March 2007.

<sup>257</sup> Bryceson, D., Bradbury, A, Bradbury T. 2008 Roads to poverty reduction? - Exploring rural roads' impact on mobility in Africa and Asia *Development Policy Review* 26, 4, 459-482.

<sup>258</sup> Linard, C., Gilbert, M., Snow, R. W., Noor, A.M., Tatem, A. J. 2012 Population Distribution, Settlement Patterns and Accessibility across Africa in 2010 *PLOS ONE*, 7, 2: DOI 10.1371/journal.pone.0031743.

Of course analysis at this level does not help in quantifying the EU's contribution to resolving issues of transport accessibility.

**Benin:** Rural roads network is 47,000 km long. The strategy and the pilot programme supported by the EU improved to date some 10 km per commune, thus with limited impact of rural accessibility as such. The most important aspect is that EU-funded road construction is conditionalised on execution by the commune of the current maintenance (labour based method) of its priority network.

**Madagascar:** Les informations nationales sur l'accessibilité rurale ne sont pas à jour.

**Senegal:** Senegal scored since 2013 the realization of open up tracks in respect of investment priority and complementary to large projects. In this context, an extensive program of development open up tracks was undertaken with an objective of achieving 1000 km per year. The aim of this program is to promote rural access to basic social services and to contribute especially to territorial economic development by improving the accessibility of the production areas and marketing of agricultural products. The realization of tracks fit into social inclusion the State-led policy.

The 2012 programme is completed and achieved 603 Km of tracks. Following the measures taken by the Directorate-General between July and August 2014, 2013 programme has been accelerated and the work was all completed. Projects of fiscal year 2014 who affected by major delays caused by the tendering process and work only started in November 2014. The 2015 programme launched in bidding polls and work started in March 2015.

**Mozambique:** No information examined. PRISE six-monthly programme makes reference to the importance of rural accessibility to 80% of the total national population living in rural areas involved in agricultural production.

**Questionnaire responses 66 (EU support to improved rural access and focus on vulnerable people):**

The following examples were provided:

- EU funded roads in Cameroon have prioritised the accessibility to the more isolated areas (East and North) and the landlocked neighbouring countries.
- The rural road component of the Road Sector Development Plan of Ethiopia is considered as one of the most important objectives and specific indicators have been introduced both in fixed and variable tranches.
- In the 11 EDF EU transport sector support for improving rural access specifically focussed on remote areas
- La construction de la RN1 entre Brazzaville et Kinkala et entre Kinkala et Mondouli La réhabilitation du Port de Brazzaville et la facilitation de son accès pour toutes les populations au nord de la république du Congo de la RDC et de la Rep Centrafricaine.

- Karamoja Roads Development Programme; District Roads Regravelling project
- 40M EUR rural feeder road sector budget support programme ongoing
- Improved rural accessibility and better access to local markets as a strategy to fight poverty
- Different projects have important HIMO components for the rehabilitation and maintenance of rural roads, by recruiting local labour force and local SME's
- STABEX and PPCDR specifically funded feeder roads to tea and coffee factories, improving agricultural products and goods trade
- Upgrading of 200km of rural road to sealed all-year passable in 2 regions MEUR 17,9 linked to this a technical CB to district engineers
- The Milange Mocuba project, currently under implementation is precisely targeting rural development as one of the two general objectives.
- The EU committed 10 M€ to pistes rurales/désenclavement
- improvement of rural/feeder roads led to better access to markets, increase in frequency of visits to health centers, reduction of transport costs and increased frequency of public/shared transport
- EU funded road projects, under earlier than 9th EDF programmes, in rural areas have greatly improved rural access specifically focussed on remote areas and/or vulnerable people.
- Etude de formulation en cours pour appui au secteur sous le 11ème FED
- (There's no EU transport sector budget support, all further notes are about project approach) All rural projects in center, east and north-east of the country (PAR, PASTAR, PAREST)
- No similar projects in Gabon
- Désenclavement des zones rurales y compris dans les zones touchées par la crise
- 10 FED - 169 km de routes rurales réhabilitées 11 FED - 520 km de routes rurales envisagées En dehors des actions prévues par la section développement rurales au fond d'entretien routier.
- Cairo Metro
- The EU has support the rehabilitation of 800 km of rural / feeder roads.
- Appui Budgétaire au désenclavement des populations isolées

#### ***Indicator 5.3.2. Increased access to social services (health and education).***

As recorded in the desk phase report it was proposed that this indicator should be dropped. The main challenges are to do with causality: the evaluation timeframe coincides with implementation efforts to reach the MDGs, and major changes in the delivery of both health and education services in most sub-Saharan African countries. For example in many countries policy changes have led to the removal of school fees, leading to a massive surge in uptake of primary schooling. It does not appear possible to identify the contribution that improved transport access may (or may not have) made to improved "access" to education, given that access is determined by financial factors, demand measures (such as media coverage), complementary measures (such as school feeding programmes) and supply side issues such as school building programmes.

### ***Indicator 5.3.3. Evidence of improvements to transport provision***

The EU support must be placed in the context of country situations where transport remains an inhibitor to development. This is best illustrated through a country example. The World Bank's Country Economic Memorandum (CEM) dated October 2007<sup>259</sup> concluded that growth in **Uganda** was primarily constrained by under-investment in infrastructure which it identified as the binding constraint to growth. It particularly emphasized, in addition to power generation and distribution, road construction and maintenance. As noted by the IMF the state of Uganda's infrastructure is poor<sup>260</sup>. Transport costs remain a significant trade barrier, equivalent to effective protection of over 20% and an implicit tax on exports of over 25%. Road density indicators are at par with the average for Sub-Saharan Africa but a much smaller proportion is paved.

Uganda is particularly dependent on its road transport network. According to the National Development Plan (NDP), roads account for 96.5% of freight cargo and 95% of passenger traffic<sup>261</sup>. Despite this, Uganda has one of the least developed road networks in the region, with only 4% of the total road network, estimated at 78,100km, being paved. Moreover, annual average traffic growth has been some 8% per annum, but the road infrastructure network has failed to keep up with this growth. In urban areas, especially greater Kampala, this has been manifested by heavy congestion; whilst other parts of the country have failed to benefit from rising national incomes and the growth in industry around well connected urban centres, thereby contributing to increasing polarization of wealth in and around the better connected capital, Kampala.

The EU funded the construction of the Kampala City bypass, which was intended to ease congestion by keeping heavy vehicles etc. outside the city centre, especially those that were making long-haul journeys. However the pace of growth of the capital meant that it rapidly became congested, and the road itself, which was built in a peri-urban area, is now a growth axis in its own right, attracting further real estate development, the evolution of additional street markets etc. This led to a decision by the EU, once it had been decided that the Uganda roads sector was not ready for sector budget support, to fund the dualling of the remaining parts of this bypass.

This is an example of an important investment. Similarly investment in sections of the Northern Corridor through Uganda which runs to the Great Lakes area will have played a valuable contributory role in reducing the inaccessibility of Rwanda. This is evidenced, as mentioned above, by the improvement in the **Ghana**: The anchor project of the EU's Transport Sector Development Programme (TDSP) is the rehabilitation of a major highway inland from Ghana's Western region. In its current deteriorating state, the route cannot serve as a proper inter-link between three regions: Western, Central and Brong Ahafo and also cannot provide the needed quality connection to the Ashanti Region. Still the poor condition of the trunk road network in the area causes high transport costs

<sup>259</sup> World Bank, "Uganda – Moving beyond recovery: investment & behaviour change for growth", Country Economic Memorandum, PREM, Africa Region, October 2007.

<sup>260</sup> IMF Uganda Seventh review Under the Policy Support Instrument, April 2010.

<sup>261</sup> See para 358, Uganda National Development Plan (UDP), 2010-11 to 2014-15.

to the target groups, with a negative impact on the region's economy, which today houses about 25% of the country population and which contributes about 30% of the national GDP.<sup>262</sup>

The project will offer job opportunities for particular target groups as women who sell yams, cassava, plantain, maize and groundnuts which are transported to the regional capital and Accra. The project has already started to offer job opportunities to target groups, both men and women, and improve their economic situation within the trading and agricultural sectors. The priorities of the target groups are essentially linked to an increased demand for food, goods and services during and after the construction phase.

Data collected by ERA independent consultant (WT consult) exhibit a very positive trend in journey times on the Ethiopian Road Network.

Transport activities are fully liberalized in Ethiopia with 95% of the freight fleet owned by private (small) operators. More than one hundred professional organisations are engaged into regular (formal and less formal) contacts with the Transport Authority, not allowing a dominant position of one of them. Prices are not regulated and thus fully determined by market forces (I 4.5.3). Even freight hiring for grain transport in the food security programme is subjected to competitive bidding.

Vehicle Operating Cost (VOC) savings relating to road condition, always regarded as the main contribution to poverty reduction, are supposed to be passed on to customers, be they producers, traders or passengers through transport price cuts (or increases limited to factors of VOC other than costs generated by road condition). This implies in turn that a level playing field exists for market forces in auto-regulation of transport tariffs.

In the case of Ethiopia there has since 2006 been a mismatch between rising VOC and relatively stable tariffs. The tariffs index rose to around 200 in 2008 (based on 100 in 1996) while VOC rose steadily to 300 on the same base. Tariff increases started readjusting VOC and prices from 2006 onwards but at a very slow rate.

This trend demonstrates a limited improvement in the underlying degree of competition within the transport industry, against open but regulated access to markets, absence of price control, and improved consultation with stakeholders. This price adjustment seem to be led by import-export transport operators on the Djibouti corridor where some form of cartelisation is acknowledged, offsetting the overall lack of management and knowledge of costs on the part of most of the transport operators on the internal market<sup>263</sup>.

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<sup>262</sup> **Support to the Transport Sector Development ROM report May 2013.**

<sup>263</sup> Source: Evaluation of the Commission of the European Union's co-operation with Ethiopia Country Level Evaluation. ECO Consult consortium. Contract No EVA 2007/geo-acp, January 2012 Volume 1 page 35.

Overall, based on this analysis, there appears to be improving transport provision, at least on main corridors.

**Madagascar:** Les informations et données statistiques nationales relatives aux services de transports (fret et passagers) ne sont pas à jour non plus.

**Senegal :** According to the latest activity report of AGEROUTE, the percentage of roads in good and average level of service increased from 66% in 2013 to 73% in 2014 for paved roads and from 37% to 42% for unpaved roads.

**Mozambique:** No change in recent years in terms of degree of detail or quality of information.

**DRC :** Le Groupe d'études des transports (GET) du Ministère des Transports ayant la mission de rassembler toutes les informations relatives à tous les modes de transport ne parvient pas à le faire faute des ressources. Il est difficile d'avoir les informations détaillées actuelles.

***Indicator 5.3.4. Evidence of improved urban transport infrastructure and services (includes interventions in urban environment e.g. roads, rail, signals and signing, road furniture, provision for pedestrian & NMT movement etc.)***

Comparatively little EU support has been directed towards urban infrastructure or services. Rather more has gone into peri-urban areas, such as the Kampala bypass, where care has been taken to learn from adverse evaluations of previous EU projects, such as the Nairobi-Naivasha road which was criticised for creating adverse impacts on local communities due to the lack of pedestrian under and overpasses.

**Benin:** See above the Cotonou-Calavi case.

**Madagascar:** L'UE a contribué à l'amélioration des conditions de transport urbain à travers le financement de la construction de nouveaux axes routiers dits Boulevards de l'Europe pour Antananarivo, Capitale de Madagascar.

**Senegal :** The EU did not finance urban transport projects in Senegal during the last PINs. However EU had to fund a study that led to the development of the national road safety strategy and an audit of the computer system of the Directorate of land transport. This audit is at the origin of the study for computerization and electronic archiving of the Road Transport Directorate under the PATMUR.

**Mozambique.** Stated that EUD does not have resources to address this issue.

**DRC:** La plupart des partenaires de la RDC (Banque Mondiale, BAD et UE) ne s'engagent dans les services de transport urbain à cause de la législation en vigueur qui ne favorise pas le fonctionnement rentable des sociétés de transport urbain (multiplicité d'administrations, imposition du tarif social sans subvention d'équilibre de l'Etat, nombre élevé des voyageurs non-payants). La circulation



des bus sur les mêmes bandes routières que tous les autres automobilistes, diminue la vitesse commerciale. Tous ces facteurs sont à la base de la faillite des sociétés de transport urbain.

**Questionnaire responses 68 (support to urban transport) :**

The EUDs provided the following reasons why it did not support urban transport, mostly indicating that it just wasn't a priority of the the EUD and/or the national governments:

- It was not the choice of the Gouvernement.
- Other stakeholders are involved in urban transport sub-sectors, including China (Chinese contractors are in charge of the light railway in Addis Ababa). A better coordination is necessary and EU will use the on-going and next programme to improve it, as there are more and more examples of the problems related to the lack of coordination between road sector policy and urban transport (just to give an example, the new express highway Addis Ababa - Adama is open but still 15km far from the center of Addis!).
- Other priorities
- Ce sont les choix de L'UE (HQ), plus d'infrastructures ou de transport.
- The priority was the improvement of the Northern Corridor and rural roads. To some extent, the Kampala Northern Bypass is an urban transport intervention (limitation of congestion of Central Kampala).
- Because EU programme was based on rural development
- Main attention was given to national connection roads
- In spite of the individual interest we may have for urban transport, this was considered as World Bank, African Development Bank and Agence française de Développement's prerogative.
- Too many needs , too few resources available, too many priorities (post conflict context)
- Over ambitious in terms of human resource availability.
- No consideration, no needs, no requirement from GoB
- Transport not focal sector of EU programming
- Focus on other priorities
- The question is not correctly formulated: urban transport is strongly considered but always in the framework of a project approach
- There is no EU Support program
- Not considered a priority by Government
- Urban transport not well developed. It consists mainly of taxis and small busses. The government is not interested in developing it
- Other sectors were considered as more important and the programme could not cover everything. However, EU is co-funding the 3rd phase of the 3rd Cairo metro line as previously mentioned
- It was not really a priority.
- Ce n'est plus une des 3 priorités de l'UE.
- Transport not focal sector under EDF11. Urban mobility not a big issue at the moment in the country

## JC 5.4. EU sector support has contributed directly and indirectly to employment generation.

Information on employment generation is rather sparse in the documents reviewed. As noted above, the EU has not selected labour based methods for road construction, and in most cases evidence of direct employment through construction contracts is not reported on in EU documentation. Typically up to 50% of contract values are spent on materials and equipment (predominantly imported), with fuel costs and other consumables meaning that typically only 20% of project costs relate to local labour. Overall, therefore, indirect employment generation is more significant. Yet the evidence base is very weak

### **Indicator 5.4.1. Evidence that EU funded construction contracts have supported the development of national contracting capability.**

The contracting industry in Africa over the evaluation period has gone through several phases and the EU has played a somewhat mixed role in supporting it. EU contractors have been widely used under EDF modalities and the experience has been poor in some cases. In **Ethiopia** the Government inhibited development of the domestic contracting industry by supporting “party affiliated national contractors”, which were seen as pro-Government. The EU did not help the situation by awarding what proved to be an excessively large number of contracts under the 8<sup>th</sup> and 9<sup>th</sup> EDF to a single contractor which experienced heavy delays. Indeed the problems became so acute that the Government of Ethiopia decided to self-fund one major contract rather than risk further delays. The 2005 SPSP appraisal report<sup>264</sup> noted: *“It is inevitable that the delays and contractual problems experienced on European Commission funded road rehabilitation contracts in Ethiopia should influence perception of the EC as a partner. MoFED and ERA both, in separate meetings, compared the Commission’s performance in the sector unfavourably to other RSDP II partners. These negative impressions have rubbed-off on other donors to some extent, although it has been partially mitigated by the positive efforts of individual EC staff members. We believe, however, that with effective management of sector budget support this situation can be recovered and it should not jeopardize further support for the road sector”*.

In **Tanzania** TANROADS had experience of funding a large number of smaller contractors, and although this was expensive to administer, for a while it provided an engine for growth as locally based small and medium sized contractors active in the roads sub-sector flourished. However in 2010 TANROADS undermined this positive work by committing to far more contracts than it could afford. As noted by an independent evaluation<sup>265</sup>: *“Unfortunately, the payment arrears have affected the balance of costs and benefits from the expansion of the road network, which Budget support facilitated. Payment delays have compelled contractors to slow down or stop work and are precipitating legal action against TANROADS. This has had a number of negative consequences:*

<sup>264</sup> Ethiopia: Sector Policy Support Programme for the Road Sector Revised Appraisal Report May 2005N° 2004/95037 Framework Contract AMS/451 - LOT N° 11.

<sup>265</sup> Independent Evaluation of Budget Support to Tanzania, 2006 -2012, ITAD, 2013, page 69.

- *It has undermined private sector confidence, impacting on tender prices and construction costs, potentially also for government contracts in other sectors.*
- *It has reduced sector credit ratings, eroding prospects for Public Private Partnerships (PPP), which had been identified as a means to develop transport infrastructure.*
- *It has reduced Value for Money (VfM), as contractors were forced to stop executing projects, or to “go slow” and may raise future tender prices to cover increased risk”.*

In **Uganda** the channel of support to the private sector contracting industry is the Crossroads project which the EU is co-financing with DFID. One of the main channels is support to the Roads Industry Council<sup>266</sup>.

The Ugandan Road Sector Policy Support Programme –Mid-Term review observes that the approach taken by the Crossroads secretariat (the TA team) is effective in supporting the local construction industry, according to information from *Uganda National Association of Building and Civil Engineering Contractors* (UNABCEC), the industry's representative organisation. However it provides little detail to justify this assertion.

In **West and Central Africa**, most force account operators were already dismantled at the brink of the evaluation period (unless the Office des Routes in DRC but in an absolute lack of financial and human resources). Shifting to private contracting for road works was a major thrust of EDF funding under EDF8 and 9 and was therefore successful in this respect. Setting Road Funds and Road Agencies was rightly seen, in EU policy advocacy, as a pre-condition for developing private contractors. Almost in all countries, the EU supported accompanying measures targeting small contractors (and engineering firms for work supervision), mostly technical and managerial training but also some initiatives on licensing or registering firms according to their demonstrated capabilities (current/periodic maintenance, pavement, gravel roads etc.). Cameroon was a case in point, with the PERFED I & II that mobilised over 10 years an extensive technical assistance. Lower profile EU initiatives were implemented in Chad, Benin, Mali etc. At the end of the evaluation period, almost nowhere a sustainable development of private contractors took place and the very same issue of high prices for low quality works can be encountered everywhere (with the likely exception of Senegal). The combination of widespread poor governance, long delays of payment, uncertainties in programming maintenance expenditures, annual contracting, limited access to bank financing, unfair competition by traders, lousy supervision etc. put an end to all temporary improvements of public resources made available to road rehabilitation or human resources in the Public Works Ministries. The shared key issue of all EU interventions was the lack of synchronisation in improvements brought separately to (i) maintenance funding, (ii) institutional capacity (for programming and procurement) and, (iii) capacity development of SMEs.

**Benin:** None in Benin.

<sup>266</sup> See: <http://ric-uganda.com/rc/index.html>.

**Senegal:** Not in Senegal.

**Mozambique:** Services contract awarded in April 2015. The objectives are: (i) to improve the quality of road maintenance works performed by existing SMEs and (ii) to increase market access to the best performing SMEs.

Expected Results:

- EU financed training program is implemented according to the quality and conditions as described in the ToR;
- SME's have an informed advice and support to participate and influence the governance of the sector in the areas supported by the program;
- Commercial advice, technical findings and best practices are disseminated and knowledge management is achieved, including implementation of a proactive communication and visibility plan.

**Indicator 5.4.2. Evidence of consideration and appropriate use of labour based methods for construction and maintenance of rural roads.**

The ILO has been a major proponent of labour based methods, and some member states, for example DANIDA in Uganda have supported this model. However it is not evident from documents reviewed that the EU has pursued construction using labour based methods<sup>267</sup>. One explanation would be that the Commission has traditionally focused a high share of spending on major highways which are not suited to this approach. A second reason has been the underlying pressure to disburse: typically labour based approaches have been associated with rather low rates of absorption. The extract below, summarizing the approach adopted in **Zambia**, is typical:

“EC support to the sector yields significant benefits. Current levels of investment of around \$33m per year would give a net benefit of around \$1.4 billion over next 10 years. Anecdotal evidence suggests that trunk paved roads have improved under SPSP1, but little impact has been made on the rural and urban network. The poor condition of the rural network is of particular concern since there is a direct link between accessibility and poverty in rural areas. Employment creation has not been high since few of the projects have utilised labour based methods. Coverage of cross cutting issues has been given a low priority due to day to day pressures for road work output<sup>268</sup> .

**Benin:** LB methods are used by the rural transport programme supported by the EU. They are managed by contractors with the support of social animators paid by the programme.

The evaluation of the programme is on-going. From its promoters, the LB methods are well accepted and effective for rural roads.

<sup>267</sup> Unless in fragile and post-conflict situation; for example for maintenance for the PARAU in DRC.

<sup>268</sup> 2008 EuropeAid/119860/C/SV/multi Lot N° 2: Transport and Infrastructures Mid Term Review & Seven Key Area Assessment Study for the EDF9 sector policy support programme (SPSP):“Periodic Maintenance of Trunk, Main and District Roads”, 9 ACP ZA 013, Financing Agreement No. 9279/ZA.

**Madagascar:** NA : Les projets routiers de la période d'évaluation ne comprennent pas de Système HIMO

**Senegal :** The paving of urban roads project in Ziguinchor created 5 025 labour intensive jobs of 3 months. In addition, through training, the know-how of 987 people in the field of labour intensive techniques has been improved.

The know-how of two SMEs has been strengthened through the support of the program of installation of two factories of standard paving stones. One of them, AREZKI, has already obtained contracts for the supply of paving stones in Senegal and Guinea Bissau. Its leaders acknowledge that they have improved their know-how in industrial production of paving stones through their participation in the program.

**Mozambique:** Labour based methods have not been promoted by the EU. No audit information on short term employment arising from labour based methods.

**Indicator 5.4.3. Evidence of resultant employment generation (in agriculture or otherwise) in 'catchment areas' of infrastructure interventions).**

As presented below there have been a number of studies which identify the impact on transport improvements on rural employment generation. **Uganda** is a good example as it is known that the low level of physical infrastructure impacts on effective public service provision and hence employment. It is estimated that more than three quarters of Uganda's population live two or more hours from any market centre<sup>269</sup>. The consequence of such poor infrastructural development on agriculture in the country has been extensively analysed. Gollin and Rogerson (2010) look at the relationship between the high transportation costs and low productivity of the agricultural sector and between transport costs and the size of the quasi-subsistence sector and provide detailed information about the scale of transportation costs in Uganda<sup>270</sup>. They find that the high dispersion of prices across geographic space reflects underlying transportation costs, preventing arbitrage between regions. Their analysis is supported by a study conducted by the GoU Plan for the Modernisation of Agriculture, which estimates transport costs or distributional costs associated with moving food from rural to urban areas. This found that the pure transport cost of moving maize to wholesale markets was similar to the farm-gate price. Comparing a matching situation in the US, Gollin and Rogerson estimate that the implied unit transport cost in Uganda is about seven times the cost in the US.

There is also positive evidence of the impact of roads infrastructure on changes on agricultural technology. Nkonya et al<sup>271</sup>. (2011) find that, by reducing transaction costs and linking farmers to the market, rural services – rural roads, extension services, communication infrastructure, markets, etc. – increase returns on investment and as a consequence influence farmers' decisions to

<sup>269</sup> See "Targeting infrastructure development to foster agricultural trade and market integration in developing countries: an analytical review" by Marie-Agnes Jouanjean, ODI report, June 2013.

<sup>270</sup> Gollin, D. and Rogerson, R. (2010) 'Agriculture, roads, and economic development in Uganda'. NBER Working Paper 15863. Cambridge, MA: NBER.

<sup>271</sup> Nkonya, E., Gerber, N., Von Braun, J. and De Pinto, A. (2011) 'Economics of land degradation: the costs of action versus inaction'. IFPRI Issue Brief 6. Washington, DC: IFPRI.

adopt and invest in better land management technologies. They note the example of improved access to roads and markets in **Machakos, Kenya** that led land users to increase their investments in soil-erosion-prevention methods, thereby increasing agricultural productivity. This is also the case in Uganda, where Okoboi and Barungi (2012) show that low access to credit and constrained access to input and output markets due to distance are key constraints to fertiliser use<sup>272</sup>.

Far more limited illustration can be found in West and Central Africa where EU interventions were almost exclusively focused on trunk roads during the reference period.

ROM reports, such as the one cited below for **Ghana**<sup>273</sup> lack sufficient detail to offer rigour: “Ghana has remained a key objective of EU support to the transport sector, through the Support to the Transport Sector Development Programme (TSDP) 2008-20, with the EU implementation starting in June 2009 to June 2016 (€79m)<sup>274</sup>”

*“The operation presently supports well the policy established by Ghana and it is in line with the existing policy of the Government. The TSDP overall objective is to expand growth, reduce poverty and establish Ghana as a transportation hub for the sub-region. The support is anchored through an infrastructure project – rehabilitation of the Tarkwa- Bogoso Ayamfuri road which provides a link between three regions: Western, Central and Brong Ahafo”.*

*“The poor condition of the trunk road network in the area causes high transport costs to the target groups, with a negative impact on the region's economy, which today houses about 25% of the country population and which contributes about 30% of the national GDP. This [project] will offer job opportunities for particular target groups as women who sell yams, cassava, plantain, maize and groundnuts which are transported to the regional capital and Accra. The project purpose is to establish a South-North transport corridor in the west of Ghana, linking the timber, agricultural and mineral rich areas, and neighbouring countries located West and North of Ghana, to the deep water port of Takoradi”.*

**Madagascar:** Les résultats réels et palpables en termes d'amélioration du secteur des transports routiers consécutives à l'appui de l'UE se traduisent généralement par la réduction significative des durées de trajets et des coûts des transports (cas du Projet de désenclavement des Régions nord et sud de Madagascar).

**Mozambique :** None. No ex-post evaluations undertaken for EU projects.

## JC5.5 EU sector support has contributed to growth of trade and commerce

<sup>272</sup> Okoboi, G. and Barungi, M. (2012) 'Constraints to fertilizer use in Uganda: insights from Uganda Census of Agriculture 2008/9', *Journal of Sustainable Development* 5(10): 10-12.

<sup>273</sup> Ghana 020-923 bcs ROM 1691698.

<sup>274</sup> Decision No 209/23.

Improved highways and logistics competitiveness, together with rising incomes and improving terms of trade have all contributed to increasing imports and exports in Africa over the evaluation period. EU transport investment and the adoption of SPSP approaches have been positive contributors, but it is difficult to make an accurate assessment of the extent of this contribution.

#### **Indicator 5.5.1. Evidence of increased trade and commerce along roads and corridors improved with EU support.**

Much of the support to **Mozambique** over the last decade has focused on developing the national road network through a series of programmes. The Roads and Coastal Shipping Programmes (ROCS 1 and ROCS 2) began the process of post-war reconstruction. These led to the ROADS III programme for the road transport sector: ROADS III. Phase 1 (2001 to 2006) focused on urgent rehabilitation, periodic maintenance, institutional and policy reforms and final preparations for the long-term investment programme.

The EDF contributed actively, and with some success, to Phase 1 by financing road rehabilitation in the Beira (Beira-Inchope road rehabilitation: €20m from the regional programme; Beira-Machipanda study: €1.6m) and Nacala (Nampula-Nacala road rehabilitation: €36.58m) corridors linking the ports of Beira and Nacala to Zimbabwe and Malawi respectively. The 9th EDF road projects – Namacurra- Rio Ligonha (370 km at a cost of €70 million), the Zambezi Bridge (built in cooperation with Sweden and Italy) and the Milange-Mocuba link – have been followed by the Milange-Mocuba road, to link Malawi to the ports of Quelimane and Nacala, is at the design stage under the 9th EDF and will be implemented under the 10th EDF.

The support under the 9th EDF to the Road Fund (financing agency) for periodic maintenance (€14m), although an essential contribution, is reported to *“have been now been of little help in overcoming the main capacity weakness, which needs to be addressed by an innovative and more structured approach, as pointed out in the new road policy. The institutional capacity of the road authorities requires further strengthening and clarification of responsibilities, while the provision of qualified technical assistance remains essential for capacity-building. The Road Fund and ANE need to be reinforced with adequate assistance in order to achieve acceptable performance of current and future projects. The EDF-funded technical assistance to the Ministry of Public Works and Housing and to ANE is aiming at reducing the lack of qualified staff”*.

The EU’s **Kenya** Country evaluation 2014<sup>275</sup> concludes that it is likely that the three EU supported projects on the Northern Corridor with time will have a significant impact on domestic and international trade in Kenya. In particular the volume of trade between Kenya and Uganda is likely to be affected and might with time increase with as much as 5%, according to calculations of the evaluation team based on various transport studies. The impact on the volume of **Uganda’s** overseas trade might even be stronger because of relatively large

<sup>275</sup> Kenya: Evaluation of the European Union’s Co-operation with Kenya, Final Report Volumes 1, June 2014 page 91.

savings in transport costs and a relatively high sensitivity of the trade volume to reduction in transport costs.

Total transport costs for 16 million tons of trade, i.e. about two thirds of the total domestic trade between the main regions and international trade volume would be affected positively with a reduction in the total transport costs at least 5%

Thereby, the three EU financed road projects on the Northern Corridor are likely to have a noticeable positive impact not only on the national economy of Kenya but also for other countries using the corridor, and Uganda in particular. The trucks plying on the improved road sections will on average save about 30% in Vehicle Operating Costs (VOCs) mainly due to less attrition while driving on the improved road sections. This in combination with the large traffic volume on the Northern Corridor implies that all three projects were highly feasible from an economic point of view with an Economic Internal Rate of Return (EIRR) in the order of 40%.

**Madagascar:** NA: Les statistiques sur les échanges commerciaux au niveau national (entre les Régions) ne sont pas disponibles.

**Senegal :** Senegal exports have increased from 890.9 billion CFA FRANCS in 2008 to 1259,4 billion CFA FRANCS in 2012. Africa remains the first customer of Senegal with a share of exports which amounted to 42.6% (536.4 billion CFA FRANCS), followed by Europe (27.3% - 343,4 billion CFA FRANCS) and Asia (20.4% - 256.5 billion CFA FRANCS). Exports from Senegal to ECOWAS countries were from 435.9 billion FCFA in 2012 (or 34.4% of the total of Senegalese exports with Mali 173.9 billion CFA francs - 13.8%).

A study funded by the EU in the area of road transport of Senegal and published late 2013 highlights the fact that the Senegalese corridor was 30.7% of the volume of Malian imports of hydrocarbons in 2005 against 48.6% in 2012 (are recorded: Senegal exports + transit Dakar-Bamako). The volume of exported oil from Senegal to Mali, along the corridor Dakar - Bamako is increased from 217.178 tonnes in 2007 to 473.716 tonnes in 2012, an increase of 118%. By comparison, in 2012, the Abidjan-Bamako corridor would have allowed supply Mali for 127.743 tonnes of hydrocarbons (i.e. 3.7 times less).

Senegalese cement production was 4.6 million tonnes in 2012 and total exports (all areas) have evaluated the same year to 111.9 billion CFA FRANCS in total: Mali was the first customer, with 536.986 tonnes imported in Senegal by road. Exports of cement destined for Mali have significantly declined since 2010, however over the period 2007-2012, Senegalese exports of cement to Mali increased by 20%. It should be noted that Senegalese exports of cement could again fall because Mali will start to operate a cement plant with capabilities identical to two major Senegalese of the sector companies.

Imports of Senegal are 3.005,5 billion CFA FRANCS in 2012, an increase of 18.1% in value in one year. Its main suppliers are: Europe (46.2% - 1387,5 billion CFA FRANCS), Asia (21.9% - 658.5 billion CFA FRANCS), Africa (20.9% - 627.3



billion CFA FRANCS), America (9.5%) and the Australia and Oceania (1.6%). Imports from ECOWAS were 486.5 billion CFA FRANCS in 2012, or 16.1%: its main supplier is Nigeria which sells petroleum products. Senegalese imports have increased by more than 18% in volume from 2008 to 2012.

**Mozambique:** Available at the National Institute of Statistics (INS).

*Indicator 5.5.2. Key stakeholders (e.g. business sector, government, civil society, donor partners, independent reports) consider that EU sector support interventions have high relevance to facilitation of increased trade and commerce. (e.g. from M&E frameworks and LFM for project interventions – typical OVIs: number of new businesses established; number of road users/day; volume of freight; % of agricultural production growth.)*

**Benin:** The only initiative related to transport/trade facilitation is the joint border post of Malanville (€15m), still not functional more than 10 years after inception of the project of RIP funds.

**Senegal:** According to AGEROUTE the Kaolack-Birkelane road has seen the number of trucks increase by 126% from 2004 to 2012 and Birkelane-Tambacounda by 181%, official data from external trade (exports + transit), on the other hand, emphasize a traffic increase by 92% between 2008 and 2012 on the corridor Dakar-Bamako, What is not contradictory, since AGEROUTE initial data are those of 2004 and it is logical that national and local traffic is higher than the international traffic on the same corridor.

**Mozambique:** Perceived as relevant, especially strategic works e.g. EN1.

**DRC:** La zone CEEAC/CEMAC de l'Afrique centrale étant celle où les échanges commerciaux intra et inter-Etats sont très faibles, l'appui de l'UE sur la facilitation visant l'accroissement du commerce est très pertinent et mérite d'être intensifié surtout au niveau régional.

*Indicator 5.5.3. Evidence of creation of new enterprises as a result of improved access.*

The reports reviewed do not provide substantive information on this indicator.– There is very little evidence and the EU has not funded evaluations that would provide statistically robust data. For illustration in Benin this was not monitored.

**Questionnaire responses 72 & 73 (EU sector support resulting in new businesses and/or increased trade):**

The following examples were provided:

- All EDF funded road projects in Cameroon have been evaluated at the end of implementation, including impact in other sectors. Evaluation reports are available upon request.

- The number and quality of local contractors, both in works and engineering studies sectors, has been significantly increased and the sector budget support programme is constantly monitoring the participation of local private sector to the implementation of the RSDP IV.
- Dans les régions ayant eu un investissement routier cela est flagrant surtout au niveau agricole ainsi qu'au niveau des infrastructures portuaires qui ont permis d'accroître les volumes d'échanges commerciaux...
- Increased trade in rural areas (feeder roads/rural roads), urban roads/restructuring lead to increased economic activity in affected neighbourhoods
- No sector support
- No EU Sector support
- Rehabilitation des pistes cotonniers dans le nord du pays avec la relance de la filière
- Projet de renouvellement de la flotte. Achat d'un nombre substantiel de véhicules en cours pour plusieurs compagnies de transport. Possiblement une augmentation du commerce pour certaines entreprises comme la cimenterie de Malbaza, ou la Raffinerie de Zinder.
- New small businesses have appeared on the urban roads that have been rehabilitated / built.
- Secteur aérien

## EQ6. Contribution to poverty alleviation

**EQ6: To what extent do EU transport sector support policies, strategies and interventions contribute explicitly to poverty reduction in Africa?**

### **Judgement Criterion 6.1 - Benefits of improved transport are available to the poorest people**

Targeting the poorest people was not intended by EU interventions in the transport sector. Such an approach was not foreseen by the Cotonou Agreement and was not explicitly identified by any of the EC Communications during the evaluation period (see also 6.2.2 below). EU approach was rather to provide better incentives for trade and (agricultural) production, leaving market forces to disseminate economic benefits to the various population groups, including to the extent possible to the poorest people. Unless in some fragile states and post-conflict situations where social unrest is a direct threat to stability and restoring the rule of the law (DRC, Uganda), EU projects, apparently intentionally, ignored targeted actions, and all the more so in sector programmes and SBS.

The effectiveness of the expected trickledown effect of EU contribution to improving the main road network and thus facilitation of trade for the poorest people was not monitored by EU projects specifically. Similarly factors that could lead to such impact, such as trends in price of commodities in rural areas or employment generated directly or indirectly by construction and maintenance works and improved accessibility, have not been measured and/or there have been no efforts to provide attribution.

Research undertaken by the World Bank and DFID, in the absence of similar effort from the EU, tend to advocate for a limited extension to the poorest of the evidenced overall socioeconomic development, with a considerable body of lessons learnt and practical guidance that have not yet been translated into EU project log frames.

#### ***Indicator 6.1.1. Evidence of outcomes of EU support to public transport services in areas of greatest poverty.***

Greatest or extreme poverty is not indicated as an objective of EU projects in the transport sector, at output, outcome or impact levels<sup>276</sup>. Such an approach is nowhere endorsed by EU Communications on aid to Africa and on support to the transport sector. To a large extent, such pro-poor oriented approach can be designed mostly in two ways: either area-based or using subsidizing transport tariffs to overcome affordability barriers. Both ways are dead-ends for EDF-based EU cooperation: the partnership with government (vs decentralized authorities) prevents area-based interventions and aid rules prevent direct contribution to recurrent costs (such as subsidies). When extreme poverty can be linked to post-conflict or fragile situations, road infrastructure can be targeted as a means to restore stability, e.g. East DRC. Also some DCI instruments, such as the

<sup>276</sup> Albeit that some project interventions make reference to contribution to poverty alleviation as an overall objective.

Instrument for Stability, can demonstrate more flexibility in fragile or post-conflict contexts.

With this background, it does not come as a surprise that no example of EU projects was found in CRIS and elsewhere that supported public transport services in areas of greatest poverty. Moreover, including public transport services as such in EU projects is recent initiative with limited actual implementation yet and thus such even more limited evidence-based finding to draw upon.

Recent researches have, however, demonstrated that providing motorized accessibility to the poorest, and particularly in rural areas, would necessarily imply transport tariff subsidy schemes and rural roads maintenance budgets that would not be currently realistic in SSA. Alternative approaches, mainly promoting Intermediate Means of Transport (ITM) and rural accessibility (Benin), are incidentally promoted in EU transport projects' log frames but failed to find a concrete translation during implementation (beyond rare studies and training). However, considering that transport continuum, EU contribution to the improvement of the trunk road network does benefit also the areas of greatest poverty. The unsettled issue for EU cooperation in this respect is rather than ranking its contribution, to assess the comparative value for money of targeting or not greatest poverty. Past experiences have increasingly demonstrated the complexity of the political economy of transport sector reform; entering into decentralized power games and community politics might be a challenge of an altogether scale considering the meagre resources devoted by the EU for EUD programme management.

Gender is a specific dimension of transport services in rural and sometimes (Mauritania for example) urban areas. EU interventions are identifying in a systematic manner Gender as a cross-cutting issue but again generally failed to either devote resources to design appropriate actions or forget this formal administrative requirement of programming guidelines and QSGs as soon as resources are granted. Partner governments are on the same line, taught by experience that the long list of cross-cutting issues will be reduced to almost nothing with the increase of construction prices during project implementation. In EU intervention log frames, gender issues are mainly covered in construction phases, and equated to risk of spreading of HIV/AIDS by male workers in road construction sites. The transport public services dimensions, as developed by the SSATP<sup>277</sup> in recent years and by the World Bank<sup>278</sup>, are not included in EU projects.

Transport services in rural areas have also a job generation potential (porterage, cycling and since the 2000s motorcycles-taxi), which has not been tapped by EU projects as yet.

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<sup>277</sup> <http://www.ssatp.org/en/topic/gender-and-inclusion>.

<sup>278</sup> Social Development Department (2010), Making Transport Work for Women and Men: Tools for Task Teams; The World Bank. Transport Sector Board (2010), Mainstreaming Gender in Road Transport: Operational Guidance for World Bank Staff; WB Transport Papers 28.

**Benin:** No EU interventions in this area. Even the rural transport programme does not identify measures for improving public transport services in rural areas.

**Madagascar:** Il manque cruellement d'informations et de données à jour sur les conditions (coûts d'exploitation, tarifs, parcs automobiles,..), infrastructures et services de transport public en général à Madagascar, en particulier dans les zones rurales.

**Senegal :** Tracks constructed under the 9th and 10th EDF helped to increase the number of transport vehicle services, but it may have also contributed to increasing the displacement of rural populations as urbanization has increased.

**Mozambique:** No additional information encountered, apart from a proposed indicator for the monitoring framework of the Mocuba-Milange Phase II: 'Frequency and cost of transport services on upgraded roads').

**DRC:** Dans les zones rurales, le transport public n'est pas organisé comme dans les grandes agglomérations ou entre les grandes agglomérations. La mobilité des populations est assurée à pieds ou en vélos.

#### **Questionnaire responses 75 (benefits on poverty of EU sector interventions) :**

Examples of benefits to the poor of infrastructure investment that have been identified in ex-post evaluations include:

- All EDF funded road projects in Cameroon have been evaluated at the end of implementation, including impact in other sectors. Evaluation reports are available upon request.
- The evaluation has been carried out for 5 main corridors financed by World Bank. EU is providing sector budget support, which is an untargeted modality. On the last road project financed by EU in Ethiopia (Jimma road, 2000 - 2007) no specific assessment of poverty and social impact assessment has been carried out.
- Increasing the value of different zones where roads have been built
- Access to market, to health services, to administrative services especially in rural areas
- Reduced costs set resources for personal initiatives
- Reduction in transport costs, increased access to markets
- Effects are less than expected, differences also between results and a priori assessment (What is PSIA? Cannot just drop acronyms like that!)
- EU does not finance infrastructures
- Don't know
- Concordantes en generale
- Improved living conditions
- Jobs have been created during project implementation, generating activities have been established thanks to the new infrastructures.
- Poverty and Social impacts have always been a very important consideration in selecting transport projects but no formal 'Poverty and Social Impact Assessments' have been carried out.

- The 2013 Integrated Household survey identified a causal relationship between level of poverty of rural communities and their distance from all-weather passable roads

**Indicator 6.1.2. Appropriate infrastructure in areas of greatest poverty (e.g. footpaths, footbridges)**

Rural areas are everywhere in Africa sheltering the greater proportion of poverty. Recent researches have demonstrated that mobility in rural areas is a continuum<sup>279</sup> and, consequently, that absolute isolation from transport routes does not exist. Porterage, cycling and, since the late 90s, motorcycle-taxi services<sup>280</sup> may be necessary for reaching an all-weather road but zero accessibility is not an option to the rural poor. It therefore makes sense for improving rural mobility in areas of greatest poverty to develop footpaths and footbridges that ease the burden of the poor (especially women) to bring the very limited volumes it is able to commercialize towards the nearest consolidation centre, usually a weekly market.

This approach or a similar pro-poor targeting was not found at this stage in EU-funded transport projects.

The EU, through its financial support to the SSATP, supported the advocacy for a pro-poor and pro-growth<sup>281</sup> approach. Achievements were limited<sup>282</sup> to a few case studies<sup>283</sup> and several workshops.

Large numbers of people affected by extreme poverty also live in urban slums and remote suburban areas, without appropriate (tariffs, frequencies, comfort, safety) public transport services. These populations were also left unattended in EU transport sector interventions during the reference period, with rare exceptions targeting urban transport services (Senegal) or urban road infrastructure (Uganda and Tanzania). EU cooperation in the transport sector is still strongly affected by a rural bias (cf. EQ8).

**Benin:** IMT, NMT are evoked by the rural transport programme but failed to materialise. Construction standards for rural roads were kept high.

**Madagascar:** L'amélioration de l'accès aux Moyens Intermédiaires de Transports (MIT) et aux petites infrastructures de transports terrestres (passerelles, ponts piétonniers, ...) n'a pas bénéficié d'un financement spécifique de la part de l'UE.

**Senegal :** Not applicable.

<sup>279</sup> Gaël Raballand, Patricia Macchi, and Carly Petracco (2010), Rural Road Investment Efficiency: Lessons from Burkina Faso, Cameroon, and Uganda; The World Bank.

<sup>280</sup> Gina Porter (2013), Transport Services And Their Impact On Poverty And Growth In Rural Sub-Saharan Africa; AFCAP/ Durham University.

<sup>281</sup> Mary Braithwaite (2003), SSATP Review of National Transport and Poverty Reduction Strategies: Guidelines; SSAP WP77.

<sup>282</sup> Alanet Global (2012), Joint Mid-Term Review of the Second Development Plan of the Sub-Saharan Africa Transport Policy (Ssatp) Program.

<sup>283</sup> Cf. ssatp.org.

**Mozambique** : No EU support to non-motorised transport (NMT), intermediate means of transport, etc. other than indirectly by provision of better rural roads.

### **Indicator 6.1.3. Price trends of selected commodities at district and local levels**

Cuts in commodities price are the most immediate expectation for benefits of EU-financed road network improvement to the population and to the poor in particular. This potential indicator is however rarely found in EU projects' log frames, possibly because it is trapped somewhere between outcomes and intermediary impact and is felt unsafe to measure and attribute to the sole change in transport services<sup>284</sup>. Hence, the link between EU support to the transport sector and decrease in price of commodities is nowhere evidenced, especially at district and local levels.

Attempts to attribute change in commodities' price in urban markets and improved road network generally failed because numerous other factors affect the value chain between the field to the markets, notably transport market distortions, wholesalers speculative behaviours, uneven rainy seasons, increases in fuel price etc. The case of Chad tends to demonstrate that if the incidence of decades of donors' support to road network on price of commodities cannot be demonstrated in early years<sup>285</sup>, it comes out more clearly in a long-term perspective<sup>286</sup>.

If attribution of the impact of road rehabilitation on prices in urban markets is unclear, increase in prices at the farm gate is safer to assess as demonstrated by several researches at district and local levels<sup>287</sup> and by interviews with stakeholders held during recent Country Level Evaluations<sup>288</sup>. The scale of the increase depends on the degree and length of the isolation suffered by a given area, and the distance to the nearest urban market.

**Benin**: No relevant information gathered in the transport sector. It was reported that the Ministry for Rural Development could be a potential source of information, had the time been available to visit it. .

**Madagascar**: Les Observatoires du Riz et les Systèmes d'alerte précoce, mise en place dans le cadre du Programme de Nutrition publient régulièrement des informations fiables sur l'évolution des prix des principaux produits de base dont en particulier le riz; ce, pour toutes les Régions de Madagascar.

<sup>284</sup> Information on commodity prices is usually available at district levels or regional capital levels through Ministry of Agriculture reporting systems – in some countries such prices are published in national media or placed on notice boards at district levels.

<sup>285</sup> M. Hennion (1992), Etude de l'incidence du projet transport sur les prix à la consommation au Tchad; Banque Mondiale.

<sup>286</sup> Beridabaye N., Magrin G., Mian-Oudanang K. (2012), Flux de céréales et oléagineux vers N'Djamena : routes et nouveaux enjeux de sécurité alimentaire, Revue scientifique du Tchad, 11 (1) : 12-21.

<sup>287</sup> Gaël Raballand, Patricia Macchi, and Carly Petracco (2010), Rural Road Investment Efficiency: Lessons from Burkina Faso, Cameroon, and Uganda; the World Bank. Gaël Raballand, Rebecca Thornton, Dean Yang, Jessica Goldberg, Niall Keleher and Annika Müller (2011), Are Rural Road Investments Alone Sufficient to Generate Transport Flows? Lessons from a Randomized Experiment in Rural Malawi and Policy Implications; Policy Research Working Paper 5535, the World Bank.

<sup>288</sup> In Cameroon (2013), Madagascar (2014) and RDC (2014), for instance.

**Mozambique** : Ministry of Agriculture records weekly commodity prices at regional centres (e.g. Mocuba and Milange) for monitoring of cost trends of selected commodities at district and local levels (in this case in connection with the monitoring framework of the Mocuba-Milange Phase II project).

## **JC 6.2. EU transport sector support strategies and interventions are designed to contribute to poverty alleviation**

EU transport sector support strategies and interventions are intended, rather than designed, to contribute to poverty alleviation.

Obviously all national poverty reduction strategies refer to objectives of poverty reduction, some with reference to achievement of MDGs<sup>289</sup> and most identifying transport infrastructure (including rural accessibility) as a pre-requisite for and contributory factor in economic development (leading to poverty reduction). Subsidiary transport sector policies and programmes reflect the higher level objectives of PRSPs. References to rural accessibility also refer to the majority of the national poor population dwelling in rural areas and depending upon subsistence agriculture and there is thus an inference that transport interventions in rural area target some of the neediest and most vulnerable populations even if not always explicitly stated. However, such support appears to consist almost entirely of the roads themselves (i.e. infrastructure) – there is little or no attention to transport services which are assumed to appear in sustainable and affordable form following improved rural accessibility.

Most<sup>290</sup> EU sector policies together with all national and regional programming documents make reference to a linkage of infrastructure to poverty alleviation but only the earlier policies make explicit linkage to transport services<sup>291</sup> together with the 'Roadmap 2014-2017'. By contrast 'Agenda for Change' makes reference to economic growth being crucial for poverty reduction but makes no reference to transport infrastructure.

Almost all EU transport sector intervention documentation makes reference to poverty reduction as an unquantified objective of the support to be delivered in a usually unspecified manner resulting from intervention outputs. There is little or no explanation or even identification of the intermediate outcomes (or theory of change), simply an assumption of achievement of an overall objective realistically only possible after the intervention period and dependent upon other factors not necessarily determined by the intervention. Contribution may be claimed but, at best, only partial attribution<sup>292</sup>.

No evidence has been examined of equity considerations being taken into account in prioritisation or programming of EU transport sector support. Indeed in a total of over 40 9<sup>th</sup> and 10<sup>th</sup> EDF programming documents from ~20 countries

<sup>289</sup> MDGs consist of 8 goals, 18 targets and 40 indicators none of which refer to roads.

<sup>290</sup> COM 2009 and COM 2012 make no explicit reference to poverty alleviation.

<sup>291</sup> i.e. Towards Sustainable Transport Infrastructure: A sectoral approach in practise; COM 2000; COM 2006.

<sup>292</sup> Although given that ex post evaluations are almost never carried out any such claimed impacts are not confirmed or even identified.



and RECS not a single reference was found to consideration of equity in transport sector support.

***Indicator 6.2.1. National poverty reduction policies and strategies supported by the EU include reference to improved transport infrastructure being available to the neediest populations.***

Most national development and poverty reduction strategies examined make reference to provision of transport infrastructure as a key contributor to economic development, regional development and poverty alleviation. Subsidiary sector policy documents for the transport sector (predominantly referring to roads) and road sector development programmes have been developed which are compliant with national development objectives. There is reference to the importance of rural accessibility and transport needs (increasingly with progression of time within the evaluation period), some national documents noting that a majority of the national population, and an even higher proportion of the national poor, live in rural areas. Given that the poor are identified as being the most vulnerable there is an inferred linkage of rural transport to the neediest (vulnerable) populations even if not usually stated explicitly. However, the nature of the transport infrastructure needs for the rural populations usually refers only to rural roads (although there are a few references to other rural transport infrastructure needs e.g. foot bridges in Volta Region, Ghana). Also there is a general conflation of 'transport infrastructure' and 'transport services' in national strategies (and EU programming documentation) the usually unstated assumption being that rural transport services will inevitably result from better (or re-opening of impassable) rural roads. This is certainly not always the case. However, better more reliable accessibility does undeniably result from investment in rural roads. Examples of reference to improved transport infrastructure as a contribution to the aims of national poverty reduction policies include:

**Mozambique** – the national action plan for poverty reduction PARPA (Programme de Accção para Reduccion da Pobreza Absoluta) notes that the development of infrastructure is instrumental in achieving PARPA objectives of promoting broad based growth, including the importance of basic infrastructure linking rural areas to markets and basic social services.

**Zambia** – improvement to the road sector has been identified in the national PRSP as the single most important means to address and combat poverty.

**Ghana** – The national plan (GPRS) notes that an efficient transport network would contribute directly to the national development and poverty reduction strategy (i.e. diversification of the economy combined with trade and regional integration).

**Tanzania** – GoT recognises that availability of efficient and available transport is crucial for economic development and poverty reduction and it has made provision of adequate transport infrastructure sustained by effective policies, strategies and investment programmes for all transport subsectors one of the declared objectives of MKUKUTA Cluster 1: Growth of the Economy and Reduction in income poverty.

**Kenya** – The main national development policy document (Vision 2030) identifies rehabilitation of the dilapidated road network, building new roads, including rural access roads among its core components, the transport sector as a whole being identified as a third pillar of economic recovery.

**Lesotho** – Vision 2020 and the national PRS have a main objective of economic growth and poverty reduction through a series of interventions from employment creation, good governance, health care etc. In the transport sector links between industrial, farming and other economic centres are deemed essential to development.

**Malawi** – the Malawi Growth and Development Strategy (MGDS) is built on five strategic themes including infrastructure development. Within these five themes, six specific areas of concentration of effort to achieve economic growth for poverty reduction have been identified including transport infrastructure development.

**Indicator 6.2.2. EU sector policies (COM2000, 2006, 2009), together with country and regional strategies for EU support make reference to linkage of improved transport services to poverty alleviation.**

EU development policy in transport sector is based on five major documents: one set of Guidelines and four Communications from the Commission to the Council and the European Parliament<sup>293</sup>.

- Towards sustainable transport infrastructure: A sectoral approach in practice DGDEV 1996;
- COM (2000) 422 final – Prioritising sustainable transport in development cooperation<sup>294</sup>;
- COM (2006) 376 final – interconnecting Africa: The EU Africa Partnership on infrastructure;
- COM (2009) 301 final – Connecting Africa and Europe: Working towards strengthening transport cooperation;
- COM (2012) 556 final – The EU external aviation policy: Addressing future challenges.

**Article 177 of the EC Treaty** describes the role transport plays in contributing to EC development goals including:

- *by providing access for trade, commerce and mobility for all people in society, transport contributes to ‘fostering sustainable economic and social development’;*
- *by facilitating integration between and within countries, and linking landlocked countries to regional and international trading routes, transport plays a key role in ‘the integration of the developing countries into the world economy’;*
- *by enabling greater mobility of the poor and by creating employment opportunities, transport contributes to ‘the campaign against poverty’.*

**Towards sustainable transport infrastructure: A sectoral approach in practice, 1996<sup>295</sup>**

The only assertion that an improved transport sector will contribute to poverty alleviation is made by the EU Commissioner (João de Deus Pinheiro) in the foreword i.e. *‘Investment in transport infrastructure can help the functioning of urban areas and improved access in rural areas will contribute to poverty reduction’*. There is however, reference to EU sector support *‘.....reflecting government priorities in determining economic balance between sectors. The need for investment in transport infrastructure arises from the demand of development strategies in economic and social sectors’* and that *‘...roads respond to the demand from the people and bring benefits in terms of improved economic opportunities and social welfare’*.

**COM (2000) 422 final – Prioritising sustainable transport in development cooperation**

<sup>293</sup> As identified in ToR 3.2 EU policies in the transport sector.

<sup>294</sup> Consistent with aid informed by previous transport sector guidelines European Commission DGDEV Towards Sustainable transport infrastructure: A Sectoral approach in practice, 1996.

<sup>295</sup> As an aside, in the opinion of the evaluator, the more this document, now almost 20 years old and which was intended as a set of practical guidelines, is scrutinised, the more it is appreciated to be an impressive and comprehensive piece of work of diagnosis and ‘tool kit’.

Largely based upon the 1996 guidelines noted above COM 2000 sets out principles for contributing to the fight against poverty, i.e. *the poor in rural and urban communities are insufficiently served by transport. With little political influence on transport provision, the poor incur higher costs in time and money in gaining physical access to jobs, education and health, and in marketing products and acquiring goods. Such constraints thus perpetuate poverty. Unless low cost ways of improving their mobility can be found the fight against poverty cannot be sustained. In addition to the principles for economic and social development COM 2000 makes reference to additional factors:*

- Rural areas must have appropriate transport infrastructure and services;
- Urban areas need different levels of public transport;
- NMT and IMT need more support;
- Transport must employ small local contractors and fewer LB methods.

A strategy for sustainability is set out to ensure that *'.....transport principles foster economic growth, increase people's access to education and health, integrate countries into the world economy and improve the well-being of the poor'*.

**COM (2006) 376 final – Interconnecting Africa: The Africa Partnership on infrastructure**

COM 2006 *'....aims to substantially increase EU investment in African infrastructure and delivery of transport, mining, water and energy'* arguing that *'improving infrastructure will contribute to sustainable economic growth, promote competitive trade, create employment, foster regional integration and reduce poverty'*. However, the expected contribution to MDGs makes no reference to transport.

**COM (2009) 301 final: Connecting Africa and Europe: Working towards strengthening transport cooperation**

Although COM 2009 notes that *'...transport is the main way of promoting physical access to employment, health care and education, therefore providing the cornerstone for development and is essential to the well-being of rural and urban populations'* there is no explicit reference to poverty alleviation.

**COM (2012) 556 final: The EU critical aviation policy: Addressing future challenges**

Although reference is made to aviation *'...being a strategic economic sector generating benefits for the overall economy'* no reference is made to poverty alleviation.

**Agenda for Change<sup>296</sup>**

In contrast to the preceding policy documents the Agenda for Change is a more aspirational document as regards poverty reduction. Chapter 1: Reducing poverty in a rapidly changing world quotes the Lisbon Treaty (*....'supporting developing countries' efforts to eradicate poverty is the primary objective of development*

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<sup>296</sup> COM (2011) 1172 & 1173 Increasing the impact of EU Development Policy: An Agenda for Change.

policy and a priority for the EU external action in support of EU's interests for a stable and prosperous world') going on to note that '....the EU has already done much to help reduce poverty and in particular to support the achievement of the MDGs'. The Agenda notes '...EU must choose the right mix of policies, tools and resources to be effective and efficient in the fight against poverty in the context of sustainable development' stating that EU should concentrate development cooperation on:

- Human rights, democracy and other elements of good governance; and;
- Inclusive and sustainable growth for human development;

Noting that '....inclusive and sustainable economic growth is crucial to long term poverty reduction.....' reference is made to the contribution of infrastructure to economic growth but no explicit reference is made to transport. Overall the Agenda seeks to '....support the change needed in partner countries to bring faster progress towards poverty reduction and the MDGs'.

#### **Roadmap 2014 – 2017: 4<sup>th</sup> EU-African Summit<sup>297</sup>**

Of the five identified priority areas (peace and security; democracy, good governance and human rights; human development; sustainable inclusive development; growth and continual integration; global and emerging issues) poverty reduction aims are only mentioned in the strategic objectives of Priority Area 4: Sustainable, inclusive development, growth and continued integration i.e. '.....stimulate economic growth that reduces poverty notably although accelerated infrastructure development, energy, industrialisation and investment'. In this category strategic priorities for cooperation include transport i.e. 'in the field of transport, we will strive for the reduction of transport costs and boosting of intra-African trade by bringing regional transport corridors to an adequate level of service, which is sustainable, safe and reliable. More attention will be given to the economic, social and environmental dimensions of transport.....Multimodal inter-connection must be the tangible link that unites our two continents and must reflect the privileged relationship between Africa and the EU.

Most EU CSPs and RSPs make reference to a linkage between EU support to the transport sector and poverty alleviation.

#### **9<sup>th</sup> EDF**

There are multiple references to poverty alleviation in Eastern and Southern Africa country strategies e.g.

- Programming guide for strategy papers – '....sustainable transport is essential for pro-poor economic growth and contributes directly to poverty reduction by facilitating the mobility of the poor and their access to jobs, markets and health and education services'.
- CSP Uganda: '....analysis of the transport sector indicates that improvements of the rural transport infrastructure are crucial for economic growth and reduction of poverty in Uganda's rural areas'.
- CSP Ghana: '...in line with the poverty reduction strategy of Ghana, the EC response strategy has been designed to improve access to markets and

<sup>297</sup> Although the 'roadmap' period is outside the temporal scope of this evaluation some issues considered by the 'Roadmap' may be relevant.

*services through an enhancement of operational efficiency of the road transport system.'*

- CSP Malawi: *'....Transport services are crucial for poverty alleviation and economic development. Access is a pre-requisite for poverty alleviation...it is therefore clear that a concentration of EC assistance on agriculture/FS and transport infrastructure would provide the best chances of EC funds having a maximum impact on reduction of poverty in Malawi.'*
- CSP Zambia: *'...support to transport is in line with ACP (EU policy objectives in view of its vital contribution to economic growth and poverty reduction.'*
- CSP Gambia: *the overall objective of EU support to the transport sector is 'improved transport systems to sustain poverty alleviation, ME development and regionalisation'.*
- CSP Mozambique: *'....the proposed (EU support to the transport sector) programme strongly supports the objectives of promoting economic growth to reduce poverty and improve well-being'.*

In West and Central Africa, transport strategies in CSPs are more strongly anchored to economic growth and trade, with limited direct incidence on poverty reduction.

#### **10<sup>th</sup> EDF**

Again there are multiple references linking EU support to the transport sector to poverty alleviation e.g.

- 10th EDF programming Orientations – *'....poverty reduction in the context of sustainable development is the main objective of our cooperation with the ACP partners and more should be done to tackle poverty, particularly in Africa, to do it differently and to do it more efficiently.'*
- CSP Zambia: *'....in the context of national road transport helping to boost economic development and poverty reduction. EDF contributions will be made towards the financial, institutional and technical inputs contributing to an affordable, improved, maintainable and safe national and regional road network.'*
- CSP Tanzania: *'Tanzania's transport infrastructure is insufficiently developed to support balanced growth of the economy and reduction of poverty, notably in the less populated areas of the country. As the Joint Programming Document described, the Government recognised that availability of efficient and affordable transport is a crucial condition for economic development and poverty reduction; it has made the provision of adequate transport infrastructure sustained by effective policies, strategies and investment programmes for all transport sub-sectors one of the declared objectives of MKUKUTA's Cluster 1'.*
- CSP Kenya: Overall Objective of EU FS1: Regional Economic Integration by means of transport infrastructure *'To ensure that transport infrastructure contributes to improving conditions for sustainable national and regional economic growth and equitable poverty reduction'.*
- CSP Mozambique: *'.....modernising the infrastructure, in particular roads, is essential for poverty reduction, supporting the private sector and regional economic integration'. FS1: Transport infrastructure and regional economic integration – '...the main objective of EDF support is to contribute to poverty*

*alleviation by increasing access to the poor rural population to public services, markets and job opportunities...'*

- CSP Malawi: Focal sector 2: Transport – *'...the link between infrastructure improvements and poverty reduction has been well established....'*
- RSP ENPI – *'...cooperation in the field of transport and energy is essential in order to contribute to sustainable economic and social development....'*

The divide noticed for the 9th EDF between the above countries that already achieved some road network development and Central and West African countries where still much is to be done can be found in 10th EDF CSPs, with limited reference to poverty alleviation when coming to EU interventions in the transport sector.

### 11<sup>th</sup> EDF

Instructions for programming of 11<sup>th</sup> EDF and DCI 2014-2020 notes, *'As set out in the Lisbon Treaty, as well as in the ACP-EC (Cotonou) Partnership Agreement (hereinafter referred to as the 'Cotonou Agreement'), revised in 2010, the fight against poverty will remain the primary objective of the development policy of the EU, which shall be conducted within the framework of the principles and objectives of EU external action.'*

### **Indicator 6.2.3. EU transport sector interventions make reference to linkage to poverty reduction as an objective or impact of such support.**

Most FAs and project design documentation for EU transport sector interventions make reference to poverty alleviation/reduction as an objective or impact of the proposed intervention. Also, most documentation makes reference to compliance with and contribution to national development/poverty reduction policies and transport sector development plans/policies (which are, in turn, subsidiary to and compliant with national PRSPs). However, poverty alleviation (or similar) is usually identified as a (longer term) overall objective or impact to be delivered by way of (short/medium term) outputs or outcomes of the intervention. There is usually no attempt at quantification of impact (or time period required for such impacts to be generated) nor of more than a simple (if logical) linkage between clearly identified outputs of the support and identified outcomes and impacts, the delivery of which is based on assumptions which increase in number and scope with passage from lower level to higher level objectives<sup>298</sup>.

A sample of project/programme interventions below notes proposed linkages identified in programming and project design documentation.

Country	Intervention	Overall Objective	Project Purpose	Project Outputs
Mozambique	Integrated Development of the Milange – Mocuba Corridor – Phase II	Promote economic and social development.  Facilitate international	Contribute to developing a safe and sustainable national road network  Contribute to <b>poverty reduction</b> through	Upgrade of section of sub-corridor and promote rural roads to all-weather standards which will improve accessibility and reduce transport costs facilitating access to economically

<sup>298</sup> For example, how an improved paved road network contributes to poverty alleviation (Uganda Backlog Road Maintenance Programme) is not immediately apparent without identification of intermediate causal linkages.

Country	Intervention	Overall Objective	Project Purpose	Project Outputs
	10 <sup>th</sup> EDF	trade thereby enhancing region integration.	economic, social and rural development.	productive areas thus enhancing trade.
Tanzania	RTSPSP-Phase VI Rural Roads Component 10 <sup>th</sup> EDF	Support GoT efforts to <b>reduce poverty</b> through implementation of MKUKUTA II and to achievement of progress towards MDGs.	Support national strategy in improving connectivity and accessibility to markets and service facilities by removing bottlenecks on selected local roads in three regions of Tanzania in line with priorities specified in the TSIP and LGTP together with capacity building within sector institutions (PMO-RALG) for planning and management of maintenance activities plus development of the rural road network.	All year round travel along selected roads. Regular periodic maintenance on the roads. Reduced travel costs. Lower cost of transportation for food commodities thereby contributing to improving living standards of the population. More access to markets and social centres/amenities. Administrative access and interaction for the GoT to disseminate its policies.
Malawi	Rural Feeder Roads Programme 9 <sup>th</sup> EDF	<b>Poverty reduction</b> through enhanced food security and increased small holder income.	Improvement in feeder road infrastructure linking areas of agricultural potential to the main road network.	2457 km class A, B and C roads passable by 2WD PUs all year. 26 km Class A roads paved. Maps and prioritisation system developed and made available to DAs. Directors of PW trained in road engineering and maintenance. Corridor issues and benefits of feeder roads understood.
Kenya	RTSPS 10 <sup>th</sup> EDF	To ensure that transport infrastructure contributes to improving the conditions for sustainable national and regional economic growth and <b>equitable poverty reduction</b> .	Improved country-wide road network management and development resulting in well maintained roads and an improved nationwide transport infrastructure. Development of sector support strategies. Strengthening of the institutional framework for infrastructure development. Raising the efficiency and quality of infrastructure. Increasing the pace of implementation of infrastructure projects so that they are completed within the	Reduction of backlog rehabilitation needs with improvement of the Kenya national and regional network to international standards. Improvement in the traffic infrastructure and management in the city of Nairobi (Urban Transport Master Plan for Nairobi). Improved accessibility in all-weather roads in rural areas including capacity building at local level (Roads 2000). Upgrading of road conditions in game parks. Implementation of the new policy framework and the establishment and effective operation of the new road authorities through capacity building support and further mainstreaming of cross



Country	Intervention	Overall Objective	Project Purpose	Project Outputs
			specified time frames.	cutting issues. Capacity building support to the MoR (and KRB) regulatory and monitoring function. Capacity building support to KeNHA, KERRA and KURA road management functions. Capacity building support to the transport sector in general.
Uganda	Backlog Road Maintenance Programme 10 <sup>th</sup> EDF	Contribute to economic growth and <b>poverty alleviation</b> as well as Uganda's integration into the regional and global economy.	Improved and sustained condition of paved road network.	Reduced maintenance backlog. Improved road management (e.g. monitoring of road condition and axle load control). Improved planning and prioritization for the national road network through use of life cycle based road management system, regularised data collection as well as attendant training.
Congo	PAGER (10 <sup>th</sup> EDF) - Projet d'appui à la gouvernance et à l'entretien routiers	Doter le Congo d'un secteur de transports fiable dans le domaine routier, c'est-à-dire contribuer à une durabilité optimale des routes et de leurs équipements pour établir des conditions de circulation adéquates, en termes de fluidité, de sécurité et de coût des transports.	Améliorer la gouvernance des transports routiers et l'entretien routier.	Le Plan national des transports (PNT) est mis à jour et fait l'objet d'un suivi régulier, il reprend son importance comme outil de programmation et de coordination sectorielles, L'état et les caractéristiques du parc de véhicule en circulation sont améliorés, Les usagers de la route et les riverains respectent mieux le code de la route et les infrastructures, Les forces de l'ordre sont plus à même de faire appliquer les règlements relatifs à la circulation et au domaine routier, dans le respect de la déontologie professionnelle, Les autorités en charge de la programmation connaissent la composition du trafic et l'état des infrastructures et disposent d'outils de travail performants et à jour, Les travaux d'entretien routier sont mieux étudiés, contractualisés, réalisés, surveillés et payés.
Ethiopia	Djibouti,	Contribute to the <b>reduction of</b>	The ensured connection of Ethiopia	Increased traffic flow served by the railway under

Country	Intervention	Overall Objective	Project Purpose	Project Outputs
	Ethiopian Railway Line – minimum safety works 9 <sup>th</sup> EDF	<b>poverty</b> through socio-economic development.	as a land-locked country with important trade distribution centres such as the port of Djibouti, and of food deficit areas with food surplus areas.  Reduced transport time and improved reliability of rail transportation.  Reduced transport costs and increased connectivity resulting in an increase in disposable net income, which in turn benefits social welfare in the country and the region.	improved conditions.
Ghana	Support to TSDP (2008-2020) 10 <sup>th</sup> EDF	Growth and <b>reduce poverty</b> , and establish Ghana as a transportation hub for the sub-region by ensuring 'the provision, expansion and maintenance of the appropriate transport infrastructure which strategically links the rural production and processing centres to the urban centres.	Improve the delivery of transport services ensuring the provision, expansion and maintenance of the appropriate transport infrastructure which strategically links the rural production and processing centres to the urban centres.  Upgrading and rehabilitating the road infrastructure in the project area.  Complete the North-South Transport Corridor in the West of Ghana and integration of the transport sector through contribution to TSDP in all sub-modes.	Project road (Tarkwa – Bogoso Ayamfuri) rehabilitated and maintained.  Capacity developed in sub-sectors.
Zambia	Periodic Maintenance of Trunk, Main and District Roads 9 <sup>th</sup> EDF	Contribute to the promotion of equitable economic growth and assist in <b>poverty reduction</b> .	Contribute to the establishment of a safe, reliable and sustainable core road network with improved provision for basic access for social services and FS achieved by the end of ROADSIP II.	Direct and significant improvement in accessibility and increased capacity of the RDA at provincial level and the District Councils, the future Road Authorities, to plan and manage their road networks.
DRC	Project d'entretien et réhabilitation des infrastructures routières en RDC et	<b>Combat poverty</b> ; improve living conditions of vulnerable populations in zones of Kinshasa, re-	Contribute to installing a road network management system that contributes to the movement of people and goods	Reopening and resurfacing of PAR II and of selected priority roads in the provinces of Kinshasa, Bandundu, Equateur and Kasai Occidental.

Country	Intervention	Overall Objective	Project Purpose	Project Outputs
	d'amélioration de l'assainissement urbain à Kinshasa (PARAU) 10th EDF (roads component)	establishment and durable maintenance of transport infrastructure to guarantee access to markets, social and administrative services necessary for the socio-economic rebuilding and reintegration of the country.	Contribute to sector sustainability by way of capacity building.	
Eritrea	RMSD III 10 <sup>th</sup> EDF	Contribute to increased regional economic cooperation and integration based upon improved economic ties through improved basic infrastructure.	Improved management of the road network in order to increase access to economic and social services thereby increasing income and employment.	Road and bridge maintenance works. Institutional reform (as set out in new RSDP). Capacity building in road and traffic management, road safety and traffic policing.
Guinea	Entretien routier et désenclavement (9ème FED)	<ul style="list-style-type: none"> <li>• réduction de la pauvreté</li> <li>• intégration économique régionale</li> <li>• bon état du réseau national routier</li> </ul>	<ul style="list-style-type: none"> <li>• Système d'entretien routier performant</li> <li>• Désenclavement de la région forestière par la réouverture de l'axe Kissidougou - Guéckédou Seredou</li> </ul>	<p>Les capacités de gestion administrative technique et financière des structures opérationnelles du secteur routier sont renforcées</p> <p>Le processus de privatisation des travaux d'entretien routier est développé à travers la promotion des PME et des bureaux d'études</p> <p>La sécurisation et la bonne gestion des fonds alloués au Fonds d'Entretien Routier sont assurées</p> <p>Le réseau routier est protégé contre les surcharges</p> <p>Les 209 kilomètres de la route nationale N3 entre Kissidougou et Sérédou sont réaménagés aux standards internationaux de route nationale prioritaire revêtue</p>

It is noticeable that EU support to the transport sector in North African countries does not claim to contribute to poverty alleviation at overall objective or project purpose levels e.g.

### **Egypt 10th EDF – Support to Reform of the Egyptian Transport Sector**

Overall Objective: to provide support to the MoT in its endeavour to reform the transport sector including all modes of transport (except aviation) and to deal with cross-cutting issues.

Project Purpose (PP): to help the MoT to create conditions for providing good quality transport services, focussing on their economic, social, technological and environmental impact within the framework of sustainable development.

### **Morocco 10th EDF – Rocade Mediterranean**

Overall Objective: Contribute to durable and balanced economic development of the northern provinces by means of road axis linking various provinces along the Mediterranean coast.

Project Purpose (PP) – Connecting the coastal areas of the provinces of Chefchainen and Al Hiceima and prioritising their integration into the regional and national economic space.

### ***Indicator 6.2.4. Evidence that the transport investment prioritisation by the EU took account of equity considerations.***

Scrutiny of a sample of EU national regional programming documents for 9th EDF and 10th EDF<sup>299</sup> finds very limited reference to ‘equity’ considerations in EU transport sector support – most references (other than to the financial use of the word usually with reference to EIB support) are to social equity (education, health) and gender. There is greater coverage in 10th EDF than 9th EDF programming documents but over 30% of the programming documents make no reference to equity considerations in any context.

A minority of support projects scrutinised made reference to equity considerations in project design or programming documentation. No evidence was found of equity considerations being taken into account in prioritisation or programming of EU sector support (although reference is made to prioritisation of certain interventions targeting poorer populations, e.g. rural poor).

Of the specimen interventions covered in 6.2.3 above, two projects make reference to equity considerations. However, further examination of those projects reveals there was no actual consideration of equity issues in the programming, prioritisation, or implementation of the EU support, only a regurgitation of equity reference from other sector documents i.e.

### **Kenya – RTSPs 10th EDF**

‘The proposed support to the transport sector under EDF 10 will adhere to the national objectives for the road sector. Promotion of equitable economic growth and poverty alleviation through improved access’, and: ‘The objective of the RSPS is fully consistent with the GOK strategy. Its objective is to contribute to high equitable and sustainable socio-economic growth in Kenya by providing a roads network that is safe, fit for purpose and accessible to all users.

<sup>299</sup> 9<sup>th</sup> EDF CSP/NIPs – Zambia, Uganda, Tanzania, Sierra Leone, Namibia, Moçambique, Malawi, Lesotho, Kenya, Ghana, Gambia, Eritrea, Botswana; 10<sup>th</sup> EDF CSP/NIPs Zambia, Sierra Leone, Uganda, Tanzania, Rwanda, Namibia, Moçambique, Malawi, Lesotho, Liberia, Kenya, Ghana, Gambia, Ethiopia, Eritrea, Botswana; RSP/RIPs – ESA /IO, SADC, ENPI.

### **Zambia – Periodic Maintenance of Trunk, Main and District Roads (9th EDF)**

Among the stated objectives of AWP 2008 there is a single reference to equity i.e. 'distribute equitably resources for road works amongst the rural provinces of the country'.

**Benin:** None.

**Madagascar:** Le choix des 2 Provinces du sud, à savoir : Fianarantsoa et Toliara dans le cadre d'une part du Programme ACORDS et d'autre part des Projets de désenclavement constitue une prévue de considération d'équité dans la programmation et la conception des interventions de l'UE. En effet, ces 2 Provinces sont classées les plus pauvres de Madagascar sur la base des Indices de pauvreté avant et durant la période de mise en œuvre du 9 et du 10<sup>em</sup> FED.

**Senegal:** Women living in the area of projects (particularly that of the rural roads of Casamance) exercise 4 role (reproductive, productive, community, and political) but not independently of men. They have flexibility over the use of the resources currently available (access) and they may decide in certain areas of their uses. This is an important factor for empowerment / development. Needs are practical needs. An intervention that meets those needs does not affect the division of labour female/male and aims mainly to increase access to resources and benefits. It will result in only an improvement of productivity and revenue and this to the benefit of all.

### **JC 6.3. Needs of vulnerable groups coherently identified and addressed by EU interventions.**

Considering the findings under JC 6.1, assessing the specific needs of vulnerable groups (including women, children, old people and the disabled) was consistently not considered in the EU projects' identification and formulation stages, unless to a limited extent through environmental and social impact assessments. During implementation, management plans identified by ESIAS were given a second rank priority and in some cases were eventually dropped to tackle construction prices hikes or alternative technical design increasing the construction works.

#### ***Indicator 6.3.1. Existence of detailed needs assessments.***

Considering the lack of focus of EU support on vulnerable groups per se, it does not come as a surprise that identification and formulation stages did not undertake detailed needs assessments. The main objective of EU transport projects stayed focused on sustainable road network rehabilitation, feasibility studies logically skipped the local and even the household levels that are recommended by the development literature for answering to communities' accessibility needs.

Participatory methods for identifying transport needs at community level were developed by the ILO IRAP programme in the early 2000s, with an array of case

studies and technical manuals associated with HIMO<sup>300</sup> approach of road construction and maintenance. The initiative was hardly disseminated beyond ILO or through sporadic NGOs or bilateral cooperation's initiatives (often from Northern EU member States such as in Chad, for instance). There is only one record at this stage of an EU-financed recourse to NGOs and HIMO to rebuild roads in East RDC under the EDF9 LRRD project. Even in this particular case, need assessments were not conducted.

Only in recent EDF11 identification and formulation TORs on rural roads need assessments are included in the list of tasks requested from the consultant hired (e.g. Chad).

**Benin:** No, see above.

**Madagascar:** L'amélioration des situations et des conditions de pauvreté des populations (vulnérables) des régions cibles ont fait, par principe, l'objet d'analyse et de préoccupation majeure dans le cadre des études d'identification et de programmation des appuis de l'UE.

**Senegal:** In Senegal, the assessment of the needs of vulnerable groups is not systematically in the programming and design of the projects. However it should be noted that efforts are now registered on some infrastructure to take into account people living with a disability.

***Indicator 6.3.2. Transportation barriers faced by vulnerable groups have been identified and addressed in programming and implementation of sector support (including limitations on taking advantage of potential development benefits)***

As per the above, identification of physical and affordability barriers faced by vulnerable groups have not been identified and addressed in EU sector support. On one side, the awareness of the limitations posed on passing reduced VOCs to transport end-users has taken a long time to trickle-down the whole decision chain of EU transport related projects; on the other side, corrective measures are still vague (revision of the regulatory framework to increase competition, strengthening of enforcement of regulation, fighting sector ill-governance,...), thus difficult to operationalize in a convincing manner. By not financing research and capitalisation, the EU is condemned to learn by doing whilst at the same time being too timid to innovate.<sup>301</sup>

The body of works on transport and poverty in rural areas is now considerable<sup>302</sup>, even if gaps can still be identified. Barriers faced by vulnerable groups are relatively well identified, generally speaking, transport affordability in low economic density coming first. Specific issues can be identified for women, disabled persons, young people, etc. with particular limitations on taking advantage of potential development benefits. It is unsure at this stage if EU

<sup>300</sup> HIMO - haute intensité de main-d'œuvre.

<sup>301</sup> i.e. to potentially misuse EU tax payers' money.

<sup>302</sup> Gina Porter (2013), Transport Services And Their Impact On Poverty And Growth In Rural Sub-Saharan Africa; AFCAP/ Durham University.

interventions would have comparative advantages in tackling district and local levels transportation needs.

**Benin:** No, see above.

**Madagascar:** L'amélioration des situations et des conditions de pauvreté des populations (vulnérables) des régions cibles ont fait, par principe, l'objet d'analyse et de préoccupation majeure dans le cadre des études d'identification et de programmation des appuis de l'UE.

**Senegal:** In Senegal, the assessment of the needs of vulnerable groups is not systematically in the programming and design of the projects. However it should be noted that efforts are now registered on some infrastructure to take into account people living with a disability.

#### **Questionnaire responses 79 (identification of transport barriers faced by the vulnerable):**

The following examples were provided:

- Feeder roads and improvement of rural access
- In my experience, the identification and feasibility studies are most often implemented with the authorities (government, local authorities) and other donors (development banks). Participatory formulations with vulnerable groups are made last
- The effect of tendency to group feasibility + formulation and design + supervision into one contract in various phases has had as an effect a focus on action and less at governance level.
- The ToR do not place emphasis on examining the barriers faced by vulnerable groups. However, this should be quite easy to change.
- Tous les prets transport au Maroc étaient assez bien adaptés.

#### ***Indicator 6.3.3. Safeguards provided to reduce risks to vulnerable groups including pedestrians, those affected by dust, noise, constructing traffic and disruption during construction, women and children.***

As per the above, EU projects did not specifically addressed the risks to vulnerable groups created by road construction works. General safeguards were systematically set by Environment Impact Assessment studies but did not target the poor or women and children.

Similarly, road design in rural and in urban areas alike did not foresee specific equipment like pedestrian or ITMs paths.

**Benin:** No see above.

**Madagascar:** L'amélioration des situations et des conditions de pauvreté des populations (vulnérables) des régions cibles ont fait, par principe, l'objet d'analyse et de préoccupation majeure dans le cadre des études d'identification et de programmation des appuis de l'UE.

**Senegal:** In Senegal, the assessment of the needs of vulnerable groups is not systematically in the programming and design of the projects. However it should be noted that efforts are now registered on some infrastructure to take into account people living with a disability.

**Questionnaire responses 81 (safeguards to reduce risks to vulnerable groups):**

The following examples were provided:

- Accompanying measures along the road works
- Accompanying measures include vulnerable groups
- The current project includes accompanying measures that can serve to this purpose. A safety campaign is planned.
- Road safety, accompanying measures (e.g. building of markets, feeder roads)
- Mesures d'accompagnement
- Environmental and social studies are carried and accompanying measures are associated to road investment, for instance. In some cases, rural development projects have been accompanied by rural transport infrastructure.
- Sensitisation HIV
- HIV/AIDS and Gender programmes on construction projects
- For the vulnerable groups living on the route of the metro compensation schemes were provided to move them from where they used to live or work.

**JC 6.4 Impacts of EU support to the transport sector upon poverty may be isolated and attributed to EU sector support.**

Impacts of EU support to the transport sector upon poverty cannot be isolated nor can they be attributed to EU sector support. However, on the basis of the limited available studies and documentation the 'aggregate impact' hypothesis that transport infrastructure impacts upon poverty reduction is supported. Thus it can be asserted that EU transport sector support has contributed to poverty alleviation.

However, there is some evidence that transport infrastructure and services have a greater and more immediate impact upon poverty in rural areas (where the majority of the poor dwell) which has only received relatively greater EU support in recent years. On the other hand there appear to be no comparable studies of urban areas.

Given the huge value of EU support to the transport sector over the evaluation period (2005 – 2013) in SSA there seems to have been a notable lack of curiosity about impacts of such support – identification, causality, cost effectiveness, optimum focus – as ex post evaluations are almost never carried out. Further as EU support to the transport sector has spanned decades, some evidence could reasonably be expected to be available regarding poverty impacts of EU sector



support (that is if there were any real interest in actually investigating programme claims of such impacts)<sup>303</sup>.

**Questionnaire responses 83 (overall impacts of EU sector support upon poverty alleviation):**

- The EU supported transport projects increased the GDP of the country through increased exports and services in both rural and urban areas. The inclusion of poverty studies in road transport feasibility studies and inclusion of poverty alleviation indicators in road/transport projects should be done.
- It's very difficult to determine this impact on poverty alleviation.
- The transport sector has a major impact on all dimensions of development (social, cultural, educational, health, economy ...) and also on regional integration
- Transport sector is often perceived as a means for Growth. It also contributes to poverty alleviation though. In particular, measurement of the impact of a road network in the area of poor dwellings shows improvement in conditions of living (see studies carried out in Ghana, in particular).
- Transport is a mean, not an end. it just helps unleash potential and personal risk taking, if any
- Access is a key step for opening opportunities for development. Implementation must be rigorous but the controls must be proportional; in this sense, it is accepted the level of contractual control to the implementation of financially important contracts while, implementation of accompanying measures must be given more flexibility.
- Significant improvement possible by continuing support for rural/feeder roads. Rehabilitation of regional roads also has significant positive impact on overall economic development of the country. Local impact of large projects can be improved by increased accompanying measures
- On all questions: no institutional memory left in Delegation. Also no knowledge of ex-post evaluation.
- Strong positive effects would be possible if a real transport policy were put in place, comprising control on misuse
- Algeria is a higher middle income country
- The transport interventions are generally 'enabling' poverty alleviation and require other improvements in the socio economic field to alleviate poverty. Some improvements are possible in term of making a stronger link between transport as an enabler and the other factors.
- Limited EU support in the sector. Little improvement possible within the Program Pagos (Support to the sector governance, with a component for the road maintenance)
- This a largely documented
- Increasing access to goods, employment, health and other social services. We could aim to better coordinate different type of projects (e.g. rural development and transport)
- The transport sector affects all people but mainly the poor. Improvement in the sector has first major impact to the poor.

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<sup>303</sup> The risk being of course that such claimed outcomes and impacts were found not to have actually materialised.

- Poverty alleviation was not addressed directly. What was the main objective is the governance of the sector and the financial sustainability which do not necessarily result in poverty alleviation in the short run
- Développement économique important du secteur et retombées pour l'emploi.
- Literature is full of studies demonstrating direct causal relationship between improvement of rural roads and poverty. for other kind of transport projects it is impossible to determine the poverty alleviation effects and transport works through economic growth, which in turns can alleviate poverty through conditions that are exogenous to transport

**Indicator 6.4.1 Sector performance indicators (e.g. for budget support) took account of poverty reduction and equity consideration.**

As noted above (1-6.2.3) some EU transport sector interventions make reference to poverty alleviation as overall objective<sup>304</sup> which typically makes reference to poverty alleviation aspirations as set out in a higher level document. However, although there is little or no reference to equity considerations, as regards sector-wide performance indicators there is, as expected, a concentration upon 'technical' issues and infrastructure provision, serviceability and access – if there is any reference to poverty alleviation it is usually an 'Overall Objective' (or Goal in the example below) backed up by a 'Purpose' before listing sector specific strategic objectives e.g. the example below is the Road Sector Performance Indicators as defined in the National Roads Policy, Mozambique.<sup>305</sup>

<b>GOAL:</b> Reduction of poverty through the privileged orientation of public services to poor people		
<b>PURPOSE:</b> To increase social and economic opportunities throughout the country through development, management and functioning of the classified road network in a sustainable and effective manner		
	<b>Objective</b>	<b>Result</b>
<b>Strategic objective 1.</b> Privileged orientation of the road infrastructure to the most needy populations		
	Improved accessibility for poor rural populations	Improved transitability
		Improved conditions of tertiary and vicinal roads
	Promote labour based construction	
<b>Strategic objective 2.</b> Contribute to national economic growth and development through improvements in the road network		
	Improve network connectivity	
		Appropriately classified road network and annual system for updating the classification
		Upgrade the primary road network to paved
		Improve the transitability of secondary roads
	Ensure asset preservation	
		Prioritise maintenance of paved roads
		Implement maintenance on national unpaved road according to maintenance plan

<sup>304</sup> e.g. Integrated Development of the Lilongwe-Mocuba Corridor phase II overall Objective – Contribute to poverty reduction and achievement of MDGs by way of promotion of economic and social development and facilitation of international trade and regional development in compliance with PARPA II Pillars of Development.

<sup>305</sup> This has been amended and abridged.

		Reduction in overloaded vehicles
	Support the strengthening of the private sector in the roads sub-sector	Promote local construction industry
<b>Strategic objective 3.</b> Contribute to cross-cutting social-economic goals		
	Improve road safety	
	Contribute to HIV/AIDS prevention	<i>To be defined by the PSIA analysis Study (ASDI)</i>
	Preservation of the environment	
	Role of gender	<i>To be defined by the PSIA analysis Study (ASDI)</i>
<b>Strategic objective 44.</b> Ensure good governance and efficient management of sector activities		
	Implement institutional reforms	Implement ANE & FE organizational restructuring of HQs and provincial delegations
		Revise decrees related to road system, ANE & FE
		Formulate & implement institutional agreements for road safety and axle load controls
		ANE to become autonomous road authority
	Ensure transparency and accountability of procurement actions	
	Improve efficiency of road sector management	
	Harmonise norms and procedures	Coordinate and reduce no of missions undertaken by donors
	Sector programme fully implemented	
		Ensure the regular and adequate availability of resources to implement programmes
		Increase revenues from road user charges

Examples of indicators that have been used to measure overall sector performance in various countries are listed below. (Reference is made to indicator numbers of relevant EU Standard Indicators for the (road sub-sector) under the DAC code 21010 Transport policy and administrative management).<sup>306</sup>

#### *Road sub-sector*

- Percentage road network in good/fair condition (DAC 704)
- Percentage of development funds allocated to backlog maintenance.
- Level of maintenance funding (%) (expenditure/need)
- Impact container dwell time.
- Total expenditure roads sub-sector.
- Road network length.
- Length of paved network (DAC 703).
- RF spending as % of MTEF.

<sup>306</sup> The EU standard indicators for road transport are listed under DAC code 21010 Transport policy and administration management and DAC code 21020 Road Transport i.e. 701 – Road density; 702 – Rural access; 703 – Paved roads (% of total network); 704 - % of the road network in good or fair condition (breakdown paved/unpaved); 705 – Cost of freight transport (freight tariffs/tonne km); 706 – Value of freight/day; 707 – Cost of daily passenger transport; 708 – Number of road users/day; 709 – Number of formal and informal check points/stops/km; 710 – Number of km maintained; 711 – Number of km rehabilitated; 712 – Number of km contracted. 710-712 are broken down paved/unpaved and refer to 21020 only.

- Road density (Km per sq. km) (DAC 701).
- Total road fatalities.
- Performance in axle load control.
- Percentage of roads that are regularly served by a public transport service (DAC 702).

#### *Rail sub-sector*

- Total freight traffic (ton-km).
- Total passenger traffic (passenger-km).
- Total revenue and costs.

#### *Air sub-sector*

- Total traffic – international/domestic (aircrafts/passengers/cargo).
- Total revenue and costs.

#### *Water sub-sector*

- Total traffic (freight, passengers)
- Total revenue and costs.

#### *Cross cutting issues*

- Social and environmental management system (including occupational health and safety) established in transport sector executing agencies
- Total funds spent on HIV/AIDS (internal and external mainstreaming) activities in the transport sector disaggregated by MIDA.
- Percentage of contractors/consultants/transport service operators registered with HIV/AIDS workplace policies.

Indicators for BS follow essentially the same logic i.e. Fixed tranche indicators refer to obligatory criteria (including reference to poverty alleviation goals of higher level policies). Whilst variable tranche indicators relate to the SPSP (i.e. they are transport specific). The example of Ethiopia below is a typical example.

- Preconditions (fundamental values)
  - Human rights.
  - Democracy.
  - Rule of Law.
- Eligibility criteria – FTC dependent upon assessment
  - National/sector policies and reform.
  - Stable ME framework.
  - PFM.
  - Transparency and oversight of budget.
- Indicators for payment of VTs (SPSP II 2009-2012)<sup>307</sup>
  - Rural accessibility.
  - Road conditions.
  - Road sector management.
  - Contractor development.

<sup>307</sup> Indicators for payment of VTs (SPSP III 2013-2015 10th EDF) – rural accessibility, maintenance, road sector management, freight tariffs, cross cutting issues.

**Benin:** No, see above.

**Madagascar:** L'amélioration des conditions d'accès aux infrastructures et services de transports des régions cibles (dans le sud et au nord, Régions Sofia et Diana) constitue une preuve supplémentaire sur la prise en compte des indicateurs de performance du secteur concernant les impacts positifs des actions sur la réduction de la pauvreté, la question d'équité.

**Senegal:** The ANSD keeps track of all the poverty reduction indicators and publishes it annually in the document concerning the economic situation of Senegal. The latest survey of poverty in Senegal monitoring took place in 2011 and among indicators figure prominently access to basic infrastructure and to the satisfaction of the population.

**Mozambique:** All EU sector support is compliant with PARP (Plano de Accção de Redução da Pobreza) 2011-2014 in terms of PRISE objectives in increasing personal mobility and movement of goods whilst also contributing to Government priorities of development of the road infrastructure in support of programmes in agriculture, industry and commerce and increasing rural incomes. However, there appears to be no monitoring or evaluation of such outcomes.

**Indicator 6.4.2. Findings of studies establishing relationship between poverty indicators and infrastructure/service provision (e.g. time-series data; statistical/economic relationships; establishment of road investment elasticity of poverty reduction; before/after studies counter-factual analysis).**<sup>308</sup>

Of all issues regarding outcomes and impacts of transport infrastructure and services the identification and quantification of poverty impacts are arguably the trickiest not least because such impacts are the sum of all intervention project outcomes (and of other vectors outside the remit/influence of these intervention). Also impacts require a longer period of time to become apparent, which also raises the question of 'attribution' and 'contribution'.<sup>309</sup>

Links between provision and operation of transport infrastructure and poverty reduction are not clear. Empirical evidence of direct linkage is scarce.<sup>310</sup> Most effort has concentrated on rural roads where it has been possible to link

<sup>308</sup> This evaluation is perhaps not the appropriate vessel to conduct a 'tour d'horizon' of the linkage between provision and operation of transport services and poverty reduction but the following documents/studies have been consulted in preparation of this evaluation: Transport services and their impact on poverty and growth in rural SSA, AFCAP, Jan 2013; Impact of Roads on Poverty Reduction: A Case Study of Cameroon, Gachassin, Najman, Raballard; Rural Transport – Improving its contribution to growth and poverty reduction in SSA, SSATP Working Paper Nr. 93; Monitoring and Evaluation – Good Policies and Practices on Rural Transport in Africa, SSATP Working Paper nr. 99; Mozambique – Preparation of a methodology for Road Sector, PSIA, ITT, 2006; Promoting Pro-Poor Growth – Practical Guide to ex ante PIA, OECD, 2007; Social Dimensions of Transport – Resource for SIAs, DFID, 2013; Transport Infrastructure and Poverty Reduction, ADBI Research Policy Brief Nr. 21, WB, PRSP Sourcebook – various; Simonden – Gunuea. Economic Impact Report, Pro Tuito 2012.

<sup>309</sup> Attribution i.e. the intervention caused the observed outcomes (i.e. outcomes are attributable to the intervention; outcomes have changed as a result of the intervention; the intervention caused the outcomes). Contribution i.e. the intervention helped to cause the observed outcomes (i.e. the intervention contributes to outcomes; outcomes have changed; evidence that the intervention helped to achieve outcomes or was a part of the outcomes).

<sup>310</sup> But the phrase 'Absence of evidence is not evidence of absence' is apposite as regards consideration of poverty impacts resulting from EU transport sector support (ie the 'celestial teapot' analogy).

aggregate expenditure on infrastructure to rural poverty reduction within relatively narrow 'areas of influence.'<sup>311</sup> However, studies have often lacked reliable methodologies and have struggled to show direct linkages between project interventions supporting transport infrastructure provision and operating and poverty reduction.

More recently studies have examined hypotheses regarding linkages between provision of infrastructure and poverty impacts as shown below. Overall the 'aggregate impact' hypotheses that transport infrastructure significantly impacts upon poverty reduction is supported.

Hypothesis	Observations
<b>Support interventions to transport sector</b>	
Decrease costs to the poor for personal travel and transport of goods.	Much of the gain from improvement reflected in time savings
Generate farm and other income that disproportionately accrues to the poor,	Farm and other income increases accrue to non-poor as well as poor,
Promote the development of non-farm activities in rural areas that generate income disproportionately accruing to the poor	Construction employment can be substantial, but non poor receive greater share,
Increase the range of opportunities for wage employment and thereby raise the price of labour generating income that disproportionately accrues to the poor.	Increased employment opportunity, higher wages and employment migration, not disproportionately to poor.
Increase the availability and accessibility of education and health care services, resulting in greater participation in these programs by the poor.	Frequency and quality of services affected, as well as service take-up and school attendance.
Increase the access of the poor to natural capital, common property resources (land, water, vegetation and wildlife).	Better physical accessibility can facilitate benefits (e.g. to water services, health services).
Increase the personal security of poor people in rural areas.	Being less isolated helps reduce the vulnerability of the poor.
Facilitate the delivery of emergency relief to the poor in the case of natural disaster.	Some evidence (from various natural disasters).
Have a positive effect on participation of the poor in (a) local organizations (bonding social capital), (b) activities outside the rural community (bridging social capital), and (c) local political processes and management structures.	Generally positive, although in some cases exposure to outside world weakened internal social bonds and made people more critical of village life.
<b>Aggregate Impacts</b>	
All other things being equal, transport improvements have a significant effect on poverty reduction.	Yes but poverty levels not directly related to per capita transport spending.
Transport (and ICT & energy) sector improvements	Transport improvements can reduce

<sup>311</sup> On the contrary there appears to be little comparative study of urban areas.

Hypothesis	Observations
taken together have a significant effect on poverty that is greater than the sum of their individual effects.	inequality, but rural electrification can increase it.
<b>Urban Transport Improvements</b>	
Reduce transport costs for the poor.	Time savings possibly more significant.
Facilitate the delivery of health care and education services to the urban poor.	Especially travel to school and health centres and access to information.
Reduce (increase) health and safety risks for the poor.	Effects mostly positive, especially improved security but some negative effects e.g. air pollution, road accidents.
Increase (reduce) opportunities for employment for the poor in (a) transport services (b) commerce and industry, (c) the informal sector.	Substantial occupational change in response to road improvements, but more for non-poor than the poor.
Positively (negatively) affect the participation of the poor (a) in local organizations (b) activities outside the rural community (bridging social capital), and (c) local political processes and management structures.	Due to greater convenience in travelling inside and outside the community.

What is striking given the uncertainty about the eventual outcomes and impacts of EU support to the transport sector on the stated overall objective of poverty reduction/alleviation, is that so little appears to have been done to investigate what is actually the 'bottom line' measure of success or failure of hugely expensive EU support to Africa over the period 2005 – 2013 (i.e. > €6 billion). And similarly high levels of funding have been expended in the preceding decades. It is accepted that such objectives take time to be generated but EU has supported the transport sector for decades – surely some impacts are discernible in this period? Also, given the huge quantum of such support there appears to have been little or no attempt to study the effectiveness of EU support in the transport sector relative to other EU support sectors...<sup>312</sup>

#### **Questionnaire responses 76 & 77 (studies to identify poverty alleviation outcomes):**

The following examples were provided:

- All EDF funded road projects in Cameroon have been evaluated at the end of implementation, including impact in other sectors. Evaluation reports are available upon request.
- See the final evaluation of SPSP 2 (available on CRIS) and other assessment made on poverty alleviation in the sector. Some analysis for Ethiopia is also available in the last documents produced by SSATP.
- We will start a mid-term review evaluation that will start looking at this dimension.
- Reduction in transport costs, increased access to markets

<sup>312</sup> To put it crudely, would a € spent on support to the transport sector give better or more cost effectiveness in terms of impact upon poverty than a € spent on a different sector (e.g. education, health, HIV/AIDS, environment, etc)?

- As far as we known, only on the main road connecting Kinshasa to the south-east.
- These aspects have been covered by the projects' evaluations.
- Projets rocade et Provinces du Nord



## EQ7. Regional integration

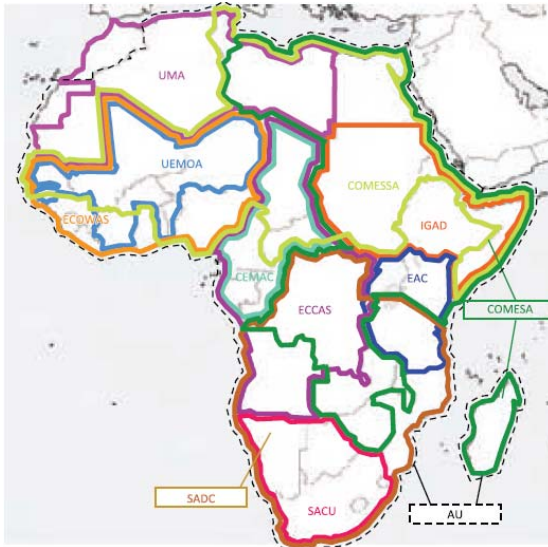
**EQ7: To what extent has EU support at regional levels facilitated regional coordination and integration (by way of funding sustainable and reliable regional corridors?)**

### **Judgement Criterion 7.1. EU sector support at regional level is in line with EU development strategies.**

EU support strategy in the transport sector at regional level was kept in line with high level EU development strategies and efforts were made to ensure complementarity between regional and country programmes during the evaluation period. RIPs and NIPs are mutually supportive regarding transport regulatory frameworks and the division of labour was clear between heavily funded NIPs allocating approximately 90% to capital investment (mainly in road corridors) and RIPs focused on planning, programming, and adoption of regulatory frameworks which should have been taken up in national legislation. The strategy worked relatively well in all regions but had to face unanticipated delays in harmonization of road transport legislation, even in regions where EU funding for road infrastructures was particularly heavy such as West Africa and, to a lesser extent, Central Africa. Conversely, in Eastern and Southern Africa where EU support to the transport sector was more limited at both regional and national levels during the reference period, transport facilitation measures and corridor management initiatives promoted by the donor community are succeeding in reducing the time and cost of transit on Northern and Central corridors, producing best practices that have recently been adopted in new EU regional programmes.

***Indicator 7.1.1. - Linkages between EU country level transport sector support to regional policies, strategies and programmes (EU interventions and investments in the transport sector at regional level are justified and complimentary to other investments at national level).***

For ACP countries: Strong ex ante complementarity between EU regional (and continental with the Programme for Infrastructure Development in Africa - PIDA) and country strategies, fully aligned to the RECs' mandate (harmonisation) and distribution of EDF9 & 10 resources (limited for RIP and thematic instruments): RIPs to focus on harmonized regulatory frameworks (transport and trade facilitation, corridor performance, or one one-stop border posts (OSBPs) – for example for the whole West Africa) at regional level and planning/prioritizing regional corridors (master plans, strategies, multilateral workshops); NIPs to focus on investing in road infrastructure and improving maintenance and protection of the infrastructure assets (with reference to the regional regulatory framework supported by RIPs).

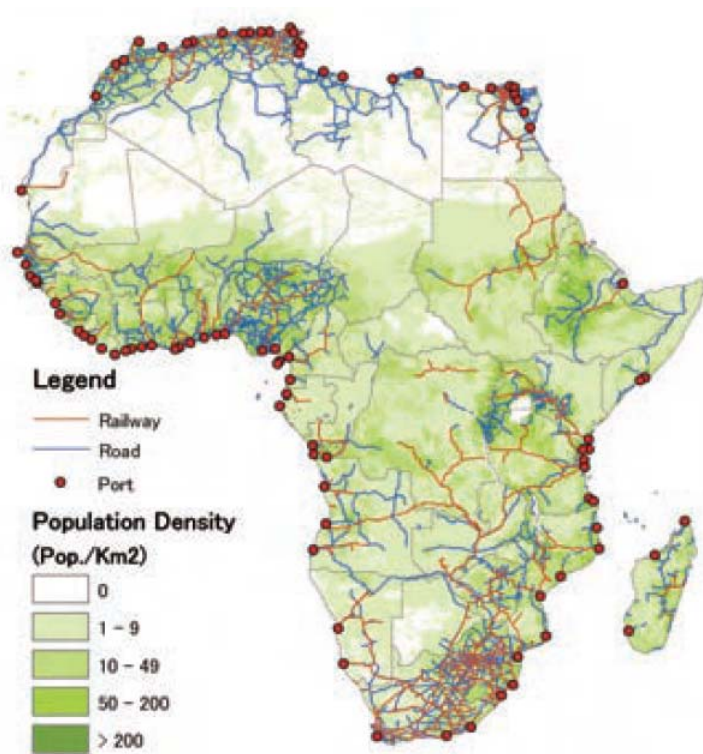


Source: JICA, A passage Across Borders, 2010.

The regional framework for North African countries covered by the ENP derives from the Barcelona Declaration (1995), with dedicated European programmes (EUROMED Transport first, then sub-sector programmes like SAFEMED, Motorways of the Sea, etc.). Linkages with NIPs are loose because investment needs in transport infrastructure (notably the trans-Maghreb highway) are addressed by the FEMIP (EIB managed). NIPs continued to be kept targeted on specific issues (such as rural road maintenance in Morocco, capacity building for transport planning and regulation in Algeria), sometimes under SBS schemes (eg Morocco) but generally with comparatively limited financial leverage.

Among ACPs: Contrasted commitment of RECs (and their member States) to international corridors - particularly strong for Eastern and Southern Africa (COMESA, ESA, SADC) but with a lower profile in West Africa (CEDEAO, UEMOA) and, to a lesser extent, in Central Africa. 60% of EU funds invested in road infrastructure was allocated to West and Central Africa (38%<sup>313</sup>).

<sup>313</sup> CRIS data.



Source: JICA, A passage Across Borders, 2010

The EU has also been involved in supporting sector policy and planning at continental level, including regular policy dialogue with the African Union (facilitated by the dedicated EUD in Addis Ababa), funding of the SSATP, and indirect contribution to the PIDA study. Once adopted, PIDA was taken by country EUDs as a prioritization framework for RIPs and NIPs investment projects in the transport sector thus reinforcing the overall consistency of investment planning. However, the institutional component of the PIDA initiative did not achieve the same authority. EU is planning to support sector policy guidelines at AU level<sup>314</sup>.

Overall, EU interventions in the transport sector at the three levels (continental, regional and country-wise) have developed a strong planning and programming complementarity, based on the respective mandate of each partner, in an ‘as per the book’ approach that contributed to consolidation of a still fragile and embryonic continental institutional framework. At each level, the EU contributed by studies, elaboration of master plans and provision of accompanying technical assistance. This complementary was also achieved, though on a different basis, for SSA and North African/ENP countries.

**Benin:** Not applicable or no related data available in Benin.

**Senegal:** Not applicable.

<sup>314</sup> TOR Implementation Of The Support To The Transport Sector Development Programme (lot 1), November 2014.

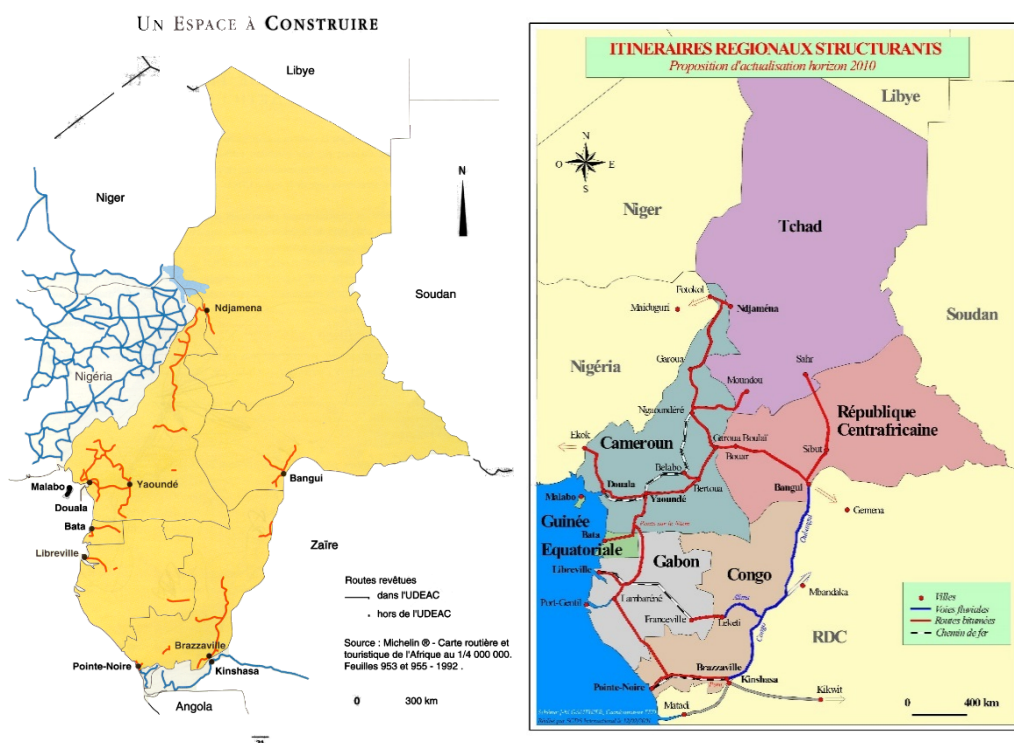
**DRC:** Les Institutions régionales d'intégration (CEEAC et CEMAC) n'ont pas suffisamment des capacités pour assurer leur mission de créer un marché commun régional. Les effectifs du personnel compétent sont en sous-nombre et les ressources financières pour assurer la contrepartie des projets font souvent défaut. Ce qui entraîne une sous-utilisation des ressources de bailleurs de fonds. La faible connaissance des règles et procédures des bailleurs accentue le faible taux d'absorption des ressources accordées.

**Questionnaire responses 8 & 12(Transport sector management & transport modes) :**

- The Regional EU Delegations indicated that Institutional Reform was most often considered as priority of national governments as an objective for a regional transport support programme, followed by capacity building. Commercialisation was not considered an objective.
- The EU carried out the following actions in support of transport sector management:
- Capacity Building programs, using the Sector Budget support to leverage the development of a Road Sector Development program which introduced several institutional reforms (COMESA)
- EU is accompanying institutional reforms (West Africa)
- Institutional reforms of EAC Transport sector are on going, however the EU is marginally involved (EAC)
- In contrast to Rail and Ports and maritime transport (all priority), airport and IWT are hardly considered as national government priorities. NMT not at all.
- Actions by the EU to support these modes include:
- Support to the aviation sector to improve regulation of the air service provision (COMESA)
- EAC is recently oriented in the rehabilitation of the railway network in the region and rehabilitate lake ports so as to improve maritime water ways. the EU is cooperating with those initiatives by drafting potential support under 11 RIP EDF for the Port of Dar es Salaam (access road), Central Railway Line and the completion of the road network in joint cooperation with EIB, WB, DFID and JICA (EAC)

***Indicator 7.1.2. Relative outcomes of nationally and regionally implemented transport sector interventions.***

For the most of EU interventions, the programming linkages between EU regional and country strategies were translated into reality at least at output level: RECs produced policies and planning documents and adopted regulatory frameworks that could relieve many of the impediments to the development of international and regional transport of goods if enforced by member countries. NIPs rehabilitated large portions of the regional corridors all over Sub-Saharan Africa. On a long term perspective (20 years or so), the densification of the regional road networks is impressive, as demonstrated below for Central Africa.



Source: J-M. Gauthier.

The regional planning exercises and the decision-making at high political level among member countries has contributed to focus donors' sector support on a limited list of priorities, the EU having assumed a leadership role in donor coordination during the evaluation period<sup>315</sup>

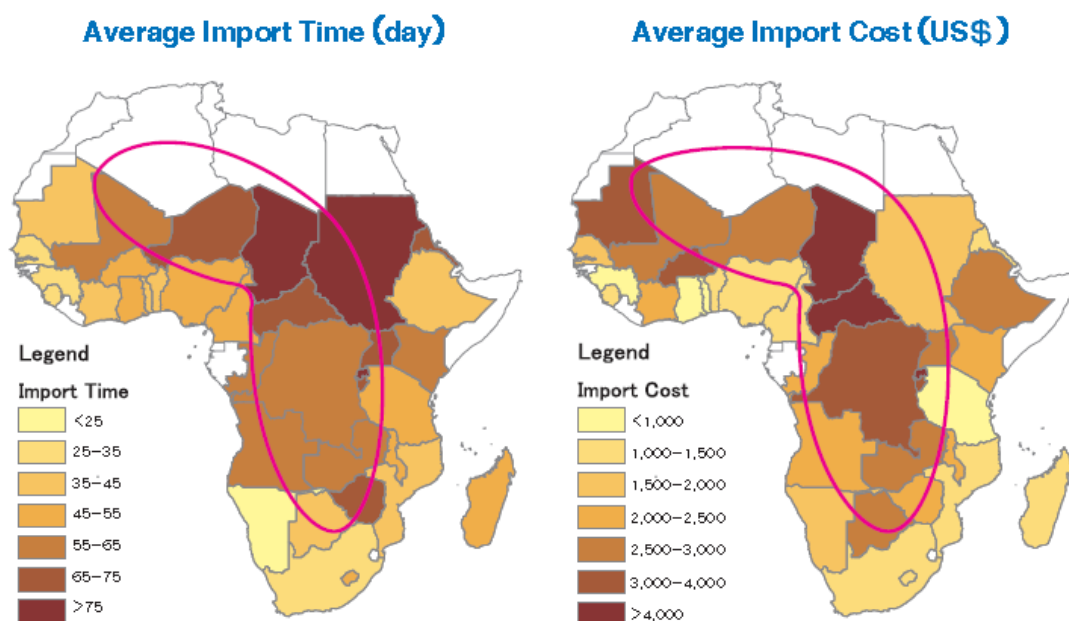
Achievements are more limited regarding harmonisation of the regulatory framework imposed on the road transport activity, which was a 'headline' of EU-led policy dialogue platforms at regional as well as at country levels. Revised regulations are key for a fair distribution of haulage activities among truckers of the various nationalities using a given regional corridor/port, avoiding cartelisation or unfair competitive advantages (eg GVW), applying international conventions (eg TIR in North Africa<sup>316</sup>) and, above all, extending the economic life of road infrastructure investments by strict axle-load control. In this respect, the EU failed to overcome shortcomings in enforcement of measures adopted by all country members in RECs.

Generally, resistance is deeply rooted in the socio-political discontent and sometimes unrest faced by governments when considering constraint of haulage industry interests. Also, unless synchronized among all concerned countries, enforcement by one individual country makes progress difficult to achieve. Examples of successful and lasting initiatives of axle-load control are few along donor-supported regional corridors that are not managed by a dedicated regional agreement and a coordination structure embodying the shared objective of

<sup>315</sup> As shown by Joint Annual Reviews.  
<sup>316</sup> UNECE's TIR secretariat; www.UNECE.org/TIR.

improved performances (eg Northern Corridor to Mombasa). The case of EU supported axle-load control posts in Cameroon along the Douala-N'Djamena corridor is a noteworthy exception<sup>317</sup>. A similar limited commitment of government for regulatory reforms was faced for almost all critical measures, and particularly NTBs (Eastern and Southern Africa) and among them roadblocks (West and Central Africa), while enthusiasm for further EU-financed road rehabilitation projects was unchanged.

In Eastern Africa, with comparatively limited EU financial support, the road haulage industry has benefitted from improving road conditions through the implementation of a trade and transport facilitation approach co-sponsored by AfDB, WB and SSATP (African Transport Policy Program - a facility financed by the EU and managed by the WB)<sup>318</sup>. The EU has learned from this experience and contributed to disseminate good practices in corridor management in which it is more involved. In Southern Africa<sup>319</sup>, the regional transit corridors are dominated by the South African haulage industry, with a demonstrated capacity of auto-regulation backed by a reasonable investment capacity of the concerned states. Here also road haulage performances have been on the increase during the evaluation period but with very limited attribution to the EU-led policy dialogue.



Source: JICA, A passage Across Borders, 2010<sup>320</sup>

In North Africa, road transport was only incidentally covered by regional EU projects which were clearly focused on linking with EU markets using maritime transport (SAFEMED) or in contribution to the development of 'motorways of the sea'. Only Morocco implemented a NIP project on road infrastructure, with SBS

<sup>317</sup> Particip 2013, Cameroon Country Level Evaluation; Evaluation Unit, DEVCO.  
<sup>318</sup> SSATP 2014, Reviving Trade Routes: Evidence from Maputo Corridor; Discussion Paper No.14.  
<sup>319</sup> ECO Consult 2010, Zambia Country Level Evaluation; Evaluation Unit, DEVCO.  
<sup>320</sup> Note: Time and costs for transporting 20-foot containers from the nearest port.

to support the adoption of a national strategy for maintaining rural roads in general, and more specifically rural roads constructed or rehabilitated by large donor-financed programmes (notably PNNR 1 & 2). This programme is not linked in any way to a regional one.

Typically, RECs were far more involved for other modes of transport than road transport. Progress has been achieved with EU support in air transport, under the umbrella of safety-security measures imposed on each country by international conventions and 'open sky' policies promoted by the EU. In this respect, significant progress was achieved with North African countries through ENP programmes (rather than through a REC). Maritime transport was intended to be supported by an all-Africa programme (2012, 5 M€ committed) but implementation is delayed. While ports' performances are increasingly identified as a critical success factor for any regional corridor and trade and transport facilitation at large, the EU reacted very late in the evaluation period to give a corresponding weight to port management support.

Maintenance of EU-funded sections of regional corridors falls under country responsibility. National maintenance systems are responsible for sustaining their initial level of service. Transit fees are levied on trucks in transit as road-user charges. To date, COMESA Member States have agreed on an across-the-board fee of \$10 for every 100km travelled whilst SADC Member States have agreed on a formula that calculates road user charges (RUC) based on parameters whose values vary per country<sup>321</sup>. A similar system exists in other regions. There is however no clear evidence to-date that RUC recovery is effective and that these resources are devoted to road corridors maintenance. To a large extent, maintenance of corridor roads is dependent upon the questionable effectiveness of national road agencies or transport sector ministries. Almost nowhere is there a convincing record of effective use of road fund resources which generally cover between 50% and, at best, 80% of the needs of the national road network. As it is a common practice in SSA to postpone maintenance of newly improved roads on behalf of other sections of the road network in much worse condition, the conclusion of the European Court of Auditors (ECA) special report<sup>322</sup> (2013) that Sub-Saharan African road infrastructure is not sustainable did not come as a surprise (cf. annex 10).

**Benin:** All measures overcoming mere administrative actions (legislation, standards...) were not implemented.

**Senegal:** The application of regulation 14 of the UEMOA on the axle load control is a problem today insofar as there is a notorious lack of harmonisation. Some countries do no control at all. Taxes are neither systematic nor consistent from one country to another. It has not yet load shedding and juxtaposed checkpoints are not yet functional.

- Number of operational fixed axles weighs, Senegal and Mali have a good mesh of their network; While the mesh of the network of Ivory Coast is inadequate.

<sup>321</sup> [http://www.trademarksa.org/our\\_work/trade\\_facilitation/tripartite\\_wide\\_programme](http://www.trademarksa.org/our_work/trade_facilitation/tripartite_wide_programme).

<sup>322</sup> ECA 2011, ECA Special Report No 17: The EDF Contribution to a Sustainable Road Network in Sub-Saharan Africa.

- For fines, Senegal applies a tolerance of 20% compared with the R14 on the PTAC/PTRA for all types of heavy goods vehicles; the amount of the fines totalled 4 000 CFAF per additional tonne in national transport and 12 000 F CFA per tonne in international transport.
- Mali applied fines from 14 tonnes/axle, with the single rate of 10 000 F CFA per tonne of overload, both in national transport in international, Ivory Coast does no fine in case of overload and is still in the awareness phase.

**Mozambique:** National implementation slow and sometimes not compliant with regional agreements (e.g. Zambezi concession – Tete: bridge tolls have replaced border fees and transit charges for foreign hauliers, but national carriers pay both; also less revenue to FE as tolls go to concessionaire instead). No information on current situation regarding cartels in haulage.

**DRC:** La multi-appartenance de la RDC la met face à plusieurs réglementations dont la mise en œuvre est déficitaire. Le taux de mise en œuvre est faible.

**Questionnaire responses 23 & 24 (EU transport sector strategies at regional levels) :**

- Policies and practices of the regional organisations with respect to cross-cutting issues in the transport sector are still to be developed (WEST AFRICA)
- While some policies are in force, their application at regional level is difficult to be carried out. Thus it appears more convenient to apply National Policies (EAC)
- For support at regional level they must be a very strong national link from identification to ensure that the nationals also consider the project a priority. Support from the EU should have corridor approach and be coordinated and prioritised in the various delegations in the region
- I have not been seeing particular effectiveness of EU strategies at regional level

**Judgement Criterion 7.2 -EU support contributes to improved capacity of regional institutions to adequately manage transport sector operational and development issues.**

Throughout the whole evaluation period EU has sustained support to technical assistance to the departments in West and Central Africa RECs responsible for the transport sector, and provided training, studies and technical documents. This multi-faceted support has developed ownership of the principles of sector reform promoted by the EU, and was instrumental in having legal acts and technical guidelines produced in time to contribute to harmonization and translation into national legislations. Capacities in RECs were, however, challenged by the management of EU regional programmes: both ‘soft’ interventions (eg observatories, studies) and ‘hard’ interventions (eg one-stop border posts), which suffered significant delays and inefficiencies. EU support in this respect was unable to overcome RECs’ in-built capacity constraints linked to the limited financial and human resources availed by member countries. The large share of RECs’ recurrent costs covered by external support, including EU, do not



contribute to long-term involvement and commitment of RECs' staff, which are also affected by loose management structures.

***Indicator 7.2.1. Evidence of capabilities at regional level to prepare, implement and monitor transport sector policies and regulations (experiences, applied technology transfer and training in policy performance and practical implementation skills).***

The EU has provided sustained support to RECs to develop their management capacity for transport infrastructure networks and services. The technical assistance component was particularly developed for RECs in West and Central Africa, where capacity and resources availed by their member states were low. In Eastern and Southern RECs, a larger share of EU support was provided through studies and contributions to corridor management projects. The issue did not arise with African ENP countries as there is no REC.

The RECs' capacities are not benchmarked such that the assessment remains mainly qualitative. The capacities of all RECs have been improved, even if they fall still short of the prerequisites of fulfilment of their mandate and the successful implementation of their increasing number of missions and attributions during the evaluation period. EU programmes managed by RECs, particularly in West and Central Africa as well as ESA&IO, faced considerable delays, many of them related to cumbersome administrative procedures, insufficient human resources and elusive decision-making processes.

Most expected outputs of regional transport policy (eg master plan, strategies) and regulation frameworks were delivered by way of EU-financed technical assistance, with limited technical inputs from RECs for the content of the proposed measures or priorities. Nevertheless RECs' developed ownership over the transport sector management system promoted by the EU, notably because there was the perspective of an increase of their direct involvement in management. The same is more questionable for RECs' member countries, at least beyond general principles. The fact that RECs do not have any enforcement power at national level and that, on the other hand, member countries develop conflicting interests in the haulage industry, in the financial burden of road maintenance for transit countries and in port development does not help to sustain the RECs' leadership and management capacities.

Product-related technical assistance and project management Units (PMUs) for specific EU regional programmes impact upon training of RECs' personnel in policy performance and practical implementation skills but at the same time limit transfers of applied technology. The limited human resources of RECs, low motivation in some cases and high turn-over of staff do not however provide much scope for capacity development activities specifically targeted at management.

**Benin:** No related data available in Benin.

**Senegal:** REC capacities can be considered as weak for programme implementation due to lack of Human resources. REC can play a very good role

in the initiation and planning process but should rely on private firms for implementation, monitoring and assessment.

The transport policy of the ECOWAS is the subject of Chapter VIII of the ECOWAS Treaty of the Lagos of 1975 in sections 40 to 44 and of the Cotonou Treaty (Treaty of 1975 revised) of 1993, article 32. In the ECOWAS Treaty, the transport policy objective is to: (i) to strengthen the cohesion between the Member States of ECOWAS and to encourage the movement of people, goods and services within the community through the improvement of transport networks and the establishment of new networks; ii) to develop transport policies, laws and common regulations. Since 1975, in terms of normative and regulatory plan, We see that the Member States of ECOWAS adopted a large number of texts (protocols, Decisions, Resolutions and guidelines) to regulate the transport sector. As early as 1982, ECOWAS has defined the community roads network (Convention A/P2/5/82 regulating Interstate of ECOWAS, road transport Article 3).

ECOWAS has adopted in January 2003 a Decision relating to the implementation of the Regional program of Facilitation of Transport and Road Transit « to promote intra-regional trade and border travel » (Article 1). On this basis, the ECOWAS has adopted an action plan which provides, in particular, the construction of checkpoints juxtaposed at the borders in order to facilitate the formalities of passage of people and goods, the creation of observatories in order to identify bad practice, the implementation of the Convention TRIE (inter-State Road Transit) aimed at the harmonization of Customs transit procedures and awareness-raising campaigns for the effective implementation of the TRIE Convention of goods.

For the Development of infrastructure and trade between its Member States, ECOWAS has defined the following priority routes of integration: i) The travelling road Lagos-Nouakchott via Dakar (4,560 km) which part from Nigeria, crosses Benin, Togo, Ghana, Ivory Coast, Liberia, Sierra Leone, Guinea, Guinea-Bissau, the Gambia, Senegal and continues up to Nouakchott in Mauritania; ii) The road trans-sahelienne Dakar-N'Djamena (4,460 km) which starts from Senegal, crosses Mali, Burkina Faso, Niger, Nigeria and continues to N'Djamena in Chad; iii) Roads of interconnection regarding the construction of the missing sections on the axes above or the rehabilitation of the roads linking the landlocked countries (Mali, Burkina Faso and Niger) to seaports.

UEMOA has developed and adopted meanwhile a Regional economic Programme (PER) 2006-2010. The overall goal of the PER is to generate growth (by 7%), sustainable and poverty-reducing and deepening integration. It aims to give a new impetus to the actions of the UEMOA by integrating projects likely to make effective the regional integration process. These objectives are consistent with those of ECOWAS and of the Millennium Development (MDGs) by 2015 and with the priorities of NEPAD (New Partnership for Africa's Development)). The PER is available in 5 strategic axes which are: (i) consolidate good governance and economic integration; (ii) Develop economic infrastructure; (iii) Build a productive integrated device; (iv) Developing human resources; (v) set up a partnership for the mobilization of resources and monitoring and evaluation. The

strategic axis then come in action plans. Axis "Development of economic infrastructures" gives priority to road infrastructure. Thus, the PER, in its infrastructure and transport aspects, fits into the continuity of the Community Action Programme of infrastructure and of the road transport (PACITR) 2001-2010. He grafted component road infrastructure (PACITR) actions on the one hand to sustainability investments of corridors (harmonize maintenance periodic and current community network programs, generalize the setting up of autonomous road agencies, road fund second generation and the weighing of axle loads) and secondly the Elimination of non-tariff barriers on the Community corridors.

**Mozambique:** The capacities of the Regional Economic Community (REC) are widely perceived as weak.

**DRC:** Les Institutions régionales d'intégration (CEEAC et CEMAC) n'ont pas suffisamment des capacités pour assurer leur mission de créer un marché commun régional. Les effectifs du personnel compétent sont en sous-nombre et les ressources financières pour assurer la contrepartie des projets font souvent défaut. Ce qui entraîne une sous-utilisation des ressources de bailleurs de fonds. La faible connaissance des règles et procédures des bailleurs accentue le faible taux d'absorption des ressources accordées. Le programme d'amélioration du commerce et de l'intégration (PACIE) qui comprend les projets d'infrastructures évolue difficilement à cause de ces raisons.

**Questionnaire responses 26 & 27 (REC organisational capacity & strategies) :**

- WEST AFRICA: "Implementation of 9th and 10th has been very difficult. Implementation of 11th should be better with the link with National Authorising Officers. But it will be a real challenge"
- The strategies are not really coordinated and the emphasis on corridor development at national level varies hence some sections of a corridor within one country maybe rehabilitated while the next section in the neighbouring country is not, minimizing the ultimate benefit that should be derived from the corridor
- Regional organisations and national governments do not have coherent and coordinated strategies for corridor development. Regional corridors for development remain a challenge

***Indicator 7.2.2. Existence of relevant, reliable, up to date data, realistic and verifiable performance indicators, inventory systems and evaluation of regional policies, programmes and interventions.***

As for all development partners, EU support to gather feedback from experience is limited to the monitoring and evaluation of its own regional programmes and projects. Unless for regional studies encompassing a diagnostic phase for a given sub-sector, policy or regulatory measure, there is no evidence that the RECs have been supported by EU for developing a more global capability to establish and operate transport sector monitoring and evaluation systems, or any

other operational inventory system. The same applies to realistic and verifiable performance indicators of RECs' contributions to the achievement of transport sector objectives or expected results. Structural limitations to RECs' financial and human resources are anyhow stumbling blocks that would need to be overcome first<sup>323</sup>.

Performance indicators were, however, key in designing flagship regional programmes such as corridor management (East Africa) and non-trade barriers (NTB) and Observatory (West Africa<sup>324</sup>), even if not directly supported by the EU. They are however parts of sector advocacy rather than an in-built requirement for continuously enhancing multi-countries initiatives (to the likely exception of the Tripartite for the Northern Corridor).

### **Judgement Criteria 7.3 - EU support to the transport sector at regional levels has contributed to the development of integrated multi-modal policies and programmes at regional levels.**

EU has contributed to the drafting and adoption of integrated multi-modal strategies and action plans in all African regions, including North Africa (with the EUROMED Transport project). Translation of such multi-modal approaches in EU support to the transport sector was mainly limited to regional programmes on air, maritime or multi-modal transport sub-sectors. Only 8% of NIPs' resources allocated to transport projects explicitly targeted a subsector other than roads. North Africa is an exception, having benefited from the ENP and related FEMIP resources for strengthening connections with the trans-European networks, through maritime transport.

Within its focus on road infrastructure and regulation of haulage industry malpractices that are impacting on road investment economic lifetime and thus economic viability of the use of EU tax payers' money, there are numerous examples of locally improved road conditions, reduced travel times and traffic increases (ie output level indicators). Clearly positive outcome indicators are elusive, such as reduced haulage costs and tariffs, increased regional exchanges of locally produced goods and a share of steady economic growth of African countries that could be attributed to improved regional corridors. EU acknowledged the need for renewing the approach to the transport sector during the last years of the evaluation reference period and is moving towards more focus on sector governance, transport facilitation, feeder roads, port management and logistics, change that is only partially addressed by on-going EDF11 programming and renewed interest in infrastructure investment facilities.

#### ***Indicator 7.3.1. Existence of approved and operational regional multi sectoral policy and strategy papers in which transport is identified (including EU-supported multi-modal studies for freight and passenger transport at regional level).***

<sup>323</sup> "Support institutional reinforcement and capacity building in continental and regional level institutions" is still one of the four actions of the Joint Africa-EU Strategy Action Plan 2011-2013 with respect to infrastructure.

<sup>324</sup> [www.borderlesswa.com](http://www.borderlesswa.com).

EU support to the RECs in the transport sector systematically promoted an integrated approach to transport planning and programming. Master plans<sup>325</sup> covered all modes of transport, even if the lion's share went (logically) to road infrastructure, particularly in SSA. Over the evaluation period, rail transport has gained in strategic value in corridors with heavy freight movements (Copper Belt, and prospectively South Sudan -Ethiopia-Djibouti corridor). The move towards further interest in air transport is more recent (Nairobi airport) but is exemplified mostly in EU regional financing but also in rare EDF10 NIPs. Beyond this increased attention to integrated multi-modal policy, development of inter-modal connections or platforms is still laggardly, taking stock of the delayed development of logistics<sup>326</sup> all over the Continent.

At regional level, most, if not all EU-financed studies of master plans or regulatory frameworks have been adopted by the concerned REC, with often the ex-ante or ex-post backing and political commitment of their member countries. This added-value was particularly strong in sub-sectors (air and maritime transport) that do not require heavy short-term investment to bring significant improvements in performance. Actually, the EU found it easier to finance sub-sectors other than roads at regional levels rather than at country level, where the strong focus on road infrastructures was hardly negotiable with partner governments. 33% of EU RIP funds allocated to the transport sector are targeted on air, maritime, or mixed sub-sector with RECs, against 8% on NIP funds<sup>327</sup>.

In North Africa, integrated multi-modal policies and programmes were mainstreamed in EU support as for other ENP regions. This approach was successfully developed by the EUROMED Transport project and then continued with subsequent programmes (SAFEMED I&II, Aviation I&II, Motorways of the Seas I&II...). With this background and the proximity of the EU market, the multi-modal policies are now deeply rooted into national master plans and investment programmes. Intermodal platforms are emerging as a common tool for trade and transport facilitation (Morocco, Algeria).

**Benin:** No related data available in Benin.

**Senegal:** Between Senegal and Mali, continues the extensive construction of revival of the Dakar - Bamako rail corridor following the failure of the concessionaire TRANSRAIL.

**DRC:** Un Plan directeur consensuel des transports en Afrique centrale (PDCT-AC) comprenant toutes les priorités du secteur des transports de tous les 10 Etats membres de la CEEAC et pour les 4 modes de transport a été adopté par les Chefs d'Etat de la CEEAC en 2004. Ce programme est en cours de mise en œuvre. Les projets prioritaires de ce Plan sont repris dans le PIDA de l'Union Africaine. La CEMAC envisage d'élaborer une politique des transports dans le cadre du programme PACIE du 10<sup>ème</sup> FED. Il n'y a pas encore un document de

<sup>325</sup> Algeria, Madagascar, Congo Rep., to mention a few.

<sup>326</sup> SSATP 2013, Logistics Cost Study of Transport Corridors in Central and West Africa.

<sup>327</sup> CRIS data.

politique régionale, mais le PDCT-AC guide les responsables régionaux et les partenaires pour les investissements régionaux.

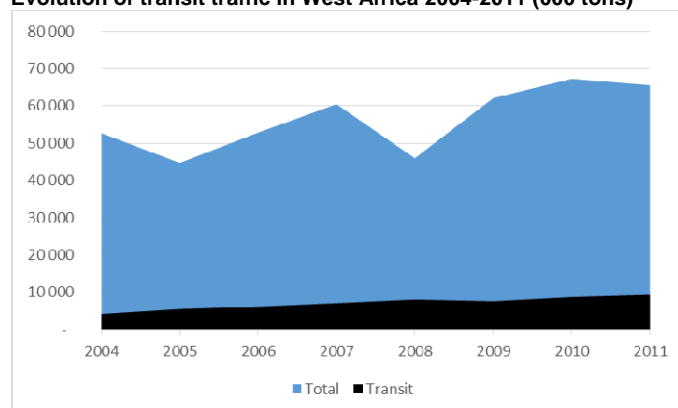
**Questionnaire responses 17, 19 & 20 (donor coordination) :**

- Coordination meetings are already difficult on national level. It is even more difficult on regional level (West Africa)
- The (coordination) process turns to be driven more by the agenda of the lead partner in the project. This often over shadows the preferences of the other parties and in some instances has negatively impacted the implementation of the project (COMESA)
- Finding the balance to sufficiently accommodate interest of stakeholders is challenging. This also includes the timing in the implementation of projects. Early engagement and flexibility in the formulation phase is needed. (COMESA)

**Indicator 7.3.2. Evidence of increased use of regional transport corridors.**

Traffic has increased over the evaluation period on the regional transport corridors as a whole but at a slow pace. However only piecemeal evidences are available, such as an increase by 5.4% between 2008 and 2012 on the Douala-Ndjamena corridor, heavily financed by the EU. Increases in traffic volumes are witnessed also in East Africa (with the Northern and Central corridors but also on the Ethiopia-Djibouti one) and in Southern Africa. From data for the 7 ports of West Africa during 2004-2011<sup>328</sup>, the share of transit traffic increased from 8 to 14% of total volume. In absolute numbers, the transit traffic increased from 4 to 9 million tons in seven years.

Evolution of transit traffic in West Africa 2004-2011 (000 tons)



Source: SSATP 2013

Such increases can be related to some of the EU road rehabilitation projects, notably in West Africa, Mozambique, Uganda and Tanzania, as one of the contributors (AfDB, WB) of the improvement of the degraded and missing links of road regional corridors. The attribution is, however, difficult as Africa economic

<sup>328</sup> SSATP 2013, *ibid.*

growth rate during the evaluation, circa 5% to 8% per annum<sup>329</sup>, can in itself explain the traffic increase<sup>330</sup>. Moreover, port traffic has not demonstrated a steady and evenly distributed growth between regions developments – at least for African exports<sup>331</sup>.

Another critical indicator, combining EU support to both road corridor infrastructure development and transport facilitation is the travel time from, for example, Douala (Cameroon) to Ndjamena (Chad). From a baseline in 2007 of 15 days, the travel time was cut by half in 2013 (7 days). Similarly, on the same corridor, the travel time between Douala and Bangui (CAR) was reduced from 10 to 5 days<sup>332</sup>. On almost all Africa corridors the pattern is repeated (Ethiopia-Djibouti, Northern and Central corridors...). The improved condition of the Core Road Network supported under EU SPSP I in Zambia has made possible significant reductions in travel time and vehicle operating costs, paving the way for reducing the transport costs of bus and truck companies<sup>333</sup>. By lack of haulage price monitoring in Zambia as almost everywhere else where EU (and other donors) improved road conditions, the expected outcome of price cuts can only be hypothesised. For example<sup>334</sup>, the Zambian trucking industry being exposed to international competition and transport prices deregulated, the country evaluation (2011) concluded that EU intervention benefits were passed on to users by means of price cuts of haulage and passenger transport, and eventually to customers as a whole. A recent survey in Zambia<sup>335</sup> demonstrated that price cuts induced by road investments and maintenance are unlikely to exceed 3-4%, which does not compare favourably with the return on investment from far cheaper transport facilitation measures (10-15%).

These benefits cannot however be expected for several other regional corridors where the combination of outdated regulations, cartelization and roadblocks tend to distribute VOC savings among truckers and police rather than to travelling populations and freight. A critical output indicator of EU support to regional transport facilitation and regional corridor development is haulage costs, and an outcome indicator would be haulage price. In West and Central Africa particularly, EU interventions reached the critical mass during the evaluation period (and before) for expecting an effect on these indicators. In this region, again evidence of cuts in transport prices cannot be found, though the share of transport costs linked to road conditions was reduced. Examples from the West Africa Trade Hub, an USAID observatory, tend to minimize the leeway achievable through road rehabilitation, however urgent and necessary it can be. The example of introduction of axle-load controls by Niger in 2009<sup>336</sup> is clear in this respect: the immediate impact of this was the lowering of the effective carrying capacity of the fleet which caused a sharp rise in trucking rates. Transport prices per ton from Lomé to Niger initially rose by almost 150% from about USD 64 to about USD 154.4 However, by September 2009, Lomé-Niger transport prices

<sup>329</sup> The usual multiplier effect of economic growth ranges between 1 and 1.5 for road traffic.

<sup>330</sup> JICA 2010, A passage Across Borders.

<sup>331</sup> Confirmed for Dar es Salam as for West Africa ports; SSATP 2013, *ibid*.

<sup>332</sup> Particip 2013, Evaluation de la coopération de l'Union européenne avec la République du Cameroun, rapport de synthèse.

<sup>333</sup> ECO Consult 2012, country level evaluation – Zambia.

<sup>334</sup> *Idem*.

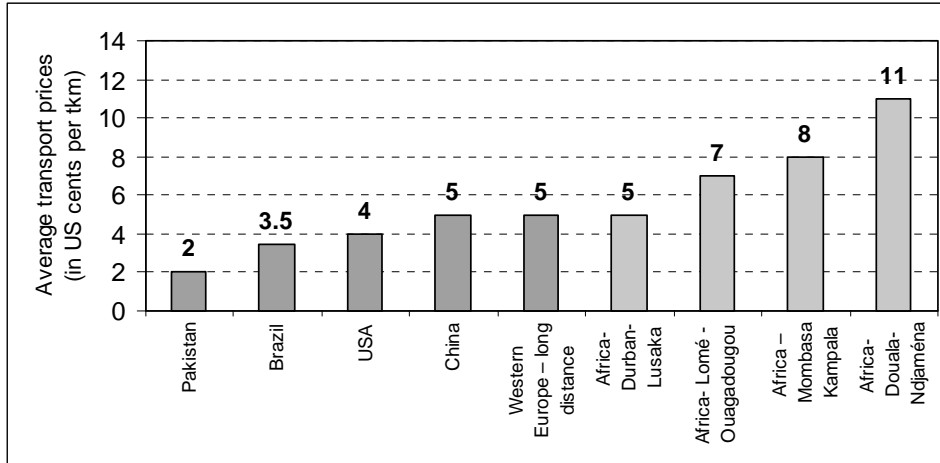
<sup>335</sup> Raballand and Whitworth 2011, Transport Policy.

<sup>336</sup> West Africa Trade Hub, Transport and Logistics Costs on the Lomé-Ouagadougou Corridor, 2012.

stabilized at a level about 50% higher than before implementation of the axle-load rules.

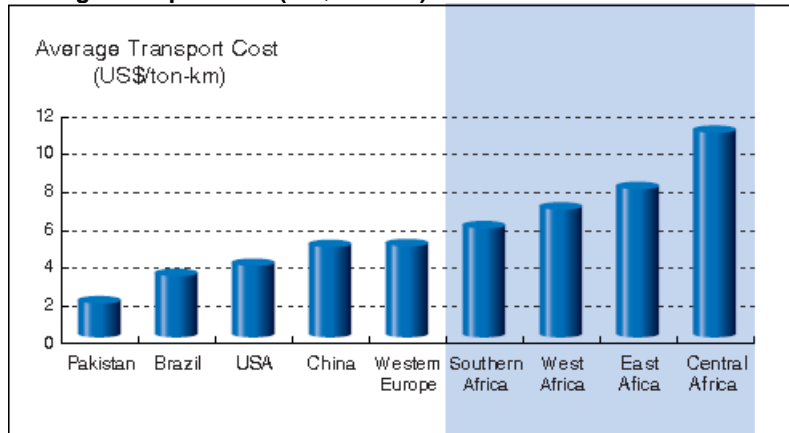
Against the lack of a general study of the evolution of transport prices in Africa during the reference period, comparing the two following figures below does not show a perceptible change with the development of regional corridors. Indeed, many of the EU road infrastructure projects were not finalized in 2010; hence limiting the above demonstration.

**Comparison of Transport Prices in selected Countries and Routes, 2006/2007**



Source: Teravaninthorn and Raballand (2009)<sup>337</sup>.

**Average transport cost (US\$/ton-km)**



Source: JICA, A passage Across Borders, 2010

Among Central Africa’s corridors, the road and rail links between Douala (and soon Kribi) and Ndjaména have seen significant developments in traffic, which is not the case for the multi-modal Brazzaville corridor that suffers from constraints on both the rail and inland waterways segments.

In West Africa, the overall increase in traffic volumes was uneven among competing regional corridors, and varied with recent conflicts (Ivory Coast was

<sup>337</sup> Teravaninthorn and Raballand 2009, Transport prices and costs in Africa; A Review of the International Corridors; WB.



initially the main corridor) and contrasted ports' performances (eg rise of Dakar's port in recent years).

Last years' researches<sup>338</sup> increasingly demonstrated the key role of ports in the overall logistical chains at regional level and the limited leeway of improving conditions granted to the haulage industry. The potential benefits of costly improvements of excessively long road links of the African 17 landlocked countries may not be achieved if turn-around times and other critical ports' performance indicators are not dramatically improved at all or only some years after such improvements were brought to another port associated to a competing corridor (particularly in West Africa)<sup>339</sup>. EU involvement in port management and development is relatively recent compared to the developmental benefits at stake, mainly through IEB and IEB-managed facilities (ITF project in Maputo, FEMIP involvement in Morocco). The strategic shift was slowed down by the principal EU focus on roads over the evaluation period, donors' division of labour, and justified fear to encourage competition between ports of the same catchment area (in West Africa particularly).

**Benin:** The EU was not involved in corridor development beyond road regional corridors. Increasing private sector participation in ports and more recently rail took place without direct EU interventions. The same applies to waiting times at port's gate.

**Senegal:** It is suggested that the realization of regional transport infrastructure is coupled with the introduction of facilitation measures: unique checkpoints at the borders; respect for other regional policies for trade facilitation; respect of the axle load and policies to encourage the renewal of the fleets of transport. This policy for the development of the corridors helped so far the implementation of reforms at the regional national level.

**Mozambique:** No direct evidence although EIB is supporting corridor development.

Two examples of blending: Beira corridor (which did not go ahead after preparatory studies done) and the rehabilitation of the Sena rail line (see project fiches A and B for more details).

**DRC:** Le projet de facilitation de services de transport de transit en Afrique Centrale (FASTRAC) bénéficie de financement de l'UE pour le corridor Douala-Ndjamena/Douala-Bangui.

#### **Questionnaire response 4 (corridor development) :**

- In terms of transport network development, the development of international corridors was seen as the single key priority of national governments within

<sup>338</sup> Gaël Raballand & Salim Refas & Monica Beuran & Gözde Isik, 2012. "Why Does Cargo Spend Weeks in Sub-Saharan African Ports? Lessons from Six Countries," World Bank Publications, The World Bank, number 13535, October. Kgare, Tshepo & Raballand, Gael & Ittmann, Hans W., 2011. "Cargo dwell time in Durban: lessons for Sub-Saharan African ports," Policy Research Working Paper Series 5794, The World Bank.

<sup>339</sup> AfDB 2013, Transport in Africa – AfDB's Intervention and Results for the Last Decade; OPEV.

the context of regional transport support programmes. It was supported by the EU through the following actions:

- Regional Integration Support Program supported the development of the Pilot North South Corridor Aid for trade programme by financing technical preparation for sections of the North-South Corridor (COMESA)
- Internal corridors (West Africa)
- Upgrading of some sections of the Central Corridor linking the marine gateway of the port of Dar es Salaam with Rwanda, Burundi and DRC. The EU has also provided the GoT with detailed design for other sections. recently we have signed a FA for the construction of two 'One Stop Inspection Station' where police, custom and weighbridge controls of transit truck are carried out concurrently. This will reduce Non-Tariff Barriers and transport costs. (EAC)

#### **Judgement Criteria 7.4 - EU support at regional level has facilitated reduction of constraints to movement of people and freight.**

Most EU interventions in transport infrastructures reduced regional constraints to movement of people and freight, generally within regional initiatives co-financed with other institutional donors such as AfDB and the WB. This applies to all regions (even if facing reluctance and collateral effects of the Arab Spring in North Africa). The community of donors contributed to significantly improve road conditions of existing links, develop missing links, and reduce bottlenecks. By the end of the evaluation period, all landlocked countries have access to at least one usable road corridor connection to an ocean port facility. An increasing number of regional corridors are interconnected. Rail corridors are few and inter-modality facilities have not yet met demand.

Beyond provision of infrastructures, EU achievements are limited regarding improvements expected from revised regulatory frameworks for passenger and freight transport. The largely single focus of EU support on axle-load control – with limited results everywhere, minimized leverage on transport facilitation measures such as OSBP (only one in West Africa, yet to operationalize), development of regional bond guarantee schemes, transit information management systems, harmonization of road traffic regulations and standards, fight against haulage industry cartelization, enforcement of international conventions (TIR), etc., which are all important elements of a drive towards a competitive regional road transport market.

#### **Indicator 7.4.1. Convergence of national legislation including enforcement of axle-loads and GVW**

Convergence can be safely assessed as far below EU expectations in all SSA countries. This was reviewed very recently<sup>340</sup> for Eastern Africa which was by far the best performer during the evaluation period as regards trade and transport facilitation (on the Northern and Central Corridors). Whilst progress was notable

<sup>340</sup> The East African Trade and Transport Facilitation Project (EATTF) 2014, Harmonisation of Road Transport Legal and Institutional Frameworks.

for institutional convergence, the legal and regulatory framework is lagging behind. If the legislative framework for road infrastructure is already in harmony for many aspects, further harmonisation is required in the key area of axle load and maximum gross vehicle weights (GVW) and in application of the already enacted East African Community Bill. Similarly discrepancies are noted for Road Traffic Regulations and Safety Enforcement, Road Transport Operator Licensing, and Vehicle Registration and Licensing. Overall, there exists political support for regional integration at national level but not strong enough to overcome loss of individual comparative advantages, however detrimental they can be for EU-funded infrastructures. Moreover, there has also been a countervailing reluctance on the part of the member states to cede sovereignty perceived as key for their economic policy.

The situation is similar if not worse in West and Central Africa, with limited enactment of regional strategies and norms into national legislations. For the EU, as for other donors supporting the upgrading of road conditions of regional corridors, attaining legislative harmonisation is even more difficult than getting governments to support establishing and managing axle-load control stations<sup>341</sup>. If so, sanctions put on truckers are everywhere far below financial gains for overloading and interpretation of the law is as lenient as possible, in particular regarding off-loading of excess loads<sup>342</sup>. In the absence of off-loading, it is hard to extend road life spans unless imagining that fines are effectively transferred to Road Funds and allocated to regional corridors – which is nowhere evidenced. Ownership by government officials is not questionable, rather political concerns are ruling out technical rationale in the context of a very strong road haulage lobby<sup>343</sup> in which Members of Parliament and ministers have often vested interests (directly or not).

Even RECs have demonstrated an extraordinary lengthiness in setting a legislative framework to axle-load control. With UEMOA, the political agreement among member countries was achieved in 2005 but only translated into a roadmap in 2010. This was in turn translated into a legal act by CEDEAO in 2012 and even today the observatory in charge of monitoring convergence is not able to come to definitive conclusions<sup>344</sup> on actual convergence.

**Senegal:** The EUD seized the opportunity of the presence of a group of reformers in the road sector administration, and made cleverly use of the possibility to impose conditions identified in draft Financing Agreements of road projects of regional and national importance, to contribute to significant sector reforms (establishment and operationalisation of the Road Fund and the Road Agency, axle-load controls)

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<sup>341</sup> With the noteworthy counterexamples of Cameroon and may be Niger.

<sup>342</sup> One of the worst examples having being identified in Madagascar by the on-going country-level evaluation (2014) but even in Cameroon, the perspective of introducing off-loading of overloaded trucks provoked a strike by hauliers however supportive they may have been to axle-load control system established with EU support.

<sup>343</sup> Hennion and Herniou 2013, "Governance In The Transport Sector, Methodology and tools for integrating governance into support for the transport sector in Sub-Saharan Africa", volume 1 and 2.

<sup>344</sup> TOR for Assistance technique pour la réalisation des documents techniques de mise en œuvre du projet de facilitation des transports (PIR 10ème FED) ; November 2014.

**Benin:** The 2004 regional agreement on axle-loads limits, penalties and unloading measures was translated into national legislation. Timid attempts of the government to enforce axle-load controls quickly fell short. A “pedagogic” approach was agreed with the haulers’ union, postponing the enforcement of the national legislation. Gross Vehicle Weight (GVW) control was passed to the port, who implements it loosely (breakdown of weighting equipment, only two gates out of three equipped with a weighbridge)..

**Mozambique:** Weigh stations are being installed at strategic points (e.g. Nacala and Pemba ports) but enforcement is a challenge. TRAC reports serious problems in controlling over-loading including collusion between police, transporters and government officials, bypasses around weighbridges etc.

**DRC:** Le contrôle de la charge à l’essieu au niveau régional (CEEAC) n’est pas encore structuré et effectif. Quelques pays comme le Cameroun l’appliquent, la RDC est au début du processus (étude et expérimentation). Tandis que les autorités de corridors comme le Corridor Nord et les corridors dans les pays membres de la SADC ont mis en place des stations de contrôle et bénéficient de l’appui de l’UE.

**Cameroon :** Le Cameroun a mis en place, avec l’appui de l’UE, un dispositif efficace de contrôle des charges des véhicules poids lourds, le pesage étant respecté et opérationnel. Après une hausse consécutive de 2009 à 2011, le montant des amendes émises s’est stabilisé avec une légère baisse en 2013. Ceci traduit une baisse des surcharges sur les routes camerounaises. Le taux de pourcentage des véhicules délestés est plus faible (soit 28%) que les véhicules non délestés (72%).

**Questionnaire response 6 (road network sustainability) :**

- Axle load control, maintenance funding and maintenance performance were considered as government priorities by all (3) regional Delegations. Only one regional Delegation indicated that Adequate programming and planning was considered a priority by national governments.
- The EU carried out the following actions in support of road network sustainability: Road Network Classification and Condition Survey, Transport Sector Budget Support to secure ring fencing of Maintenance funds through National road fund agency (COMESA)
- EU is supporting adequate maintenance of road network (West Africa)
- The EU Delegation is actively involved in the reinforcement of both hard and software for enhancement of Axle load control in the region. Measures aimed to reinforce laws, international agreement, and harmonisation of regulation. We are also involved in drafting strategy on maintenance which are however more dealt with national Road Fund Agencies (EAC)

***Indicator 7.4.2. Provision and operation of One-Stop Border Posts (OSBPs)***

One-Stop border posts (OSBPs) were a major advance for regional transport facilitation in SSA at the beginning of the evaluation period. Duplicating border crossing controls was a tremendous loss of time for truckers and an opportunity

of similar scales for red-taping (and bribery). The measure was quickly adopted by RECs and readily attracted external donor funding, notably the EU for three OSBPs in West Africa within the EDF9 transport facilitation regional project (68.8 M€ allocated in 2006, with a RAL of 30 M€). The EU OSBPs are not operational - construction is still in progress. Their operationalization will be taken-over by Phase II financed under EDF10, some ten years after launching the initiative. A network of 16 priority OSBPs is foreseen for West Africa regional corridors, and 14 for Southern Africa.

In other SSA regions, OSBPs were financed by the WB and AfDB. Through its contribution to SSATP EU supported the dissemination of good practices, in particular with several dedicated publications such as “Border Crossing Monitoring along the Northern Corridor” (Working Paper No. 96, 2013), “The Chirundu Border Post” (2009)... The time span for construction and operationalization was far shorter than in West Africa but technical issues are regularly popping-up, postponing the achievement of actual effects on transport and trade facilitation<sup>345</sup>.

**Senegal:** So far there is no functional juxtaposed checkpoint between Senegal and neighbouring countries.

#### **Questionnaire response 10 (transport services)**

- Removal of obstacles to free movement and Cross border agreements were considered most often as national government priority objectives for a regional transport support programme related to transport services, according to EU regional Delegations.
- The EU carried out the following actions in support of transport services: Cross border agreements/ removal of Non-tariff barriers (COMESA)
- EU is supporting international corridors (West Africa)
- The EU is involved in reducing NTB by the construction of two OSIS (see above). Strategy is also developed with other DPs on the One Border Stop. (EAC)

#### ***Indicator 7.4.3. Harmonised implementation of corridor transit regulations (e.g. one-stop border crossings)***

Cf. 7.4.1 and 7.4.2<sup>346</sup>; this indicator duplicates the former.

#### ***Indicator 7.4.4. Reduced check points and/or other ‘en-route hindrances’.***

A decision in support of the West Africa Trade Hub, a regional initiative for monitoring and preventing roadblocks along regional corridors, was adopted by the EU in 2012 (CRIS n° 23585) but did not materialize. The issue of roadblocks and check points is common in almost all SSA regions but increasingly appears as having been overestimated as a major hindrance for regional transit and key

<sup>345</sup> Physical construction of a number of OSBPs has been completed but most are not operating as such.  
<sup>346</sup> Stallard Mpata 2011, Evaluation of the COMESA/SADC Transit Management Systems, September.

factor for high transport prices in Africa. The latter issue is far more related to haulage industry “organized chaos”<sup>347</sup> and links with political patronage<sup>348</sup>.

The limited involvement of the EU into the check-points issue might be retrospectively rationalized by a recent survey<sup>349</sup> that concluded that delays and bribes at road barriers are a small part (10%) of the total bribes and delays suffered by traders and transporters on the Tema–Ouagadougou corridor. A similar situation was found on the Lomé–Ouagadougou corridor where bribes at road blocks represented only 14% of total bribes paid on imports. Bribes imposed on exports (far more important for Africa economic development) are only about one fifth the bribes paid on imports.

**Benin:** The haulage lobby is perceived as very strong and linked to top politicians and senior officers, which are suspected to be trucks owners. All attempts to enforce restrictive or regulatory legislation on haulage activity were quickly withdrawn.

**Senegal:** The Trade Union of workers in the road transport of Senegal exercise real pressure on the Government to get their claim. If these claims are accepted, the implementation of the control of the axle load would be fully questioned. Concerning the transport price policy, in the absence of control, a certain lawlessness has expanded to the delight of carriers practising the overload to try to justify the losses,

***Indicator 7.4.5. Evidence of regional/international transport agreements, protocols and CBAs, ratified and incorporated into national law, regulations and operational practices (including axle load control and GVW regulation).***

See Indicator 7.4.1. This information is already provided under Indicator 7.4.1.

**Judgement Criteria 7.5 - Positive/negative perceptions of sector stakeholders to changed EU approaches under 11 EDF (‘pivot’ to regional focus) and consultation procedures leading to this change.**

The sector stakeholders’ perceptions, local and international partners alike, are negative as the decision was not anticipated nor driven from a wide consultation process. The rationale itself of this highly significant strategic change was subject to a limited communication strategy. As informal consultations with partner governments on programming of EDF cycles start long before receiving programming directives from HQ, the EU decision was perceived as abrupt, unilateral and not open to discussion. Adjustments were brought on a case by case basis to take into account post-conflict or fragile states, in some cases under EU MS pressure but some other countries were ‘allowed’ to continue with transport on a case by case basis.

<sup>347</sup> IDL Group 2013 “Organised Chaos”: Analysing Governance in the Private Transport and Trucking Sector – Ghana; Assessing Governance in the Transport Sector Working Paper No 5.

<sup>348</sup> EU 2013, Reference Manual for integration governance in EU cooperation for the transport sector.

<sup>349</sup> West Africa Trade Hub, Transport & Logistics Study - Lomé–Ouagadougou Corridor, 2012.

RECs' management records during EDF9 and 10 regional programmes design, decision-making and implementation (in West Africa, EDF10 transport facilitation programme's content is still to be identified) are questioning the scope for improved performances and outcomes that can be realistically expected under EDF11 by providing RECs with a pivotal role in EU transport sector interventions.

#### ***Indicator 7.5.1. Evidence that the changed EU focus responds to expressed stakeholder needs.***

At country level, the changed EU approaches under EDF11 came as a surprise and preceded consultations. The change was announced to the EUDs themselves in the NIP/RIP programming directives while informal consultations were already on-going with partner countries based on previous rationale of a balance between investments, policy dialogue and technical assistance. To the best of the knowledge of the evaluators, the decision was taken by the HQ based on the CSA special report (2013) on road projects in Africa<sup>350</sup>, backed by the Agenda for Change. Once adopted, the decision fell upon all local decision-makers involved for months in the NIP programming process, including EU Member States.

The time schedule of the decision did not follow the standard EU internal process of consultation, for example through a dedicated EC communication to the Parliament. The last communication on EU development policy (Agenda for Change<sup>351</sup>) and more specifically, the principles applied to the EU support to transport sector with third and ACP countries (COM 2006), did not anticipate the change giving a pivotal role to RECs in managing transport sector support and reforming the regulatory frameworks, nor the almost exclusive role provided to infrastructure facilities for extending finances to regional projects. The link of the new EU cooperation framework in the transport sector including sorting out in sustainable manner maintenance of regional corridors does not come across clearly to stakeholders. Lessons learnt from toll roads (BOT schemes support by AfDB)<sup>352</sup> notably have not evidenced strong potential for sustainably attracting private capital investment liabilities.

#### ***Review of rationale and proposed actions under the 11<sup>th</sup> EDF***

The ToR specifies that the outputs of the evaluation (findings, conclusions and recommendations) should, if available in time, feed the formulation of the 11<sup>th</sup> EDF' in particular the regional cooperation strategies and the use of other relevant instruments that would finance the transport sector. Given that this evaluation covers the period 2005-2013, it examines the 11<sup>th</sup> EDF activities up to the end of 2013 including the basis for change, the policy approach for the 11<sup>th</sup> EDF published in late 2012, as well as the dialogue with some development partners and a number of preparatory activities undertaken in 2013. Findings and conclusions as regards the 11<sup>th</sup> EDF are thus prepared on this basis whilst recommendations aim at strategic level as regards implementing the 11<sup>th</sup> EDF.

<sup>350</sup> Key results are presented in annex 10 of the inception report.

<sup>351</sup> Increasing the impact of EU Development Policy: an Agenda for Change COM(2011) 637 final.

<sup>352</sup> AfDB 2013, *ibid.*

Up to and including the 10<sup>th</sup> EDF some 30 African countries received substantial EU support for the development of their transport sector because the latter was one of EU's focal sectors. . That will change drastically under the 11<sup>th</sup> EDF, which proposes a disengagement of the EU from the transport sector in many countries. That represents the most significant policy change in decades for EU support to the transport sector.

The base situation (before starting the 11<sup>th</sup> EDF) was characterised as follows by the EU (*with comments added by the Evaluation Team in italics*):

- Transport sector support had low multiplier effect on development as compared to the focal sectors mentioned in the Agenda for Change (agriculture, energy....).  
*Comment: Transport sector support has no special claim as a cost-effective policy instrument for poverty reduction and redistribution of wealth and welfare to the poor, although external studies indicate that improved transport can reduce absolute poverty by increasing economic efficiency e.g. Evaluating Aid for Trade: A Survey of Recent Studies, The World Economy, Cadot, Financial, Matts & de Melo (2014).*
- Transport projects have long and human resources intensive preparation and implementation periods. *Comment: some EDF-11 focal sectors have similar long/intensive preparation and implementation periods*
- Investments for roads are not sufficient to reduce transport prices if structural reforms are not being addressed. *Comment: increased freight haulage is significant for economic development whilst added-value captured by hauliers largely remains in the local/national economy.*
- Transport is a corruption prone sector. *Comment: other sectors where high value contracts are involved, are similarly affected.*
- Transport sector support was confronted with a significant number of court and OLAF cases which involved all stages of the project cycle. *Comment: other sector donors have similar problems.*
- Absence of follow up on road maintenance deficiencies leading to rapid deterioration. *Comment; this is the single greatest threat to viability and sustainability of investments in the transport sector. It is not clear if this issue can be successfully addressed by blending.*
- Transport sector projects are often confronted with low disbursement rates. *Comment: despite contractual problems, paid ratios are high in this sector (~99%) although implementation often subject to delays*
- Insufficient emphasis on blending for major capital investments. *Comment; many African roads with low traffic volumes may not be economically viable (thus low EIRR). In such a situation, toll roads are not viable.*
- Transport policy of partner countries is very often dictated by Chinese interests. *Comment: notwithstanding that transport policies of most African countries have been drafted by TA, 'new' donors often ignore such policies (to which other sector partners adhere) with partner government cooperation (thus casting doubts on government commitment to such policies in the first place).*
- By building roads, Chinese access to raw materials is often subsidised.



*Comment: EU support interventions are in accordance with national policies, programmes and nationally expressed needs. Furthermore, not only Chinese firms, but also other mining firms are similarly 'benefitting' including inter alia Brazilian, RSA, Australian, Indian, Irish and UK firms.*

- There are practically no EU companies willing to bid in road tenders as the vast majority of contracts go to Chinese companies established via a local subsidiary. *Comment: this depends on the country (e.g. Mota – Engil, Portugal is very active in Malawi and Mozambique). However there is increasing penetration of Chinese construction firms (especially if nationally registered subsidiaries are included) due to a predatory bidding strategy.*
- Low visibility of transport sector projects. *Comment: in general EU support to transport infrastructure has had high visibility.*
- Contract agents are lobbying in EUDs to keep roads as a sector in order to justify their presence. *Comment: this is heresay; no such evidence examined during the course of this evaluation.*

The proposed actions to be taken when preparing and implementing the 11<sup>th</sup> EDF country level support programmes are mentioned below. Comments from the Evaluation Team on the proposed actions are added in italics. Implementation of such activities after 2013 has not been taken into account because they have not been scrutinised by this evaluation.

- Transport should not be accepted as a focal sector except in a few cases which are duly justified (including a full analysis of the Chinese factor). *Comment: Clear guidelines are required as to justification criteria, account taken of differing country situations and consistency in application of sound eligibility criteria.*
- Rail and road projects based on grants should be completely excluded and only those financed via blending of financial instruments should be accepted. *Comment: Blending has significant potential in the transport sector, although naturally it can only work for transport infrastructure that directly generates adequate revenues (i.e. strategic roads with little traffic would be problematic as would unfulfilled commitments regarding operation and maintenance). At best blending could offer an opportunity for leveraging loan finance and mobilising investment that would not be otherwise available. Transport infrastructure bond issued in Europe have impacted on capital markets and may have a similar effect on local and regional capital markets in Africa (for more heavily trafficked routes). In institutional terms it offers the possibility of deepening linkages between the EU (DEVCO) and the European Development Banks (EIB & EBRD). Blending also offers possibilities of further collaboration with regional development institutions such as the African Development Bank (AfDB) and the Development Bank of Southern Africa (DBSA).*
- Engagement in the transport sector should be limited to : providing support to the preparation of studies (diagnostic studies, Transport Master plans and Investment plans) and bankable projects (pre-feasibility and feasibility); providing support to transport sector reforms and good governance (national

programmes for improving maintenance systems, planning and execution of budget, institutional capacity building, processes for eliminating overloaded traffic and illegal barriers, trade facilitation, etc.) in the form of SBS, grants and technical assistance; promotion of infrastructure investments by combining EU grants with loans from public financial institutions and the private sector in order to achieve a leveraged development impact.

*Comment: It is not clear whether this restriction refers to all countries or only to those countries continuing with transport as a focal sector. Blending has significant potential in the transport sector but there are doubts about the economic viability of investments in transport sector infrastructure when applying conventional justification criteria as low traffic volumes do not generate adequate EIRR. Deficient maintenance also presents risks to viability (see below).*

- Before engaging in the transport sector, the EU insists on commitment from political leaders in carrying out the necessary reforms and pursuing key policy issues which would improve the efficient use of transport infrastructure and increase the efficiency and competitiveness of the infrastructure industry.  
*Comment: Such commitments have also been agreed under previous EDF support programmes, but delivery of such commitments has been poor. It is difficult to see how conditionalities could be applied in this situation as non-delivery of such commitments would only be manifest after construction (i.e. after termination of the blending project agreement).*
- An essential element in deciding to engage in the transport sector must be to obtain a clear picture of the influence of third countries in this sector.  
*Comment: In this context it is understood that reference to unspecified 'third countries' refers in fact to 'new' sector donors such as China. A 'Country Donor Matrix' has been a feature of recent CSPs setting out declared levels of support, added value and focus (e.g.: finance & trade; governance; human development; productive sectors) of all cooperating donors. 'New' donors are notably absent from such matrices having declined to participate. Thus, the 'picture of influence of third countries' is unlikely to be clear unless there is a change in the transparency and coordination strategies of such third countries.*
- Transport shall be considered for Regional Programmes, especially in the context of regional integration. For Africa, due consideration should be given to the regional transport corridors in general and the PIDA priorities projects, in particular. The regional transport programmes should include two components: the first managed by the RECs or other regional entities such as the Transport Corridor Authorities for harmonisation of regional procedures, regulations and standards and the second managed by DEVCO (for example the ITF, NIF) for infrastructure financing.  
*Comments: There are doubts about RECs' capacity for programme management (thus implying a continuing need for strengthened governance and technical management capacity building of RECs).*

- Intra-ACP and Pan-African programmes could include transport programmes at continental level: typical examples are the programmes supporting infrastructure networks and initiatives such as the Infrastructure Consortium for Africa (ICA), Sub-Saharan Transport Policy (SSATP) programme, UN-Habitat, European Global Navigation Overlay System (EGNOS) etc.  
*Comment: In principle blending initiatives are likely to support major capital investment in projects at national and pan-national levels that are compliant with such intra-ACP and pan-African programmes*
- Trap of any 'phasing out' ideas should be avoided. The infrastructure project cycle from identification to evaluation of the tender takes on average 7 to 8 years. If another 4 years is counted for the construction (under assumption of no technical or legal incidents), deciding to continue road projects in the next programming cycle would keep the EU involved in transport sector projects until 2030.  
*Comment: 11 countries are continuing with transport as a focal sector under 11th EDF (including some countries initially denied such continued focal sector support but which were reinstated following protest). Application of the guidelines for the 11th EDF will anyway continue the EU involvement in the (rural) roads sector as a major component of other Focal Sector programmes (e.g. agricultural development) in some countries no longer continuing with transport as a FS..*

**Benin:** Transport sector partners and stakeholders are not associated to EDF-11 dialogue or consultation.

**Senegal:** The 11th EDF programming was the subject of a dialogue fruiting between actors and information relating to the judgment of the EU financing in the sector of transport (in the PIN) was well distributed. However, there are upheavals which resulted in other changes that to this day are not well identified.

**DRC:** Les autorités de la CEEAC et de la CEMAC se sont concertées avec les Chefs de délégation de l'UE de Libreville et de Bangui pour finaliser le document du PIR 11<sup>ème</sup> FED.

#### **Questionnaire responses 31 & 32 (REXC stance on EDF-11) :**

- ECOWAS MS were consulted in Ivory Coast meeting
- Transport sector is still a very key sector in the region; the REC continues to work towards this as their priority. This is evident in their initial lists which were skewed more towards transport sector. This is because transport infrastructure is still largely a public development arena with minimal private sector investments
- ECOWAS and UEMOA did express their wishes during a regional workshop in Brussels

***Indicator 7.5.2. Evidence of consultation with sector stakeholders (donors and funding agencies, national governments and regional organisations).***

Consultations with sector local stakeholders are still taking place in many SSA countries for EDF11 programming, on the same footing as for the two previous EDF programmes. Consultation schedules and sometimes contents are often recorded in RIPs/NIPs annexes. Their existence is confirmed by the stakeholders themselves<sup>353</sup>, who are also involved in regular policy dialogue meetings of thematic groups organised by the donors' coordination.

Strong coordination among donors developed during the evaluation period in the transport sector, following the Paris Declaration on aid effectiveness (2005) and subsequent agreements. The EU assumed a leadership in this respect in most SSA countries, linked to the large EU sector support allocations since EDF6 in financing road infrastructure. In many cases, linking road investments to policy dialogue and commitment to reform, particularly reform of road management and maintenance systems, was instrumental in bringing national governments to the negotiation table. EUDs progressively acquired know-how, authority and leadership in policy dialogue. Typically, RECs were not represented in transport policy dialogue platforms at country level.

The EU systematically holds formal and informal consultations with all institutional donors and funding agencies. In some countries, notably fragile countries like Madagascar, Mali, etc. this coordination led to joint policy statements among the major donors, which proved to be strong signals for governments. During the evaluation period, all the main institutional donors, including EU Member States, increasingly shared the very same reference transport sector policy framework with a focus on road maintenance (as against road network extension) and institutional reform intending to restrict involvement of the ministries and the politicians into procurement of construction and maintenance works by creating autonomous and auditable road funds and road agencies. Consultations among donors were mostly focused on tactics for engaging governments in sector reforms, and sustaining them, without distorting the new systems to suit the needs of political patronage.

The EU has failed, despite recurrent attempts, to associate new, powerful bilateral donors, and in particular China, in donor consultation and coordination. Similar efforts were developed with other new potential contributors, such as mining companies, with more success (Guinea).

Against the close coordination with institutional donors and member states, the phasing out with EDF11 from a pivotal role of the EU in policy dialogue and consultations with country stakeholders to a more silent role in sector division of labour was neither anticipated nor announced. The sector leadership is in principle passed on to the sector donor volunteering and having the best position and qualification to facilitate and lead policy dialogue. In most cases, leadership was taken over by the AfDB, though without suitable preparation or the required level of experience, authority and expertise<sup>354</sup>. The EU is keeping for the moment a key role in policy dialogue, particularly in countries where some involvement in

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<sup>353</sup> In Country-level evaluations.  
<sup>354</sup> AfDB 2013, *ibid*.

the sector could be kept. The abrupt move of the EU with EDF11 might further postpone outstanding urgent reforms in the transport sector.

**Benin:** Transport sector partners and stakeholders are not associated to EDF11 dialogue or consultation.

**Senegal:** The 11th EDF programming was the subject of a dialogue fruiting between actors and information relating to the judgment of the EU financing in the sector of transport (in the PIN) was well distributed. However, there are upheavals which resulted in other changes that to this day are not well identified.

**DRC:** Les autorités de la CEEAC et de la CEMAC se sont concertées avec les Chefs de délégation de l'UE de Libreville et de Bangui pour finaliser le document du PIR 11<sup>ème</sup> FED.

### ***Indicator 7.5.3. Role of regional organisations in management structure of RIPs.***

During the evaluation period, as developed already in JC 7.2, management capacity of RECs remained low despite repeated EU-financed support to training and technical assistance. The institutional architecture differs among regions but even in East Africa where there is no shortage of regional institutions, they are of limited effectiveness because of overlapping memberships, weak technical capacity, and limited enforcement powers<sup>355</sup>.

REC responsibilities do not match their financial and human resources, one of the main reasons being the lack of adequate funding from the member states to allow recruitment and staff training. EU regional programmes considered in EDF11 will imply establishing PMUs with RECs, against the various commitments of the aid effectiveness agenda.

### **Selected observations of EUDs on issues considered to be significant to EU support at regional levels:**

- While the existing structures at Regional and national levels maybe challenging to work with it is important that for sustainable development we don't have created or abandoned existing systems that are already being self-financed in order to suit our needs. In this regard the way we structure our support is important as it can indirectly imply unsustainable changes
- Regional Transport sector is a real challenge that EU should take up with enthusiasm and expertise.

<sup>355</sup> Ioannis N. Kessides 2012, Regionalizing Infrastructure for Deepening Market Integration - The Case of East Africa ; World Bank Policy Research Working Paper n°613.



## EQ8. Selection, planning and prioritisation of EU support to infrastructure investment

**EQ8: Were selection, planning and prioritisation procedures for EU transport sector support interventions in Africa adequate to ensure quality and focus of EU responses?**

**Judgement Criterion 8.1 - Selection of physical interventions has been subject to a process of consultation, feasibility study and justification of investment.**

Selection of physical interventions has been subject to a process of consultation, feasibility study and justification of investment, and programming decisions were taken with a full understanding of the shortcomings of road infrastructure maintenance. In line with Cotonou Agreement, most consultations guiding decision-making are held with governments, and specifically with the ministries of transport and/or public works and agencies. Populations of the catchment areas, transporters and other end-beneficiaries are consulted only incidentally, during socio-economic surveys. They were not given a say in the decision to invest but were increasingly involved during the evaluation reference period to the design of small facilities for villagers as accompanying (mitigation) measures. Aligning regional and national transport master plans became key for EU decision-making over contribution to support infrastructure projects, notably due to an increasing gap between the mobility needs of the population and the national economy, and the decaying trunk road networks.

Feasibility studies and detailed designs are systematically undertaken, generally by EU firms. Quality of studies is recurrently questioned by EUDs and governments, while engineering firms are questioning the small amount allocated to such studies by the EU. Contractors have also pinpointed poor quality of technical design to justify claims, which are a common practice in the construction industry. Speculative and aggressive claims practise by contractors is often not controlled due to lack of technical expertise/experience of supervision, EUD, NAO or national agency (aggravated by the corruption issue in settlement of claims). Engineering firms (as well as contractors) are facing on their side a shortage in qualified expertise with experience in SSA but still managed to remain competitive in this limited niche market.

EU feasibility studies include an economic analysis of the opportunity cost of the proposed investment. Economic Internal Rates of Return (EIRR) are systematically calculated in 2-3 more or less optimistic scenarios. In practice, for major roads, EIRR is often calculated with HDM 4 which has been demonstrated to have serious limitations when applied to low traffic and informal haulage with old trucks, which is the common feature of most SSA countries (although increasingly less so in Southern and Eastern Africa). The results of EIRRs have therefore been systematically over-estimated by HDM, all the more so as traffic projections and maintenance perspectives were already unrealistic. Economic analyses, rather than being used, as intended, for prioritization and selection between alternative routes or designs, became a formal step in justifying a pre-decided investment. The plea that many paved roads upgraded with EU funds

during the reference period are far below a 'rule of thumb' minimum of 500 vehicles/day for a positive economic return was confirmed by country case studies.

Potential lack of maintenance of EU funded road construction works was completely foreseeable for EU staff, based on their excellent knowledge of the state of affairs of the road maintenance system. Shortcomings were systematically acknowledged during preliminary studies or in master plans. Even if not elaborated in detail by the EU itself, other donors shared similar studies/findings. The historical background of unfulfilled government commitments to adequate maintenance of previous transport infrastructure projects was hardly misleading. In some cases, decisions to launch a transport sector programme were postponed until obtaining more convincing government commitments (Cameroon<sup>356</sup>, Senegal) but most often the mutual interest in expediting disbursements significantly weakened the EU's position in meaningful policy dialogue.

There is no evidence collected that disbursement on a road infrastructure project was stopped or suspended because government commitments did not materialize. Tranche indicators in sector budget support programmes increased EU leverage on its national partners' decisions but to a certain extent only and mainly with highly aid dependent countries where a few dozen of million euros actually matters for macro-economic stability, which is no longer the case in Northern and Southern Africa, for example.

***Indicator 8.1.1. Evidence of robust feasibility studies including consultation with beneficiaries and persons directly impacted (e.g. population of 'catchment areas', transport operators, landowners)***

Feasibility studies are undertaken for all infrastructure projects in EU-supported transport sector interventions. They are externalised, depending on the amount, either through international bidding (common case) or through framework contracts selection procedures. For international bids, national/regional agencies or ministries are in charge of the procurement process, including evaluation of technical and financial offers and recommendation of contract award to a selected bidder. EUDs monitor the process, generally as an observer during the evaluation, and eventually provide – or not – a non-objection. In SSA, and particularly in Francophone Africa, the market of EU feasibility studies is not highly competitive. Bidders are usually the same 4-5 companies with a HQ in EU, some being linked to major infrastructure construction groups. Local engineering firms are excluded from major bids. Due to the financial and technical capacity required by FIDIC rules for participating to EU international procurement, they can compete only for relatively small, low value infrastructure works or through joint ventures with majors.

Unrealistically low budget provision for feasibility studies, technical designs and environmental assessments in EU financial breakdown at project/programme

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<sup>356</sup> Particip 2013, Cameroon Country Level Evaluation; Evaluation Unit, DEVCO.



level often precludes high quality inputs and therefore opens the door for time and cost overruns and much additional administrative work for EUDs. The low degree of price emulation on EU feasibility studies is important because price, and thus number of work-days available to engineering firms to conduct field missions, data collection, analysis, and reporting, is at the heart of the argument between EUDs and firms. EUDs and national authorities are claiming that feasibility studies, detailed designs and other elements (estimated financial envelop in particular) of procurement dossiers are poor while they regard standard estimates for studies (1 to 2% of the total investment cost, including identification, feasibility, technical design and procurement dossier) and supervision (5%). Subsequent issues with international contractors selected for the construction works are presented as flowing from these weaknesses: higher global and unit prices than in the Engineer's estimates, often followed by time and cost overruns, with an increasing number of claims (cf. 1.8.2.2 below). On the other hand, major engineering firms are claiming that the budget envelope set by the EUDs for feasibility studies has reduced over the reference period to the point that it became impossible to conduct technical surveys and economic analyses in a proper way that would minimize subsequent risks of cost and time over-runs. It is not to arbitrate in the framework of this evaluation but the shared assessment here is that EU feasibility studies are not robust; at least not robust enough to prevent serious contractual risks linked to the specific environment of constructing transport infrastructure in Africa but also are not providing convincing justification of the socio-economic relevance of projects.

Feasibility studies are, in EU project cycle, about justifying and designing the project. Justification is mainly sought from economic analysis (cf. 1 8.1.2 below) using EIRRs, beyond general considerations about roads as a contribution to development. Consultations with populations of 'catchment areas'<sup>357</sup>, transport operators or adjoining landowners are not part of it (unless for calculating financial compensation<sup>358</sup> of damages or land appropriation induced by construction works). In the EU partnership rationale, the fact that a project was retained in a regional or national master plan, and supported by the government, suffices. As EUDs are involved and influential at all stages of the local planning-programming process, they are not looking for a review of the relevance of the prioritization process. Feasibility studies are no more than a stage leading mechanically to technical design, as per FIDIC rules. They are followed afterwards by Environment and Social Impact Assessments (ESIAs) to cover environmental issues and, increasingly over the reference period, to accompanying measures (road widening, pavement of market places, stairs to access rivers) to improve ownership of the constructed infrastructure by villagers.

**Senegal:** The selection and prioritisation of national or regional road infrastructure projects are done by HDM 4. Projects with higher IRR are firstly selected.

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<sup>357</sup> Populations directly benefitting from the project for increasing mobility, access to basic services or yields. Typically, villages at 5 to 10 km on both sides of a trunk road.

<sup>358</sup> The national government is responsible for compensation (and utilities) – often they don't pay or there are long delays and the process can be tricky, opaque and corrupt.

**DRC:** La définition des priorités du PDCT-AC était réalisée par une méthode multicritères. Cette approche a permis de définir les projets de première, deuxième et troisième priorités. Les investissements actuels se concentrent sur les projets de 1ère priorité.

***Indicator 8.1.2. Adequate economic and social justification for capital investment (e.g. EIRRs, ESIA) with prioritisation among 'short-listed' candidate projects (reflecting national or regional priorities).***

Even for grant-funding, EU expects feasibility studies to provide economic justification for capital investment, using the Economic Internal Rate of Return (EIRR) model and thus applying the same principles as WB, AfDB and other Financial Development Institutions (FDIs). EIRRs are not used to prioritize a list of candidate projects or alternative designs, which is their conceptual utility. They are wrongly taken, if they reach the golden threshold of 12%, as an economic justification in itself of the project.

Feasibility studies for road infrastructure use HDM 4, initially a WB software now commercialized by PIARC, for calculating EIRR<sup>359</sup>, which takes into account various parameters/hypotheses about cost (of the investment), traffic volumes, vehicle operating costs and adequacy of maintenance, all true variables for an investment's economic rate of return over an assumed economic design life of the infrastructure. The WB itself has evidenced<sup>360</sup> at least as far back as 2008 that HDM systematically overestimates EIRRs when applied to SSA, particularly when the freight fleet is old and traffic low as it is the case in West and Central Africa – a little less so in Southern and Eastern Africa where truck fleets are in better conditions. North Africa is closer to the situation hypothesized by HDM's in-built parameters applied to the calculation of vehicle operating costs (VOCs). Only a careful (and costly) calibration<sup>361</sup> of HDM 4 to the national context can bring EIRRs closer to expected results, which is rarely undertaken and would need regular updates<sup>362</sup>.

Hence, structurally overestimated EIRRs were introduced into EU feasibility studies (as for all other donors) since the 80s, without reconsideration during the reference period. This bias was increased by the poor quality of traffic data and the overestimation of traffic forecasts, generally to fit with the 12% threshold. Other hidden distortions can be introduced into HDM analysis to come to the desired result, notably using data for new trucks as an input<sup>363</sup>, integrating external economic benefits linked to increase in agriculture and trade volumes associated with accessibility. New software were developed by the SSATP and other agencies to adjust to the context (or to low traffic roads) but they are not in use in EU feasibility projects. The key issue is not however about analysis tools but about process: feasibility studies present a maximum financial envelop to which a design is adapted, and to which a 12% EIRR is required for the

<sup>359</sup> Fundamentally, EIRR is a tool to prioritize between alternative routes, not a per se justification of investment.

<sup>360</sup> Teravaninthorn and Raballand 2009, Transport prices and costs in Africa; A Review of the International Corridors; WB.

<sup>361</sup> Cf. IMES 2014, Configuration and Calibration of HDM-4 to Nigerian Conditions; GoN.

<sup>362</sup> "Such analysis is, in most countries, done with the HDM-4 model, although country-specific trucking data are sparse. As a result, generic data with many assumptions are used in such model simulations. Teravaninthorn and Raballand 2009.

<sup>363</sup> Teravaninthorn and Raballand 2009.

investment to be supported. There is no evidence in EU records that a road project agreed with the government and provided with a budget allocation by the EU was cancelled due to a low EIRR; conversely there are a number of paved roads rehabilitated or constructed with EU support (and other donors, including AfDB<sup>364</sup> and the WB) with far less than the 500 vehicles/day (AADT) that is 'a rule of thumb' among practitioners to come easily to a positive Net Present Value (NPV) with HDM and thus the economic and social justification for the capital expenditures.

The EU move during the evaluation reference period from a plain use of EIRRs to alignment to regional and national planning and programming documents (where EIRRs are, at best, one among several criteria of a multi-criteria prioritization) minimized the potentially detrimental effects of using inappropriate tools for top-down internal largely administrative decision-making procedures. The regional or national planning exercises imply more consultations and more politically-backed decisions than micromanagement of the project cycle by EU services.

**Questionnaire responses 85 (are EIRRs appropriate measure of justification?):**

- Cost-Benefit Analysis are not always able to integrate all social and environmental variables. Very often they are distorted in order to justify the project. Cost-Benefit Analysis are single project tools but do not allow for comparing different options of funding. Sometimes transport projects with higher EIRR are neglected because of political considerations.
- Economical studies before approving investments
- Measurement of economic and social impacts of capital investment are also important. EIRR must not be the only criteria for the justification of an investment.
- Criteria for capital investments in the transport sector should not be only economic
- Economic and Financial analysis is a useful tool that contributes to decision making process. When I was in Ghana, we combined this approach with social and environmental indicators. The multi-criteria grid produced was in my view more relevant than the only economic approach traditionally used.
- In some cases, technicalities cannot justify an investment only based on a poor EIRR, but in real life, the game changer is just that project with a low EIRR, if we are in a potentially rich but remote area. The baseline data (eg number of trucks per day) may be misleading
- EIRR is just a tool that highly depends on the quality of data and assumptions that can be done. In developing countries, quality of data is usually weak.
- It should be performed but, as far as we know, it is not, even for main transportation corridors such as national routes
- It depends on the type of investment and what the objectives are. For ports, airports, and regional or major corridors, the EIRR is well suited to justify the investment. For some rural roads, roads providing access to remote areas, security roads etc., the EIRR is not appropriate and needs to be replaced by other indicators.

<sup>364</sup> AfDB 2013, Transport in Africa – AfDB's Intervention and Results for the Last Decade ; OPEV.

- It is a powerful quick indicator, if well calculated
- Les considerations tels que le desenclement des zones et le developpement du territoire dépassent l'approche purement économique que quand même est appropriée.
- Pour un pays enclavé comme le Niger les connexions internes et avec l'extérieure sont essentielles pour garantir la gouvernance même si la rentabilité d'entretenir certaines de ces connexions n'est pas toujours justifié d'un point de vue purement économique.
- This is a good tool to assess the economic benefit of a given project, and to prioritise amongst several possible interventions.
- TGV
- There are various degrees of subjectivity and analysis in carrying out an economic and financial analysis. Better would be to take into account social, non-quantifiable issues since the outset

***Indicator 8.1.3. Evidence of studies to confirm adequate national capacity for operation and maintenance of infrastructure assets for designed economic life (i.e. delivery of national government commitments; adequate technical and financial capacity).***

EUDs are systematically in close contact with ministries and agencies in charge of transport infrastructure and services management. They have developed an excellent and up to date knowledge of their sector counterparts first in dealing with practical issues of project management, then with decision-makers for policy dialogue. The Heads of infrastructure in EUDs, notably the ones met during the country case studies, are perfectly aware of capacity shortcomings for operation and maintenance of infrastructure assets, with a direct access to data available locally.

This knowledge is backed by the various studies, reviews, monitoring and evaluation reports delivered at the various stages of formulation and implementation of projects and sector programmes. EUDs have also a direct and systematic access to similar deliverables prepared by other development partners. With local personnel in EUDs, they have access to the historical record and are thus well aware of governments' performance regarding previous commitments – and demonstrated EUD leeway in case of dismissals and postponing strategies.

EUDs can also use the Technical Cooperation Facility for specific studies.

In brief, EU services in Brussels as in Delegations were, during the evaluation period, well informed of shortcomings regarding operation and maintenance of transport infrastructure in all Africa regions. This in-depth knowledge is acknowledged by all donors involved in the transport sector, even if not explicitly noted in working papers, articles and communications influencing transport policy development debates and discussion platforms. SSATP, a largely EU-financed dedicated facility, is kept strongly anchored on World Bank's staff expertise<sup>365</sup>, through WB task managers and WB procurement rules.

<sup>365</sup> EU 2011, Mid-term Review of SSATP.

### **Questionnaire responses 87 (adequacy of national capacity and resources):**

- In most of the countries where I have worked directly or indirectly (Central Africa, West-Africa, Horn of Africa) investments for new roads are considered as more politically attractive than maintenance activities. The visibility is often prevailing on more appropriate technical and financial considerations, leading to an unsustainable road network.
- Acting sometimes by just tribal needs
- Les ressources existent, les capacités sont faibles mais pourraient être mobilisées, malheureusement aucune volonté politique et organisationnel ne permet un entretien efficace des infrastructures de transport
- No second generation URF, no right balance between resources for investment and resources for operation and maintenance (O&M); institutions responsible for operation and maintenance are understaffed, lack equipment, and are not well trained to implement the O&M measures timely and to satisfactory quality.
- In the specific case of Guinea-Bissau, both the capacities & the resources are very low
- Obviously if capacity and resources were highly efficient, there would be no need for our cooperation. However, the support to be provided to Transport Sector administration can be twofold: either a support in terms of competence of the stakeholders (quality) or in terms staff number increase (quantity). In Mali, people of quality exist and they can be enough. The issue could have to do with (i) organisation of their workload by their hierarchy and (ii) financial incentive for these competent agents.
- Few resources collected, allocated based on political interference and poor procurement rules, continue to have a negative effect on the state of the roads
- There is still a long way to sustainability of the sector.
- Adequate capacity but inadequate ressources
- A generational renewal is needed, as also a réforme institutionnelle des agences impliquées
- There are high resources but no capacity
- The capacity is variable. At the national institutions and in the capital, the capacity and resources are good. However, this is not always the case at the decentralised level.
- Limited resources, role of institutions sometime unclear, high turn-over
- Les ressources financières et les capacités des institutions sont faibles
- Financement et capacité de l'administration insuffisants
- The choice-menu is not very elaborate: I would say the capacity is adequate but the resources are not.
- HR is adequate, funding is missing.

### **Judgement Criterion 8.2. Intervention design and construction is compliant with best technical practices, standards and quality control.**

Compliance with good contract management and technical practices improved during the evaluation period linked to decentralization of EU cooperation and the rise of Finances & Contract sections in EUDs. The latter standardized

procurement and contract management, providing a useful backing of the technical staff. Decentralized EUDs have ensured their increasing responsibilities at technical level by hiring highly qualified local staff. Even if counterbalanced by an ever-increasing administrative and reporting workload, these changes led to a better follow-up of externalized tasks and contracts.

However, increase in standardization was at the cost of less flexibility for adjusting to a non-conventional environment (weak institutional capacity, corruption) for best technical and managerial practices taken from developed countries.

Improvement in EUD capacity to manage contracts and supervise works in the transport sector was not shared by national administrations, which have remained the weak link despite heavy and perennial EU-funded technical assistance.

The EU acknowledged recurrent shortcomings in technical practices, standards and quality control as well as the lack of maintenance after construction/rehabilitation and is exploring new ways for implementing road infrastructure projects by combining design and supervision or implementation, and implementation and maintenance over an initial period of time.

***Indicator 8.2.1. Existence and application of appropriate (1) design standards (manuals), (2) procedures (guidelines) for competitive procurement of works and services and (3) contract management (contract formats in accordance with international norms).***

The decentralization process of EU development cooperation, reinforced over the reference period, ensured a standardization of procurement of works and services and subsequent contract management. Establishment in EUDs of a Finances & Contract Section as a focal point for procurement increased safeguards of a proper use of EU tax payers' money devoted to development cooperation. However, increased procedural standardization and application of competitive rules inspired from construction management systems in EU (procurement, international best technical practices, standards and quality control requirements) was at the cost of less flexibility for adjusting to the highly specific environment of development cooperation in Africa. Key characteristics are (i) weak national institutional capacity, (ii) limited technical expertise in EUDs and (iii) a structural shortage of high quality expertise in engineering firms and framework contractors. Some EUDs surveyed during the field mission (Senegal, Madagascar...) overcame uncertainties in hiring qualified expertise through general framework contracts by tendering targeted framework contracts at their level, tailored on their needs (mainly technical and financial auditing but also monitoring).

Appreciation of the appropriateness of design standards for infrastructure works is the weakest link in EU decision chain. As stated in I.8.1.1, work design is outsourced to engineering consultancy firms, most of them based in EU. They are required and expected to be able to apply the International Federation of

Consulting Engineers (commonly known as FIDIC, acronym for its French name Fédération Internationale des Ingénieurs-Conseils) standards that are spelled out in detail in technical and contract manuals<sup>366</sup>.

***Indicator 8.2.2. Supervision of construction works in accordance with stated (international) norms.***

Supervision of construction work is the strong point of EU-financed infrastructure projects. Even after opening eligibility to bid to all companies (subject to EDF conditionalities regarding experience, financial situation etc), without origin requirements, under the 10th EDF, EU engineering firms are still predominant in this market. Costs are cut by recruitment of engineers and technicians from other African countries, sometimes with limited qualifications and professional experience. There are records of failed supervision missions (Benin, Senegal) in EU projects requiring replacements of team leaders and experts; often weaknesses are notified late by contracting authorities and agencies to EUDs, inducing room for cost and time overruns leading unavoidably to contractors' claims.

A common issue has been lack of capacity in transport sector institutions to monitor and control contractors' performance by way of supervision missions and site inspections. There has been a continuing loss of experienced personnel by sector institutions during the evaluation period by lack of projects financed from national budgets and increasingly poor conditions of service in public sector from the 80s, EU construction projects were opportunities of on-the-job training for staff in ministries or agencies. These opportunities were rarely taken up.

The opinion collected during field missions with local contractors and other stakeholders not directly involved in contract management is that corruption (bribes to politicians and agents in charge of the bid and the contract management) and collusion (between contractors and supervisors) is increasingly systematic in road works with the degree of withdrawal of EUDs in management.

***Indicator 8.2.3. Evidence that the necessary technical capacity to manage international procurement and implementation of construction works was available in EUD and national agencies.***

Applying FIDIC design standards did not in itself guarantee appropriate designs in SSA the context. Engineering firms are increasingly facing issues in recruiting qualified and experienced engineers for feasibility studies and work supervision missions in SSA countries. Young professionals – and the international firms themselves - trained in the EU are attracted by more remunerative and less difficult markets in the EU itself but also in the Middle-East and Asia. Firms are hiring on a temporary basis engineers from SSA countries themselves, with

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<sup>366</sup> FIDIC is best known for its range of contracts that includes the: Dredgers Contract; Short Form of Contract; Construction Contract; Plant & DB Contract; DBO Contract; and EPC/Turnkey Contract. FIDIC also publishes the Client/Consultant Model Services Agreement together with the Sub-Consultancy Agreement and the Joint Venture Agreement. FIDIC publishes the MDB Harmonised Edition of the Construction Contract that is used by Multinational Development Banks including the World Bank for their projects.

uneven qualifications and work experience and limited managerial support. Checking the quality of design studies became critical while there were limited capabilities for it: on one hand, public work ministries' staff are lacking practical experience and are often trapped in corruption practices<sup>367</sup> that does not allow an objective assessment of the respect of technical specifications or qualification of a bidder; on the other hand, personnel in EUDs sometimes do not have the corresponding technical background nor the practical experience, even if to the possible extent 1 or 2 monthly visits of worksites are organized. The increasing recourse to technical audits helps but cannot be extended to all EU transport sector projects.

**Senegal:** The costs of construction and/or rehabilitation of roads know fluctuations depending on donors.

However it is established that in Senegal the kilometre cost of construction is approximately 150 million CFA Francs, the kilometre cost for periodic maintenance (rehabilitation) is approximately 125 million CFA francs.

**Mozambique:** The most recent EU project (Mocuba-Milange II) has actually seen lower unit rates than previous procurement, which may have something to do with a greater number of bidders. It remains to be seen whether there is a similar improvement regarding time and cost over-runs and claims but anecdotal evidence from other sector projects (not EU) suggests continuation of previous practices by contractors (i.e. claims-based approach to 'bidding low').

**DRC:** Ce travail n'est pas encore fait dans la zone CEEAC-CEMAC en attendant la mise en place des observatoires de transport dans les corridors de l'Afrique centrale.

#### ***Indicator 8.2.4. Works delivered on time and within budget (no claims).***

Time and cost overruns are common in EU-supported construction projects in all Africa<sup>368</sup>. Technical explanations for delays and overruns include imperfect forecasting, inadequate data, poor design and estimation of quantities and honest mistakes due, for example, to a lack of experience with infrastructure cost forecasting or with forecasting costs for certain types of infrastructure.

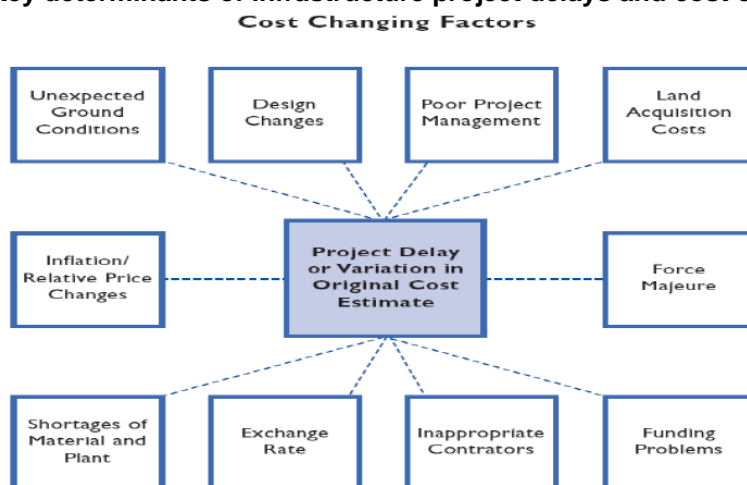
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<sup>367</sup> Cf. [www.constructiontransparency.org](http://www.constructiontransparency.org).

<sup>368</sup> They are common in all large infrastructure projects in EU and the rest of the world.



## Key determinants of infrastructure project delays and cost overruns



Source: European Commission DG XVI (1998), 'Understanding and Monitoring the Cost-Determining Factors of Infrastructure Projects', A User's Guide, Brussels.

External Aid Monitoring Reports (EAMRs) prepared annually by EUDs for HQ follow-up are providing recurrent and systematic reports on issues faced with contractors linked to shortcomings in contract management, lack of respect of technical specifications or construction schedule... A general study for Africa of factors of cost and time overruns in EU projects is not yet documented but a number of such studies have been carried out at national level eg Mozambique, Malawi. The Court of Auditors special report confirmed the usefulness of such survey. A similar study undertaken by the AfDB<sup>369</sup> brought valuable insights in the vicious circle of prices hikes in transport sector development aid.

Claims are a normal practice in the construction industry but appear to become in many instances speculative when dealing with the EU projects<sup>370</sup>. EUDs are increasingly hiring experts for claims settlement but some expressed the need for more support from HQ in this respect. Professional background of EUDs staff in Infrastructure sections appeared unevenly adequate in most country case studies to tackle such highly technical process, with significant amounts involved.

### Judgement Criteria 8.3. Consideration was given to support all transport modalities (not only roads)

EU support integrated all transport modalities in supported national/regional transport master plans, as well as the inter-modality issue. Late during the evaluation period, in consultations with government officials, the EU encouraged supporting other sub-sector and other approaches than road network upgrading. This diversification did not take place, unless occasionally (Senegal, DRC).

<sup>369</sup> AfDB, Study on Road Infrastructure Costs: Analysis of Unit Costs and Cost Overruns of Road Infrastructure Projects in Africa, 2014.

<sup>370</sup> Most donors have similar problems. Cf. for example AfDB 2013, Transport in Africa – AfDB's Intervention and Results for the Last Decade; OPEV and case studies at [www.constructiontransparency.org](http://www.constructiontransparency.org).

In some rare cases along regional corridors, EU considered financing intermodal facilities such as river ports in Brazzaville and Kinshasa. To-date, none of those initiatives materialized.

These attempts were generally defeated by the high priority given by governments to roads – and the lack of an alternative development partner with corresponding resources. The recent rise of unconventional bilateral donors like China is modifying this pattern and often singularly weakens EU capacity to contribute to sector structural reforms.

**Questionnaire responses 89 (why EU support almost entirely to roads?):**

- It is the choice of national Governments. The road subsector is more poverty alleviation linked. The road subsector is less attractive for loans or private funding.
- Probably for historical reasons; EU has invested a lot of resources in road sector since the beginning of EDF interventions and has automatically developed a recognized know-how in the sector. However, in future interventions a more holistic approach should be adopted considering the transport sector as a whole and focusing more on intermodality. Railway, civil aviation, ports and logistical optimisation should be the key issues to be tackled in the future, as all the existing analysis shows that lack of infrastructure is still the major problem for Africa's growth and competitiveness.
- Don't know
- Manque d'intérêt des gouvernements pour développer le transport multi-modal. Facilité d'intervention et d'obtention de résultats
- I do not know au Congo une grosse partie du support ou appui concerne la navigabilité donc cette question n'est pas très pertinente.
- Because it is government's priority although the situation is changing and GoU has started now to move away from a road focused transport system to multimodal transport strategy (with support from EU and other DPs).
- Because rail, ports and air transport are more often commercially run and the place for grants is limited. also the financial needs are usually too high for the EU
- Because of expertise and resistance to change
- It is the most demanding sector (in terms of grant subventions) where private investments cannot be induced except when toll roads are within technical exploiting possibilities
- Road transportation represents often 90% of all transport modes in a given African country. A support to this subsector is therefore probably necessary. It is worth noting too that this is not a profitable subsector where private partners would be keen on investing. As regards other modes of transportation, I would tend to say that: - for railway: we provide support for studies or process facilitation but investment in the Infrastructure goes far beyond our means (contribution to Dakar-Bamako railways is foreseen under RIP EDF 11 though) - for aviation: we worked together with DG MOVE to support Ghanaian administration - even though not to the extent of what was done in Zambia. Aviation is dominated by the private sector and EU support would not be significant in terms of investment, - for maritime: we tried to support Ghana Ports and Harbours Authority but it was rapidly clear that EU

intervention was not welcome in an environment of prosperous vested interests... - for river transportation: volumes are not very competitive and the impact of our aid would still need to be proven.

- It makes sense because the road is the main mode in most countries, and the EU has gained a lot of expertise and experience over the years, compared to air, sea and rail, which tend to be operated by the private sector
- Because only the road sector is developing. recently WB, EIB and EU are elaborating an intermodal project on which railway is mainly highlighted.
- In the case of Mozambique it is linked to a national decision on ministerial roles. Overall, it is mostly likely linked to the fact that the road network at its early stages (like in most of developing countries) - as it happened in most of our countries - was publicly financed whereas other modes of transport were likely to receive private funding.
- Because road sector represents 90% of traffic
- Dans un pays comme le Tchad, le transport routier est sans aucun doute est des transports les plus prioritaires.
- Because it's easier to spend a lot of money with 'heavy' infrastructures than with softer measures (like multimodal transportation) and performance of EDF is often measured in terms of amount spent rather than of efficacy
- This is not the case in Algeria
- Because the road sector is the central mode of transport carrying over 90% of goods and passengers. the other modes such as rail have not been managed properly over the last 3 decades and hence do not lend themselves to EU support until the structural problems have been sorted out.
- I guess (1) more capacity than in other subsectors and (2) road can be a powerful instrument for poverty alleviation
- En generale c'est le secteur avec plus d'impact surtout en terms des dons
- Among others: Government priority; Limited attractiveness for the private sector, which may not be the case for other transport modes (air, rail); EU experience and expertise in the road sector.
- Biggest modal share very important budget needed for rail infrastructure
- Because this concerns the greatest part of the population and especially the poor
- This is not the case in Egypt. The questionnaire is designed for EDF countries.
- Ports and airports do generate income directly, it is logical that it is privately funded. Rail is reviving in West Africa but is mainly managed by big private investors. Road transport is a traditional sub-sector for the EU.
- Because air and maritime transport are perceived as profit generating and self-financing sectors.
- C'est pas le cas
- Because it is perceived as a more equitable form of transport and more flexible to be adapted to local circumstances (i.e. pavement designs, IMT, etc..)

***Indicator 8.3.1. Existence of studies and reports in which consideration of support to transport modalities other than roads was investigated.***

EU-funded transport master plans at regional and national levels cover all transport modes and usually prepared an investment plan for each sub-sector. As a joint programming exercise, RSPs and CSPs are focusing on road infrastructure in response to demands of partner governments due to the longstanding involvement of the EU in this subsector and also the unique volume of spending allowed by EDFs allocation. The bias was long reinforced by the basic fact acknowledged by most EUDs that only investment in road infrastructure allows EU to spend budget allocated under EDF over a 5-years planning cycle.

Studies on transport costs along regional road corridors have demonstrated early during the evaluation period that reducing vehicle operating costs has not the highest value-for-money compared to transport facilitation (cf. I.7.3.2) or reduced port waiting times and costs. HQ services were expecting EDF11 programming to introduce supplementary components to road rehabilitation but exclusion of the transport sector from possible focal sectors in most SSA countries will not allow this change to materialize.

Interventions – though limited to studies and technical assistance - in other transport sub-sectors than road were funded in RIPs, and a few through all-ACP programmes. The ENP North African countries were supported for maritime and air transport in the framework of the extension of Trans-European networks.

**Benin:** Transport is not considered under EDF11 unless for a support to the rural transport strategy/programme.

***Indicator 8.3.2. Evidence of consideration of support to multi-modal transport exchange (e.g. rail/road; waterway/rail).***

Inter-modal platforms are not excluded from EU support to the transport sector but were not a major thrust in prioritizing interventions. A few projects can be identified such as Brazzaville and Kinshasa river ports, which are key for Congo River multimodal branches of regional corridors. Another example is Algeria with the construction of an intermodal platform by the Transport project Phase I.

**Benin:** There was some tenuous signs of increasing interest (study on rail development) but the tendency was stopped by the change of EDF11 focal sector.

**Senegal:** EUD has played an advocacy role for railway-related projects but is facing some political will from the government.

**Mozambique:** EUD personnel have little experience with land transport modes other than roads.

**Questionnaire responses 90 & 91 (expressed government needs for other transport modes):**

- Railway rehabilitation New ports
- Government just wait for new roads

- Fluvial
- Navigabilité et rails (mais moins).
- We are financing a multimodal transport study and 11th EDF will be focused on several modes of transport
- The government expressed a need for EU support to the road subsector and to bridges over the main rivers of the country.
- There is a willingness to benefit from EU support to put back on track development of Dakar-Bamako railway operation.
- The Government expressed need for EU support in ports and airports, navigation safety and so on, at the time we were 'leaving' transport for energy
- Government continuously advocates for EU support in Infrastructure. Historically, EU support has covered mostly all type of interventions in the country.
- Yes for train in Benin and the gave concession to a private company without tendering
- Rail
- EU support is sought mainly for routes, where on other sub-sectors another donors are involved (i.e. WB on railways reform); in fact most of aid just formally descends from national requests but often follows EU vision of local needs
- Railway, ports, air
- Expressed support for ports, airports and less convincingly for pipelines and railway.
- Some support is requested in the Civil Aviation sector (partly addressed within Regional cooperation)
- Developpement des ports
- Implication in the rail sector has been requested
- Rail
- Expressed interest on the port
- Tunnels, metro lines, railways, river transport etc...
- The government has asked the EU to consider the funding for studies in the railway sector for Togo.
- EIB s providing a loan to rehabilitate the runway of the Capital's airport.
- Appui budgétaire réforme des secteur air, terre, mer) mis en oeuvre de 203 à 2010 (96 M Euros)
- Please see other answers, we work in rail, civil aviation and marine, beside roads

***Indicator 8.3.3. Evidence of consideration of partner countries expressed need for support to transport modes other than roads.***

Roads are systematically prioritized by partner countries in SSA in comparison with other transport sub-sectors, and in the road sub-sector, singularly main road network. Rural and urban roads are left to other donors (respectively IFIs and bilaterals).

#### **Judgement Criteria 8.4 - Urban and rural transport infrastructure provision and operation has been appropriately addressed by EU support to the transport sector.**

Provision of rural transport infrastructure was neglected or at least given a low level priority in the EDF9 and EDF10 programmes. Reducing the maintenance backlog of the priority road network was seen as of far higher importance for economic growth through regional and national integration. The scope of maintenance neglect over the last 20 years could have absorbed much more than EU resources. Only in a few projects a balanced approach between support to the trunk road network and adjoining feeder roads was adopted (mostly in Eastern Africa region but initiatives were identified in Senegal and Benin too); in most cases, the funds allocated to rural roads were very limited. New rules imposed on programming under EDF11 have shifted road infrastructure from a transport/regional integration objective to a factor for improved food safety, the first focal sector for most SSA countries in HQ programming guidelines. Under this approach, rural roads are allocated an overwhelming share of the budget, within rural mobility and accessibility programmes.

EU urban transport projects were only implemented in North Africa, either by contributing to infrastructures & services (Morocco, with some blending projects) or technical assistance (Algeria). They are more reflecting the neighbourhood policy approach rather than the cooperation for development approach in SSA. Under the latter approach, the needs for mass transit systems are increasingly seen as a major issue for development but EU financing through grants would face even more complex institutional shortcomings in dealing with local authorities and displacements than support for the inter-urban road network. The increasing involvement of the EU in blending for transport infrastructure might bring valuable changes in this respect.

##### ***Indicator 8.4.1. Evidence of studies examining the different transport needs of rural and urban populations (including studies considering EU support to rural and urban transport in SSA countries).***

There's no evidence (before EDF11 programming) of studies examining the different transport needs of rural populations for guiding the general orientation of EU support to the transport sector in Africa. The option of focusing EU interventions on rural roads was chosen in a few countries, and notably in Benin. In a few other projects, developing feeder roads along the main regional/national trunk road to be rehabilitated was considered (mainly in East and Southern Africa) in recent years. Exclusion of the transport sector from the list of acceptable focal sectors for EDF11 programming is contributing to enhance the level of priority given to rural and feeder road networks, linked to food safety often chosen as the premier focal sector in many SSA countries.

Urban transport was largely ignored by EU programming during the evaluation period. Interurban road networks were given priority based on expected development returns and were able to absorb as much funding as could be made

available. A few exceptions were identified during the field phase (Ziguinchor in Senegal, Goma in DRC) but the projects were more opportunities than the translation of a strategy. Moreover, development expertise in EUDs was historically biased towards rural development urban areas being seen as already privileged (access to basic services) and used mainly by urban elite. Engaging in urban transport infrastructure requires huge budgets (urban roads, mass transit systems, tramways...) and far more complex institutional structures than inter-urban road networks. EU has limited experience in North Africa (Morocco) with the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) funding.

**Benin:** The Cotonou-Calavati suburban road does not evidence capacities specific to urban transport infrastructure. It's a road work.

**Senegal:** The EU should support the development of transport, which will contribute to the reduction of urban poverty that continues to grow. Given the importance of transportation problems at the level of all African cities, contributing to a technical and financial support of the sector would be a good thing.

**Mozambique:** EU support to urban transport was not considered on the grounds that it was over-ambitious in terms of human resources availability.

**DRC:** Le Projet PARAU pour la ville de Kinshasa et Projet de la voirie de Goma sont des exemples de l'appui de l'UE dans les infrastructures de transport urbain.

#### ***Indicator 8.4.2. Evidence of application to Africa of lessons learned from worldwide EU support to urban transport.***

Covered under I 8.4.1 above See I.8.4.1.

#### ***8.4.3. Evidence that EU procedures and/or capacity facilitate support to urban infrastructure investment.***

See Indicator 8.4.1.

**Benin:** The Cotonou-Calavati suburban road does not evidence capacities specific to urban transport infrastructure. It's a road work.

**Senegal:** Senegal: The EU should support the development of transport, which will contribute to the reduction of urban poverty that continues to grow. Given the importance of transportation problems at the level of all African cities, contributing to a technical and financial support of the sector would be a good thing

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## **EQ9. Support modalities, cooperation frameworks, implementation mechanisms and legal instruments.**

**EQ9: To what extent were EU aid modalities, cooperation frameworks and implementation mechanisms and legal instruments appropriate for providing support to the transport sectors of partner countries?**

### **JC 9.1 - There are synergies between different support options (including various financial instruments/approaches).**

The transport sector requires heavy capital investments or technical assistance to meaningfully mobilise other instruments than RIPs or NIPs. Trust Funds such as EU-Africa ITF were established early in the evaluation period (2007); it was operationalized progressively and projects in the transport sector have not yet materialized. Evolution of EU aid modalities in the transport sector was induced by the rapid shift from one preferred modality to the next, rather than from consideration of a strategic mix of various aid modalities according to a complex set of criteria or expressed need. Project, programme, SWAP and SBS approaches were successively adopted and came to coexist due to recurrent delays in EDF programme implementation. EUDs generally succeeded to integrate all interventions into a consistent strategic mix in their dialogue with partner governments, however unintended this might initially have been.

Change from one aid modality to the next did not explicitly come from a risk analysis, whether global or at country level. Change generally evolved from discussions shared over years among the donors community on ways to overcome key issues faced in implementing development cooperation in the transport sector, notably governance-related issues. Changes of EU preferred aid modality can hardly be related to the monitoring of the previous aid modality performance, though the auditing and M&E systems in place within the EU are impressive (European Court of Auditors, DEVCO Evaluation Unit, ROM reporting and project-related evaluations) although to a large extent, they are related to a top-down impulse rather than a learning by doing process (as there appears not to be any systematic dissemination of findings and lessons learned).

#### ***Indicator 9.1.1. Evidence of consideration and analysis of linkages between different mixes of approaches and modalities in support programme design (specific consideration of innovative financing modalities, e.g. blending).***

Over the evaluation period, the EU changes of preferred aid modality in the transport sector, roughly from project approach to programmes, from programmes (i.e. multi-NIP interventions) to sector-wide programmes, then towards sector budget support and, lastly to blending through investment facilities. EUDs were strongly encouraged by HQ at each programming cycle to opt for the preferred approach, when feasible.

The transport sector is not prone to a mix of instruments in Africa. At this stage none thematic budget lines and DCI afterwards was identified as contributing to EU support strategy in this sector. The EU financial contribution to SSATP, a multi-donor Trust Fund dedicated to transport policy development, was a positive

initiative with notable contributions in capitalisation and dissemination of good practices. The high turnover among decision-makers (at ministerial and technical levels) in partner countries prevents however dissemination of information, best practises and guidelines to actually influence buy-in for sector reforms. In West and Central Africa, the lack of ownership of institutional reforms is recognised by interviewees, with the notable exception of Senegal. The road fund – road agency model is more aligned on the Anglo-Saxon administrative culture of Eastern and Southern Africa but there again not to the extent to operationalise and perenialise it.

In normal partner countries ( not fragile or in post-conflict stage) the current mix of aid modalities in the transport sector is not intended as such but rather linked to the fact that projects under the previously preferred modality are yet not closed when projects under the new preferred modality are launched. This happened in Zambia among others with an SBS being launched and implemented when individual road rehabilitation projects were still under construction. The same situation may also be expected with ED11 with delayed SBS ending while construction projects under the blending modality may start.

Typically, when several aid modalities coexist in a given countries, EUDs find ways to optimize synergies of the whole sector portfolio in practice and in programming documents, even if not initially intended. All projects then contributing to enhance EUD weight in policy dialogue as in Ethiopia, Uganda or Benin.

EU aid in the transport sector is more innovative in terms of mixes of modalities in fragile and post-conflict countries such as DRC, Sierra Leone, Mali or Madagascar. In those cases, innovations are not sought in aid modalities that need to be limited to the project approach to fit with low or inexistent capacity of ministries and agencies and high levels of corruption and patronage. Innovations are more connected with a mix of instruments (ECHO, budget lines), institutional set-up (PAR in DRC set in total isolation to the inefficient and corrupt Office des Routes but using the remaining qualified personal) and technical solutions (urgent works in Madagascar; protection of works by military forces in Mali) allowed by the direct management of the projects by EUDs.

**Madagascar:** La gestion par la DUE à Madagascar de la mise en œuvre des actions d'appui a fait l'objet d'analyse et de décisions particulières durant la période de crise politique de 2019-2013.

**Mozambique :** EUD management of concurrent implementation of successive EDF approaches has generally been effective or at least pragmatic as such concurrence has generally resulted from implementation delays of preceding EDF programmes (at least some of which have been outside of EUD control).

**Questionnaire responses 94 (comments on support modalities, cooperation frameworks and implementation mechanisms):**

- Programme estimates have proven problematic
- Partially decentralised implementation modality (beneficiary country is the contracting authority, EU endorses payments) is not adequate in most of

developing countries, leading often to interminable conflicts and discussions with the supervisor and contracting authority with no clear solution as EU is not empowered to take drastic measures (termination of the contract, penalties, recovery orders) without the agreement of the beneficiary. According to the capacities and transparency of the beneficiary country, a direct approach (EU contracting authority) or sector budget support seem to be more effective.

- Sometimes our modalities are too complex to allow a timely, value for money and appropriate implementation. Need to move to alternative contract implementation modalities (Design and build for example). Need to move to results based oriented programmes/projects.
- None
- No donor except EU has considered the option of providing SBS in the transport sector.
- EU SBS to the road sector was combined with project support to road investments. The advantages of having the two are mostly to benefit a better and more comprehensive project approach. Nevertheless, the Mozambique road SBS was a very low volume (annual tranches of approx. 5 M €) relatively compared to the EU projects (overall 150 M € in 10 EDF) and also compared to the EU GBS (overall 70 M €/year). In this context, there was a certain level of over-ambitions in the fact we would have an effect to influence policies.
- Works contracts can be complex to manage.
- There's only one kind of aid modality: grants, and the same is for other donors. there's usually a coordination on thematic basis but modalities are more or less the same
- In Algeria we work with project approach mainly technical assistance and twinning
- The current template for the works contracts do not lend themselves at all to smaller contract and contractors nor to labour based works. When dealing with weak government authorities, there is a huge cost in terms of time, effort and management of using EDF procedures unfamiliar to the Government staff.
- L'approche projet et renforcement des capacites etaient les plus appropriées en situation de post crise
- We have obsolete implementation modalities (Programme Estimates). We cannot provide direct support to parastatals (Roads Agencies). BS has proved overly complicated and very difficult for a sector such as transport. To engage effectively in rural roads we need proper implementation mechanisms which we do not have

### **Indicator 9.1.2.Risk analysis undertaken**

All major changes in EU preferred modality can be related to discussions that go beyond the EU and shared by the sector donor community and major think tanks – thus a tremendous volume of articles, working papers, communications to seminars, grey literature... The rise of blending since 2009 is a good example. The change introduced by EDF11 is rather a counter-example but it is not really a change in aid modality – rather a change in priority among sectors. The existence, or not, of risk analysis is therefore difficult to assess. For the time being, no such analysis has been found in the documentation available on public

sources for the EU specific approach. The same applies to budget support and more specifically to transport SPSPs.

Risk analysis is not undertaken at country level by EUDs when promoting a new aid modality. The latter is advocated to government partners as the best way to get more allocations from HQ or an easier approval process.

**Benin:** Risk analyses in NIPs as well as in action fiches are at best formal. They are not used as guidelines for implementation afterwards.

**Madagascar:** Les résultats d'éventuelle analyse des risques relatives aux différentes modalités de l'aide entreprise par la DUE n'ont pas fait l'objet de publication.

**Senegal :** This notion of blending is not yet very clear in the minds of the stakeholders in the sector with whom I had to discuss.

**Mozambique:** No risk analysis carried out (albeit that assumptions were usually included in Logical Framework Matrix even if the possibility of non-fulfilment of assumptions was not explicitly identified as a risk).

***Indicator 9.1.3. Monitoring and analysis of performance (efficiency) of various approaches and modalities (e.g. in achieving specified interventions or reaching specified target groups)***

Analysis of performance of EU aid modalities in the transport sector is taken on board by the European Court of Auditors and the DEVCO Evaluation Unit for their respective missions and methodologies. The existence of the 2011 report of ECA on road projects demonstrates the effectiveness of the feedback management system, as are country/regional-level and thematic evaluations (on budget support in 2013 and blending in 2015) for the Evaluation Unit.

Result-Oriented Monitoring (ROM) reports are contributing to the same feedback system but with no focus on comparative analysis of the performance of various aid modalities. The same can be said of project/programme/strategy mid-term reviews and final evaluations.

In the transport sector, no comparative analysis of performance was undertaken by the EU between various approaches and modalities. The EU transport portfolio is managed according guidelines with a high level of generality and opportunities bring about by EUDs. It is difficult to identify a definite sector strategy, as if each country was an highly specific case to which a shared framework could not been applied.

In the transport sector, Unit C5 in HQ organizes annually a SSA one-week workshop for Heads of Infrastructure section. This is an opportunity to gather a feedback on performance of on-going projects and allow generalization to aid modalities. This event helps capitalizing on daily support to EUDs and participation to the country and regional programming processes.

## **JC 9.2 - Support instruments and approaches responded to partner governments' expressed needs (rather than EU procedures)**

Partner governments' expressed needs have not been drivers of change in EU support instruments and approaches. Governments generally value the project approach, to the greatest extent possible focused on capital investment in roads, and with limited structural and sector reform commitments. SBS corresponded also to governments' recurrent request of more control on project's implementation for more ownership but tranche indicators defeated the initial expectations. The EU systematically appraised governments' capacity before engaging in an aid modality approach, SBS having the most elaborated assessment grid. Independently of governments' expressed needs – often minimal for reforms, restructuring and technical assistance – the EU systematically set a reform agenda with corresponding provision of technical assistance as accompanying measure for SBS and as safeguards for project or programme approaches.

### ***Indicator 9.2.1. Existence of dialogue with partner government, regional organisations and other sector partners and stakeholders in selection of support modalities and approaches (sector partners are aware of available EU support modalities and approaches and their consequences).***

EUDs are usually keeping their partners in government informed of the changes in EU support modalities, particularly during the initial phases of NIP joint programming (unless for EDF11, cf. I.7.5.2). This dialogue takes place at several levels – technical (head of infrastructure section), political (Ambassador) and global (through ACP Secretariat). It can be considered that governments are well informed about EU aid modalities, their approaches and their consequences. However they appreciate them mainly in the framework of government political economy that can be quite different (rent seekers) than expected by Cotonou agreement's spirit. They are able to compare with other donors' approaches to development aid and transport infrastructures' financing opportunities. However, the lengthiness of EU programming processes and the required wide scope of institutional and governance reforms are widely acknowledged and rarely valued.

Partner governments generally value the project approach, directly focused on transport infrastructures, particularly roads. Such projects were initially provided with limited requests – if any – for commitments regarding sector reforms, institutional restructuring, or renewal of regulations. Sector-wide programmes were practically forced on some partner governments, particularly in West and Central Africa and fragile states, by increasing the institutional reform content against higher investment volumes. SBS programmes were initially perceived as attractive by governments, which expected more control on programming and implementation, and more clarity on EU expectations through tranche indicators (which were of varying relevance and realism). Even with technical assistance accompanying SBS, reaching tranche indicators proved to be more constraining and less clear than planned due to limited administrative capacities, poor

performance monitoring and internal government's politics against tranche indicators hardly negotiable, complex and often overambitious.

**Senegal:** The Blending is not clear in the minds of stakeholders it is so very difficult to define those who are for and those who are against.

**Mozambique:** Disappointment as a whole (although there does not seem to be good understanding of the potential 'penalties' when there was non-compliance with indicators especially for Variable Tranches). The Government expected more donors to adopt the SBS modality and the non-delivery of some donors who had signed or at least agreed in principle to the Memorandum of Understanding and the Code of Conduct disillusioned sector institutions.

**DRC:** Au niveau régional (CEEAC et CEMAC) n'ont pas émis d'objection sur l'approche « blending » dans la mesure où ce système permet d'augmenter le volume d'aide. Mais les modalités d'application devront être clarifiées et facile d'application. L'avis des Etats membres devrait être le même pour faire face aux besoins encore insatisfaits.

***Indicator 9.2.2.Evidence of assessment of partner government capacity for programming and implementation of selected support modalities.***

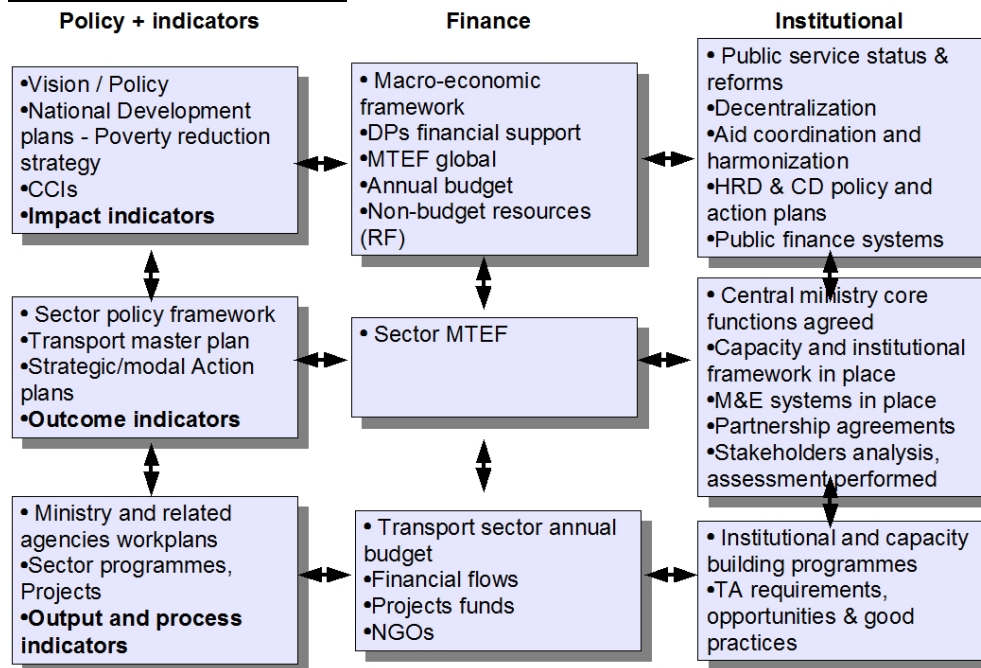
Assessment of partner government capacity is mandatory before implementing an SBS. SBS readiness is appraised with a focus on agreeing a sound sector policy and strategy with key stakeholders, checking the existence of a sector MTEF, institutional capacity, and of a performance monitoring system.

**Senegal:** The Blending is not clear in the minds of stakeholders it is so very difficult to define those who are for and those who are against

**Mozambique:** Disappointment as a whole (although there does not seem to be good understanding of the potential 'penalties' when there was non-compliance with indicators especially for Variable Tranches). The Government expected more donors to adopt the SBS modality and the non-delivery of some donors who had signed or at least agreed in principle to the Memorandum of Understanding and the Code of Conduct disillusioned sector institutions.

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## SPSP appraisal framework



Source: ADM 2009, Policies for Improving Transport Systems, Advanced Transport SPSP Seminar, Maputo.

Most countries that passed the initial appraisal are located in Eastern and Southern Africa for ACP countries, plus Morocco (for ENP). In West and Central Africa, only Benin passed appraisal requirements for SBS.

Other aid modalities do not imply such assessment process: they are default choices (for projects/programmes) focused on capacity development or imposed on government partners without consultation for the sake of a global re-engineering of infrastructure financing (blending for regional infrastructures while excluding the transport sector from EDF11 possible focal sectors).

### JC 9.3 - Selected aid modalities are complementary to transport sector support programmes of other sector donors.

The EU was often a driving force in introducing Division of Labour among transport sector donors. Programming documents (EDF9 and 10) generally present other development partners support programmes and highlight complementarity with EU sector strategy or investment programme (Cameroon, DRC, Uganda...). The size of the EU transport portfolio as well as the presence of EUDs all over the continent were distinctive comparative advantages to take the lead of sector donors' coordination and become a main contributor in the policy dialogue with governments.

**Indicator 9.3.1. Reference to 'EU Code of Conduct on Complementarity and Division of Labour' in strategy and programming documentation (CSP/NIPs and RSP/RIPs)**

EUDs were leaders in all SSA countries on implementing the Division of Labour agenda. A few countries (Ethiopia,) were pilots, with remarkable achievements for all sectors, not only transport. The EU contribution is generally acknowledged by other institutional donors and Member States. In West and Central Africa, governments were often reluctant or did not have the capacity to contribute meaningfully to sector coordination groups. The situation was more aligned with Declaration of Paris expectations in Southern and Eastern Africa, where the decreasing share of EU and other institutional donors in infrastructure capital investment was increasingly marginal (example of Zambia), and proved to be a challenge in involving governments.

In the transport sector in almost all SSA countries, the EU has held the leadership among the sector donors' coordination. This position was linked to the amounts provided to the sector and the presence in all capitals of EUDs, thus a privileged situation to organise a policy dialogue with agencies and ministries on an almost daily basis, which was not the case for the WB and the AfDB during the reference period. Division of labour among sector donors underlies EU strategy as presented in RIPs/NIPs, with typically a shared involvement in policy dialogue with the WB and complementarity on road rehabilitation projects on the same regional/national integration corridors (RN1 in DRC, Douala-Ndjamen in Cameroun, etc.) with AfDB, WB and Middle-East funding agencies. EU MSs were generally, at best, silent partners in the transport sector although they sometimes engaged in individual rural (AFD in Comoros, for example) or urban road/rail projects.

With the change of focus introduced by EDF11, EUDs are phasing out leadership of sector donors' (cf. I.7.5.2).

**Benin:** EU left the leadership of the sector group two years ago when the shift of focal sector of EDF11 was announced. Since then, progressive withdrawal was carried out.

The perception of GOB of this move is negative but taken fatalistically as one more unforeseeable unilateral decision of the EU.

**Madagascar:** Le leadership de l'UE dans l'appui du secteur des transports routiers de Madagascar est reconnu non seulement par l'ensemble des Bailleurs de fonds mais aussi et surtout par le gouvernement. Ce rôle est, par principe, gardé dans le cadre du 11<sup>em</sup> FED.

**Senegal :** It is obvious that in Senegal the financing of the EU through various NIPs and rips are widely on top of other donors and that since 1957.

**Mozambique:** EU continues as lead donor of Road Sector Working Group albeit that coordination and dialogue has faltered over the last year or so due to the fact that (i) the new Government has made many institutional changes, (ii) the number of sector donors is reducing and (iii) the Government is agreeing more



bilaterally funded projects – especially but not only funded by China – because those projects are not accompanied by conditionalities regarding issues the Government feels are not important. Given the changed EU strategy under the 11<sup>th</sup> EDF it is not clear whether the credibility of EU as lead sector donor will be reduced (although potential EU support to sector reform and governance are permitted under the 11<sup>th</sup> EDF). Also the institutional changes within EUD may reduce capacity for sector dialogue.

**DRC:** Le leadership de l'UE dans le secteur des transports est évident en matière volume d'investissements. Il doit être entretenu par les experts des DUE pour encourager les réformes institutionnelles visant l'amélioration de la gouvernance pour garantir la durabilité des résultats des Projets. L'approche adoptée pour le 11<sup>ème</sup> FED faisant intervenir le transport sous d'autres secteurs risque d'émousser le leadership actuel de l'UE.

***Indicator 9.3.2. Evidence of mapping of involvement of sector donors in support to transport sector and their comparative advantages in consideration of choice of modalities of EU support (also EU member states 'pushing' EU to certain modality choice)***

NIPs and RIPs typically present a brief mapping of sector donors in support to transport sector. The analysis is presented with further details in projects/programmes' identification and formulation documents prepared afterwards. Adjustment of EU comparative advantages for various aid modalities is anyhow not discussed or justified in this public documentation. Decisions are taken previous to translating them into joint or shared public statements, through dialogue with high-level stakeholders and donors (resident or in missions), as reported in EAMRs notably.

***Indicator 9.3.3. Evidence of identification of EU added value in choice of modality (i.e. EU instruments and procedures are uniquely appropriate [or otherwise])***

The analysis of comparative advantages is generally limited to three interconnected criteria: financial envelope, authority in policy dialogue and on-site presence. For two of these criteria, EUDs have outstanding comparative advantages: considerable amounts and relatively well-staffed Infrastructure sections although authority in policy dialogue is sometimes lacking due to shared interest in quick disbursements (acceptance of limited or biased enforcement of government partners' commitments, in particular by establishment of hybrids of road funds or agencies or clientelism in recruiting their CEOs). In some cases, the EU seeks supplementary authority with the WB (DRC) or joint donors' statements (EU/UNDP/WB in Madagascar).

**Benin:** Partners in Benin perceive a common aspect of both aid modalities: the focus on probity through work supervision, auditing and contract management, which are appreciated to bring under control governance issues (corruption).

**Madagascar:** La valeur ajoutée de l'appui de l'UE dans le secteur des transports routiers est aussi reconnue par les partenaires techniques et financiers concernés.

**Senegal :** The value-added that can be hold for the transport sector concerns the implementation of a genuine policy dialogue involving several actors.

**Moçambique:** See above. Usual perceptions of EU added value include the size of the support budget, presence in country, flexibility in seeking cooperation with other donors (not flexibility of EDF procedures) and EUD expertise (which is directly related to the EUD persons in post). On the other hand there are perceived 'subtracted values' – length of time for programming and decision making, and changing EU strategies (and associated lack of consultation).

**DRC:** Bonne opinion des partenaires

#### **JC 9.4 - Approaches were modified in response to emerging issues and changing circumstances**

Unless for circumstances of civil unrest and armed conflicts, EU approaches are remarkably even for supporting the transport sector across countries and regions in SSA. This harmonisation is intended by HQ and provided during the reference period a valuable consistency in EU sector strategy, and thus a policy framework that can be considered as a referral for government partners, regional organisations and stakeholders. The shared framework did not prevent country and regional programmes to adjust to local circumstances.

External changes such as the recent rise of unconventional bilateral strategies, with China in particular, were not addressed by any explicit change in EU response to transport sector challenges. The expectation that Chinese support would be integrated into sector coordination platforms did not materialize.

##### ***Indicator 9.4.1. Evidence of varying mix of approaches and modalities according to different country and regional circumstances, and evidence of changing mixes of instruments, approaches and modalities over time***

The EU had demonstrated a relatively high level of flexibility in the transport sector but not regarding a mix of instruments, approaches and aid modalities. In this sector and in SSA particularly where capital investment needs in transport are huge, amounts available under thematic budget lines or global instruments would not have made any significant contribution compared to the hundreds of millions Euros available under NIPs. Until relatively recently there was no alternative to NIP/RIP programmes. Flexibility was found more in adjusting budgets to overcome emerging issues in projects/programmes implementation.

The situation changed when FEMIP (for North Africa ENP countries, managed by EIB since 2002) and then EU-Africa Infrastructure Trust Fund (EU-AITF or ITF) were established. EU-AITF aims to increase investment in infrastructure in Sub-

Saharan Africa since 2007 by blending long term loans from participating financiers with grant resources<sup>371</sup>, mainly from its regional envelop. RIPs/NIPs and EU-Africa AITF are different instruments but are more aimed at regional/national complementarity rather than as a mix of aid modalities seeking a complementarity in answering governments' expressed needs.

Mixes of instruments, approaches and aid modalities were exploited by EUDs in post-conflicts situations like in RDC.

#### ***Indicator 9.4.2. Evidence of dialogue with partner governments, regional organisations and other state partners and stakeholders on emerging issues and changing circumstances***

Support to transport infrastructure is not sensitive to emerging issues and changing circumstances, unless as regards civil unrest and armed conflict. Need for better roads is perennial. It is not the case for sector reforms associated to SWAP or SBS, which were found to be highly sensitive to elections campaigns for their rhythm, and political changes for their content. In Zambia for example, the window of opportunity for introducing sector reforms under SBS closed too early to finalize expected changes. Conversely, in Ethiopia, political stability and administrative dirigisme allowed considerable progress under SPSP I and II. In Cameroon, against outstanding political stability, the reform agenda was indefinitely postponed due to high-level reluctance for road management commercialization.

Under Cotonou Agreement, EUDs are systematically sustaining their dialogue with their partner governments for NIPs and RECs for RIPs for designing jointly their cooperation strategy or for adjusting to emerging issues and changing circumstances. The dialogue is, however, rarely balanced as EUDs are leaders in identifying emerging issues worth a change in the joint indicative programme and leaders in proposing new orientations or new approaches.

#### ***Indicator 9.4.3. Evidence that consideration has been given to optimisation of EU added value relative to the emergence of 'new' sector donors***

Since the emergence of new sector donors like China, with far more limited requirements related to sustainability of financed transport infrastructure (road/rail maintenance) and sector governance (corruption), the EU has not developed an amended position to optimise its added-value (at least as far as the documentation consulted to date). In many cases, EUDs tried to include China in donor coordination groups but without success. A study was undertaken in 2014 by the EU on China's interventions in Africa but the resulting report has not yet been available to the evaluation team.

**Benin:** Nothing new. Lack of coordination. China deals with the General directorate for major infrastructure investments directly under the President.

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<sup>371</sup> EU-Africa ITF web site.

**Madagascar:** En effet, l'UE reste le premier bailleur de fonds du secteur transport en termes de montants de financements

**Senegal :** Even if today several donors are involved in the transport sector, the EU still holds a place of choice in investments. It should be just very recently noted the MCC currently running package.

**Mozambique:** EU should adapt but adaptation requires dialogue with also those bilaterals who have shown little or no interest in dialogue (e.g China). There should also be an understanding with the Government on programming bilateral support. 'Some high level political understanding would be useful'. 'It is in no one's interest not to include such projects in sector programmes or strategies. EU should concentrate on specific issues but without losing sight of the overall picture and stop changing modalities with each EDF cycle'.

**Questionnaire responses 99 (emergence of 'now' donors):**

- New donors don't ask questions, never speak about conditionalities and are principally interested in making business more than in having the pretention of being perceived as a 'generous' donor concerned by the development of the beneficiary country. This approach might seem somehow cynical but it proves to be often more sincere than the one adopted by 'traditional' donors. In particular in transport and more generally in infrastructure sector, EU should dedicate more efforts in improving the business environment and the legal framework protecting private investors, limiting grants to special cases (fragile countries, post-conflict scenarios).
- Il n'y a pas de "nouveaux partenaires" représentés dans le pays
- L'émérgence de nouveaux donateurs n'est pas d'actualité...de quoi parle-t-on? des chinois? des brésiliens? Doit-on instaurer les mêmes systèmes de contreparties (y compris occultes) que ces donateurs? La politique d'appui au secteur des transports de l'UE pourrait effectivement prendre en compte cette nouvelle donne mais pour quels compromis? pour quels objectifs politiques ou économiques? Comme nous avons arrêté d'appuyer le secteur des transports au niveau national, la question se pose-t-elle?
- Less complexity of the instruments with same level of fair competition and control - more flexibility in contractual conditions - Blending with private partners and investment banks - Financial instruments to leverage funds from other parties
- Emerging donors have only limited presence in Rwanda. Chinese companies however are very present.
- EU should put in practice the concept of complementarity
- Instead of trying to tackle new donors' interventions, we should aim at supporting government to address this new situation. For example, we still have added value when providing strong feasibility studies (e.g. Western Railway Corridor in Ghana, with a Chinese operator) or when supporting Governance in a context of pressure for direct agreements or corruption.
- EU should adapt to the new environment
- There is a need to adapt but it is not justified to abandon it just for the shake of it. There are fantastic opportunities in the road sector for a very wide variety to EU interests going from development to partnerships.

- Emerging donors are considered as competitive alternatives to EU/traditional donors. Need to strongly engage with emerging donors if one wishes to continue implementing reforms
- La coopération chinoise, active dans le secteur des transports, constitue un cas à part au Tchad . C'est une coopération d'ordre essentiellement politique gérée directement par la Présidence en dehors de tout dialogue politique sectoriel...
- If as 'new donors' we mean the Chinese (who in general are not really donors but investors, in the end ), the answer is yes, for our role in the sector has been weakened by their presence. Mainly the Chinese assure quick delivery of infrastructures, even if of low quality, and on the political level in the region a quick delivery (ribbon cutting) counts more than quality
- No new donors in Algeria. Donors are stepping out.
- Clearly there is a need to adapt the EUD support to the transport sector as new players emerge. It will depend on the context so it is difficult to make general statements.
- Not clear, due to limited involvement in the sector
- Need of more cooperation and coordination
- I believe the EU will have to adapt to the new situation
- Direct funding for infrastructure might be less needed, but support to 'governance issues ' such as maintenance or axle load control is still required.
- New donors (China and possibly India) have totally opaque approaches to the Government. China is perceived to have significant influence although there are non-major known projects funded by China. Chinese contractors executed all major roads contracts. India's position for the transport sector is not known.
- New donors have not replaced traditional donors except in a few obvious cases (Angola, etc). Beneficiary government are realising the south-south cooperation has also limits

### **JC 9.5 - The EU makes appropriate use of 'Blending' for financing transport sector investments**

The use of blending by the EU in the transport sector in Africa is still very limited regarding actual implementation, thus possibility of assessment of proven effectiveness is limited. Most analyses of the new instrument are based on other regional experiences, with very different capital markets and opportunities, in particular for roads. The EU Africa Infrastructure Trust Fund was created in 2007.

Transport projects account for only 26% of its portfolio since inception which is mostly focused on ports (eg Pointe Noire) and airports (eg Maputo). ITF has recently approved two new road projects (Uganda and Zambia), following the previous selection of access to Douala project in the wider framework of the Douala-Ndjamena corridor.

Taken mostly from other sectors, blending proved to be an efficient way to raise FDIs and private funds for infrastructure development project by using grants to minimize the risk profile of the projects and improve the quality of their

identification. Overall, ITF leverage since inception was 14:1 in 2013, with an 8.4:1 rate for transport projects.

Risks implied by an undifferentiated use of blending in poor countries with limited repayment capacity or domestic markets unable to afford increased tariff for better service are already clearly stated within the EU strategic thinking. The European Court of Auditors has already (2014) reported on blending and DEVCO Evaluation Unit in launching an evaluation (2015) on this approach. DEVCO decision-makers are well aware of the risks and limitations of the tool and demonstrated flexibility (leading to up to 1:1 leverage in highly indebted countries). Performance monitoring is therefore in place and should prevent inappropriate use of blending but EUDs are insufficiently involved in monitoring and ITF is not included in ROM process (that is not yet adjusted to the specific characteristics of blending<sup>372</sup>).

### ***Indicator 9.5.1. Evidence that Blending is an appropriate funding modality for specific situations (i.e. mode of transport, region, country)***

Blending was identified as an opportunity for an increased contribution to developing infrastructures in third countries back in 2009<sup>373</sup>.

In the context of the EU blending facilities, blending is defined as a tool which combines EU grants with other public and private sector resources, such as loans and equity, in order to leverage additional non-grant financing to support projects with partners in beneficiary countries that can be public, private or mixed. Since 2007, the EU has established eight loan/grant blending facilities, with one focused on Africa (EU-Africa Infrastructure Trust Fund). At present, most blending projects do not directly target poverty eradication, but instead address economic development typically in general through investments in energy, transport and other infrastructure<sup>374</sup>. This new orientation is grounded for EU services on the COM (2011) 637 final<sup>375</sup>, Agenda for Change.

The recent European Court of Auditors report<sup>376</sup> made the following balanced observations about blending performances: (i) The regional investment facilities have been set up in an appropriate manner, but the Commission's management is still affected by shortcomings, (ii) The set-up of the regional investment facilities is satisfactory and the regulatory and procedural framework is improving, (iii) Suitable projects are selected but the Commission's assessment does not focus adequately on the added value and amount of EU grants, (iv) The Commission makes advance disbursements that are unnecessarily high, (v) In the case of sub-facilities, the criteria for awarding sub-loans were vague or broad, (vi) The extent of the Commission's monitoring of the implementation of

<sup>372</sup> ECA 2014, The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies, Special report.

<sup>373</sup> EU Working Group On The Additionality Of Grants In The Framework Of Blending Mechanisms, final report, December 2009.

<sup>374</sup> For example, out of the ten case study projects reviewed for the mid-term evaluation of the EU's ITF, only two of them explicitly mention poverty reduction outcomes in the ITF application documentation while the remainder focus solely on the project's contribution to economic development and trade.

<sup>375</sup> Increasing the impact of EU Development Policy: an Agenda for Change.

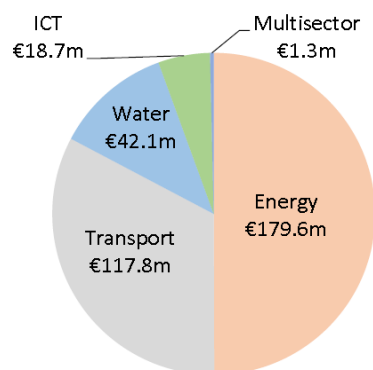
<sup>376</sup> ECA 2014.

grants varied, (vii) The intended benefits of blending grants and loans have not been fully achieved so far, (viii) The need for a grant to enable the loan to be contracted was demonstrated for only half of the projects examined, (ix) The potential for Commission involvement in the formulation of policies and for having an impact on the way projects were set up and managed was not fully exploited, (x) Blending enhanced donor coordination but the visibility of EU funding has been limited to date. The conclusions reflect these balanced observations: “The Court concludes that blending the regional investment facility grants with loans from financial institutions to support EU external policies has been generally effective.” The recommendations highlight however significant needs for improvement of the system set in place by the European Commission and the EIB.

In the EU-Africa Infrastructure Trust Fund (ITF) blending facility, the average grant share is 2.28% (i.e. grant as a proportion of the total project cost) though for individual projects, it ranges from as low as 0% to as high as 20%<sup>377</sup>. Since its inception in 2007, the EU-AITF has been allocated an envelope of €469 million<sup>378</sup> to help increase investment in regional and cross-border infrastructure in Africa by blending long-term loan financing with grant resources from the European Commission and EU Member States.<sup>379</sup> However, few projects are as yet in operation, given the long timescales faced in bringing such Projects to fruition, even when they have been supported at a relatively late stage in the project development cycle<sup>380</sup>.

Of the €497 million grants approved since inception, 26% are related to the transport sector. CEPA review identified 14 transport projects and 19 grants.

### Sector distribution



Source: CEPA, 2014

From expected outcomes and outputs it can be inferred that a majority of ITF projects are targeting ports and airports.

<sup>377</sup> Evidence on demand, TOPIC GUIDE: Blended Finance for Infrastructure and Low-Carbon Development, ODI, 2014.

<sup>378</sup> ITF, Annual Report 2013.

<sup>379</sup> Participant financiers are AFD, AfDB, BIO, COFIDES, EIB, FINNFUND, KfW, Lux-Development, MoF Greece, OeEB, PIDG, SIMEST, and SOFID.

<sup>380</sup> CEPA 2014, Report Of The Development Results Of EU-Africa ITF 2007-2012 - European Investment Bank (EIB).

### ITF transport projects expected outputs and outcomes

Expected Outputs	Value	No. of Projects*	Out of total
Length of new or upgraded roads (km)	849	5	6
Length of new or upgraded railways (km)	682	2	2
Airport terminal capacity ('000 Passengers/year)	20,000	1	3
Port terminal capacity ('000 TEU/year)	1,105	2	5
Expected Outcomes	Value	No. of Projects*	Out of total
Users of new or upgraded roads (vehicles per day)	1,969,238	4	6
Rail use (passengers/year)	2,000,000	1	2
Port terminal user traffic (TEU/year)	1,482,000	2	5
Airport air freight use (tonnes/year)	393,000	2	3
Airport use (passengers/year)	7,300,000	2	3

Source: CEPA analysis

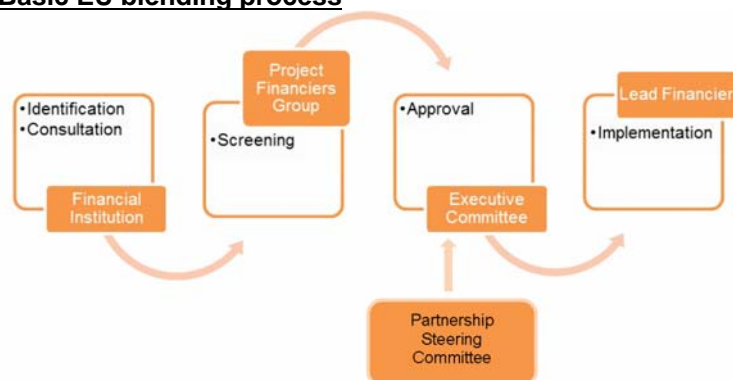
\* for which data was available

Main findings of the 2014 review of ITF<sup>381</sup> over the 2007-2012 period are the following: “(i) EU-AITF Grant Operations appear well-aligned with its Strategic Objectives of leveraging resources for regional infrastructures and promoting regional integration; (ii) the grants offered by the EU-AITF have been, and continue to be, useful instruments in enabling Projects to be launched and to proceed; (iii) there is a high level of emphasis on mobilising resources for regional infrastructure development endorsed by African governments; and (iv) the EU-AITF’s most used grant instruments are technical assistance (TA), largely supporting advanced project preparation stages and project implementation, and interest rate subsidies (IRS) aimed at mobilising loans, that would otherwise be difficult to provide because of the borrowing constraints faced by recipient countries.”

<sup>381</sup> CEPA 2014, Report Of The Development Results Of EU-Africa ITF 2007-2012 - European Investment Bank (EIB).



### **Basic EU blending process**



Source: Evidence on demand, 2014

Infrastructure investments often generate positive or negative externalities, defined as spill-over effects that make society better or worse off respectively, but which are not reflected in the investor's financial rate of return for the project. Blending mechanisms can also use the grant element to bear any additional cost needed to solve the issue of negative externalities associated with a given project. For example, a direct grant (€3 million) was approved from the ITF to the Mauritius Ports Authority to mitigate the negative environmental and social impacts of the project.

Ports are potentially privileged entry points for blending in the transport sector as they have been largely out of reach of previous NIP support interventions (Pointe Noire port in Congo Republic is a good example)<sup>382</sup>. ITF has recently approved road projects in Zambia (Great East Road) and Uganda (Kampala bypass).

For the EU, as well as for the FDIs involved in blending of PPP projects, grants are not only a financial contribution to risk reduction, they are also seen as a tool to ensure that environmental, social and patrimonial measures are effectively implemented by profit-making promoters. Financiers and development financiers in particular are in a way compensating the weakness and likely the corruption of governments that are eventually the contractual partner of the concessionaire. In that, they continue their development aims.

### **Questionnaire responses 97 & 98 (EUD has 'in-house' capacity to advise on blending):**

- We are currently trying to promote blending
- The EU should choose the most suitable modality for a project or programme and should be as flexible as possible to adapt to the reality, in a results-based approach.

<sup>382</sup> This project entailed the renovation and upgrading of the main infrastructure of the Port de Pointe Noire in Central Africa and its adaptation to developments in containerised traffic, and on the improvement of financial management by increasing competencies and providing support. At a total project cost of €128.4 million, ITF provided an interest rate subsidy (IRS) of €6.6 million to enhance the concessionality of the AFD loan and a €2 million grant for technical assistance to finance capacity building for the financial and accounting staff of the Port Authority.

- Obviously the support modality needs to fit with the country needs. On the other hand, a new support modality needs to be tested in order to assess whether it could be relevant for the country or not.
- Institutional weaknesses make the project approach the obvious choice
- A sincere mix, I would say.
- As said, there are only grants. Recently a strong pressure has been exerted by HQ to implement blending mechanisms but it doesn't actually feasible. Also development banks don't consider loans or mixed instruments in RDC
- Project approach and twinning. Sectoral budget support was considered but not possible to implement for sectoral shortcomings.
- Normally 'Choosing the most suitable support modality for the project or programme concerned' - however some support methods are more or less promoted in different periods.
- Results oriented approach
- There was no clear rationale behind the use of budget support. Now the trend is to use more blending.
- Years ago there was a big push for BS, but were countries ready?
- The additionality criteria is still quite unclear and open to interpretations. As confirmed by a recent report from the Court of Auditors, in many projects where EU blended grants with concessional loans the additionality is not proved and the project would have been implemented anyway. The risk of becoming an additional insurance for investors and banks more than a partner for development is real.
- At EUD, there is a need of training on blending to be able to deal with big PPP projects like Kampala - Jinja expressway.
- We all hear about blending, but in the Delegation of Guinea-Bissau, nobody has an experience of blending.
- We have several experiences of blending (co-financing) but not managed by main tools such as the Infrastructure Trust Fund.
- When there are very few donors and 'bankable projects', blending to be just another 'co-financing' in disguise, with leverage factors unreal
- Blending is a possible financing tool. It is a form of co-financing. In the Cotounou agreement, the role of the EU in the cooperation for development is much larger than choosing or defining a financial tool. This is just a part of the project life cycle where all other gained expertise is perfectly valuable. It would be a waste of resources not to use this expertise just because the financing tool is changing.
- There's no financial expert in house
- Algeria has no external debt and has no interest in blending cooperation
- We already have a number of blending operations ongoing and have attended the blending training. So a basic understanding exists but more is required.
- There is only one Infra task manager in the section
- Instruments nouveaux
- Given the limited experience of the EU in the use of blending facilities for transport project and in the preparation of complex financial projects structuring, it is my opinion that our expertise must be quite limited to this respect.
- There is no direct experience of blending but training, information and support from HQ.

- We have been using blending since 2009 in the Energy Sector and we are trying to extend it to transport. The Cairo metro project is the first blending operation in transport.
- We've used some kind of blending at national level though delegated cooperation with MS (not transport sector, though) and the AITF could also be mobilised for regional projects.
- RIP will channel obligatorily the totality of the funding through the EU Blending Financing Instrument. The Programme Manager Infrastructures has attended 3 seminars on blending.
- Blending has to do with financing engineering. this is an area where hardly any of us has experience

### **Summary of responses to COA survey, Oct 2013**

#### *Project selection*

- 59% of EUDs involved in selection of blending projects
- After identification 96% of EUDs comment on selected projects; 78% of such comments are taken into account

#### *Ownership, financing and objectives of projects*

- 90% of projects aligned with EU priorities for the country
- 45% of projects believed to be sustainable<sup>383</sup>
- 33% of EUDs express doubt about the appropriateness of financing tool

#### *Implementation and monitoring of projects*

- 59% of EUDs are involved in monitoring of blending projects; 41% participate in joint monitoring missions
- Lack of clear dialogue between EUDs, EU HQ and IFIs

#### *Benefits of blending*

- 45% of EUDs not convinced that donor coordination is effectively enhanced by blending; EUDs sceptical whether blending has an impact on EU sector policy dialogue
- 42% of EUDs did not believe that RIFs enabled projects to attract other sources of funding
- 75% of EUDs believe that RIFs guaranteed funding of projects that may not otherwise have taken place
- 45% of EUDs believed that EU RIFs ensured visibility

### ***Indicator 9.5.2. Evidence that Blending is not promoted in situations where the advantages are not clear***

The leverage rate is the main tool available to the EU to adjust to situations where the advantages are not clear. The minimum acceptable leverage in those cases is 1:1, which makes already a difference with the previous systematic 100% grant approach.

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<sup>383</sup> In reality this figure is lower because several respondents state that certain projects are only viable because of strong government support

The main situation where the advantages are not clear for using blending is when DFIs invest in a project that would, in fact, have been commercially viable (i.e. that could have attracted full private sector financing) without any grant subsidy. While this concern is valid, it should not be exaggerated. Firstly, in most blending packages, the grant share is a relatively small fraction of total project cost and hence is unlikely to have a large crowding out effect. Secondly, the risk of crowding out of other possible (private) sources of finance is less relevant in low-income countries where financial markets are insufficiently developed, and investors are unlikely to have access to international capital markets at affordable rates in the absence of the grant<sup>384</sup>, which is the case in Africa (SSA and North Africa alike, with the possible exception of Morocco).

Another identified risk is a direct contribution to raise SSA countries' debt levels beyond what is sustainable. Blending instruments that use grant support to promote public borrowing for development investments can aggravate the debt situation of partner countries. In particular, low revenue projects (social) may jeopardise public debt sustainability. In Africa, this risk is increased by new lending bilateral partners, with limited transparency on rates and warranties agreed with governments (cf. the Pointe Noire – Brazzaville highway under construction with a Chinese loan by Chinese contractors but an EU work supervisor).

The study (2012) on blending by the Policy Department for the Directorate-General for External Policies of the Union called attention on risks linked to a rush to blending mechanisms: *“There are justified concerns, however, that these blending facilities are not appropriate to address many development needs and that the assistance in the form of concessional loans can put heavily indebted countries at risk. Nevertheless, the use of blending facilities in the DCI can be beneficial if well devised. They should be used to complement but not substitute for traditional development finance. Furthermore, care is required to ensure that blending instruments are effectively oriented towards poverty reduction, avoiding a return to a focus on investment.”* The European Court of Auditors published a report on blending in 2014. An evaluation on blending is being launched by DEVCO Evaluation Unit<sup>385</sup>.

In its June 2013 resolution, the European Parliament *“calls on the EU to properly evaluate the mechanism of blending loans and grants – particularly in terms of development and financial additionally, transparency and accountability, local ownership and debt risk - before continuing to develop blending of loans and grants”*.<sup>386</sup>

**Benin:** No information.

**Senegal:** The Blending is not clear in the minds of stakeholders it is so very difficult to define those who are for and those who are against.

<sup>384</sup> Evidence on demand 2014, TOPIC GUIDE: Blended Finance for Infrastructure and Low-Carbon Development, ODI.

<sup>385</sup> Evaluation Unit 2014, TOR for an evaluation of blending.

<sup>386</sup> Evaluation Unit 2014, TOR for an evaluation of blending.

**Mozambique:** High potential. Blending can use the same EUD expertise as previous EDF programmes. Only the financial engineering/funding modality is changing. The same engineering due diligence is required i.e. flexibility, design, supervision, operation and maintenance.

### **Indicator 9.5.3. Indications of the financial leverage effect of Blending**

Blending has a significant leverage effect, the size of which depends on the local needs and characteristics and the type of projects undertaken<sup>387</sup>. In 2012, EU grant contributions of more than €400 million made investment projects possible in beneficiary countries with a total project volume of approximately €10 billion, representing a multiplier effect of 25:1<sup>388</sup>.

For ITF, the mid-term evaluation (2012) estimated the leverage effect of the 10 case studies to 12:1. According to the ITF Annual report 2013, the overall leverage effect is 14, with 7.2:1 the leverage ratio of EU-AITF Financiers' financing. The leverage rate is indeed to be taken with the cautions presented in I.9.6.2 above.

A ratio focused on transport sector operations can be calculated from ECA report at 8.4:1 that is slightly below the average for all projects as per the ITF 3013 annual report.

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<sup>387</sup> Ferrer, J.N. et al. 2012. Blending grants and loans for financing the EU's development policy in the light of the Commission proposal for a development cooperation instrument (DCI) for 2014-2020. Policy Department for the Directorate-General for External Policies of the Union.

<sup>388</sup> Evidence on demand, TOPIC GUIDE: Blended Finance for Infrastructure and Low-Carbon Development, ODI, 2014.

**ITF transport projects 2007-2014 and average leverage rate**

ITF transport projects	Total cost	ITF contribution
Cameroon-Chad-CAR / Access to Douala	66	6
Eastern Africa Transport Corridor	146	17
Great East Road Rehabilitation	285	40
Beira Corridor	230	29
Maputo Airport	58	2
Total 2007-2014	785	94
<b>Leverage rate</b>		<b>8,4</b>

Source: Calculated from ECA 2014

A foreseeable issue for PPPs for road corridors at least in that tolls are an appropriate source of revenue for roads with a traffic beyond 5,000 vehicles/days and that that level is only achieved in a few trunk roads in South-Africa and Nigeria raises the question about the abrupt exclusion of the transport sector from focal sectors in EDF11 programming guidelines. Some extra opportunities still exist in major African capitals (Dakar, Abidjan...) but AfDB's experience with a PPP on a high traffic urban toll road in Nigeria was not convincing<sup>389</sup>.

<sup>389</sup> AfDB 2013, Transport in Africa – AfDB's Intervention and Results for the Last Decade; OPEV.

## EQ10. Procedures and resources

**EQ10: To what extent were EU procedures and resources appropriate for providing support to the transport sectors of partner countries?**

### **JC 10.1: Adequate human resources have been made available for EU support to the transport sector in Africa.**

No evidence has been examined of any assessment of capacity needs for EU support to the transport sector in Africa. Rather it was simply assumed that capacity was adequate in both EUDs and EU Brussels (and this is also inferred in assertions of various assertions of 'EU added value') for whatever responsibilities and activities were necessary for transport sector support. These assumptions have contrasted with multiple reports of EUDs coming under increasing pressure to cope with an expanding range of responsibilities (albeit that the situation has improved somewhat [but it is not fully resolved] after the 9<sup>th</sup> EDF implementation period). There has been a reduction in numbers of experts and staff in EUDs despite being expected to perform new tasks and undertake new roles that require considerable human resources. Also a number of DEVCO technical staff have been assigned new responsibilities in addition to or instead of those related to the transport sector (e.g. rural development, natural resources, other infrastructure sectors). Similarly human resources at EU HQ dealing with the transport sector have been reduced by over 50% (AIDCO HQ and DEV HQ) between 2008 and 2013.

There appears to be no overall EU strategy for human resources for development cooperation as a whole – support to the transport sector is thus impacted. Each directorate has a distinct HR strategy and the EUD staffing organisation is defined by EU services in Brussels with only limited local discretion. Recruitment processes are slow and there are reports of long-standing vacancies for EUD technical personnel (of whom women represent a small proportion in support to the transport sector). That being said, morale of EUD sector support personnel is reportedly good (although with some apprehension over the reducing EU involvement in the transport sector under 11<sup>th</sup> EDF).

The effectiveness of technical support mechanisms for EUDs made available from HQ appears equivocal. The IQSG has operated as a quality assurance/control mechanism in preparation of CSP/NIPs and RSP/RIPs and, whilst there might be expected to be scope for IQSG to take a more proactive role in technical support, this possibility is probably unrealistic given the limited resources available<sup>390</sup>. Similarly the very wide range of evaluations and lessons learned could give very relevant guidance to EUD personnel but there appears to be no mechanism for wider dissemination of such findings/ recommendations beyond the immediate country/project evaluated<sup>391</sup>.

<sup>390</sup> It is reported that the IQSG comprises representatives of the various units who may not be specialists in either the technical issues or QA.

<sup>391</sup> Although it has been asserted that the 'quality of evaluations reports is uneven and often disregarded by EU staff who generally have a more detailed information or a wider perspective than allowed to external consultants (usually framework contractors)'. This point is well taken whilst on the other hand it is also reported that 'budgets made available for evaluations (country-level and otherwise) are vastly underestimated, contributing to the quality of the feedback'.

**Indicator 10.1.1. Evidence of assessments of EU capacity for programming and implementation of selected support modalities (e.g. job descriptions and staff recruitment).**

No evidence has been examined to show assessment of EUD capacity for programming and implementation of 9<sup>th</sup> and 10<sup>th</sup> EDF CSP/NIPs and RSP/RIPs<sup>392</sup>. Only a single reference has been noted in which limitations of staff capacity in EUD were mentioned (10<sup>th</sup> EDF CSP/NIP Ethiopia)<sup>393</sup>. Although there are multiple references to capacity deficits in country sector institutions (including NAO and RAO) and regional organisations and that such capacity problems increase the work load of EUD in engagement and dialogue of such institutions, there is no analysis of what resources are necessary to respond to this situation. Although not explicitly stated it is implied that there is overestimation by EUD of absorptive capacity and insufficient attention being paid to a realistic assessment of institutional policy and capacity weakness of regional and country level institutions, was due to a lack of capacity in EUD.<sup>394</sup> There seems to be an assumption of adequate EUD capacity and this assumption can be inferred also from the many assertions of EU 'added value'.<sup>395</sup> Uncirculated internal organisational audits of EUDs are said to record excessive workload in some EUDs (eg DRC).

A number of countries use SBS as a major transport sector support modality which implies a close collaboration between the economics and infrastructure sections in EUD, and yet there is little discussion of such collaboration (e.g. 10<sup>th</sup> EDF CSP/RIP Zambia) and no reference to capacities for design or management of budget support<sup>396</sup>.

It has been suggested that '*EUDs are willing to engage more in technical sector coordination and high level policy dialogue but this requires better targeted recruitment of Heads of Section and Programme Officers, combined with more technical training, as well as more time allocation for these activities. Investment in national staff for this purpose may be an additional option*'. In other words there is a shortage of EUD capacity for such activities<sup>397</sup> given reportedly heavy administrative and reporting burdens (which appear to be prioritised above such policy dialogue<sup>398</sup>).

<sup>392</sup> A total of 29 CSP/NIPs and RSP/RIPs (9th and 10th EDF) were scrutinised. 9<sup>th</sup> EDF: Mozambique, Botswana, Uganda, Gambia, Sierra Leone, Zambia, Malawi, Lesotho, Ghana, Namibia, SADC. 10<sup>th</sup> EDF: Mozambique, Botswana, Gambia, Sierra Leone, Zambia, Malawi, Lesotho, Ghana, Namibia, Tanzania, Kenya, Liberia, Eritrea, Rwanda, Ethiopia; SADC, ENPI.

<sup>393</sup> The CSP goes on to observe '...the strategies were...seen to be too ambitious, trying to incorporate all the themes in which the Commission believes it has an added value...they were also seen to be ignoring the limitation of staff capacity of the Delegation. Whilst these problems in EUD have since been addressed, several problems remain, of which capacity problems in the EUD are not the least important'.

<sup>394</sup> e.g. 9th EDF CSP/NIP Lesotho.

<sup>395</sup> Evaluation of EC's cooperation to the Republic of Malawi 2003-2010 JC 10.4. 'There appears to have been no analysis by EUD of the relative capacity and resource requirements of the different modalities as a factor in the selection of modalities. Rather, the available modalities associated with selected support intervention areas were assessed and compared with available EUD staffing and resources and on that basis a decision was taken on prioritisation of staff time and effort. The issue of comparable assessments has to be considered against a serious capacity constraint to the early years of 9<sup>th</sup> EDF implementation.

<sup>396</sup> No compilation, analysis or dissemination of EAMRs (External Aid Monitoring Reports) appears to take place.

<sup>397</sup> Transport Sector Desk Study 2011.

<sup>398</sup> The relative roles and involvements of national and international EUD personnel in policy dialogue are not clear.



**Madagascar:** L'évaluation de la capacité de la DUE en matière de programmation et de mise en œuvre (10<sup>em</sup> et 11<sup>em</sup> FED programmes) dépend des modalités d'intervention. Durant la période de crise politique de 2009-2013, la DUE à assurer en régie la gestion des procédures de passation des marchés relatifs aux travaux routiers. Après la sortie de crise en 2014, cette situation reste inchangée.

**Senegal :** For Senegal it seems that resources are quite correct for the programming and implementation of different PIN (10th and 11th).

**Mozambique:** Inadequate staffing reported. The situation is likely to worsen during preparation and implementation of the 11<sup>th</sup> EDF programme, which suggests a mis-match between HR strategies and EU programmes.

**DRC:** Les capacités des Délégations de l'UE pour la programmation et la mise en œuvre des programmes de 10<sup>ème</sup> et 11<sup>ème</sup> FED sont limitées à cause de sous-effectifs. La DUE Kinshasa est trop surchargée actuellement (4 experts en poste contre 9 par le passé). Il convient d'envisager l'augmentation des effectifs notamment par le recours aux consultants de longue ou courte durée. Les sous-effectifs ne permettent pas aux experts de se concentrer sur les dossiers et d'approfondir leur examen. Cette situation peut justifier le retard dans le traitement des dossiers soumis pour avis par les Projets, l'analyse peu vigilante des offres des soumissionnaires conduisant à des choix qui posent de problème d'efficacité dans l'exécution des projets.

**Questionnaire responses 102 & 104 (evolution of EUD staff post 'deconcentration') :**

- Increase but unstable expertise
- In the infrastructure sector there is one person dedicated to sector budget support in road sector, under the supervision of the Head of Section. Colleagues from economics section participate on part-time basis to the elaboration of our programmes and the evaluation of the three economic general conditions (Macro, PFM, budget transparency).
- We are in a lack of staff, managing different projects at the same time
- No change (4x)
- Following deconcentration , the Finance and Contracts section has been the one that has substantially benefitted in terms of additional finance officers, both local and contract agents (at least 4 more). At operational level, no particularly visible reinforcement has taken place in the last years: one additional position of transport economist (local) has been obtained in order to be able to better deal with the new professional skills needed to implement "Blending" arrangements and one more contract agent has been requested and expected)
- Guinea-Bissau is a small delegation. Furthermore, after an inspection mission, the sections "Rural Development" and "Infrastructures" were merged. To me, it was a mistake to do so.
- One infrastructure engineer recruited since 2006 so far
- There was some small increase at the very beginning. Then, the recruitment tools started to dis-favour engineers to the point that it has become more and more difficult to find them. There are plenty of good engineers in Europe, but

you cannot recruit them on the same base of a political scientist or and economist.

- Don't know (3x)
- Comment on Q 101: part-time means very little time devoted to transport. Deconcentration was in 2003, I have no idea about the composition of this EU Delegation at that time... General trend however has been in Delegations that number of engineers vastly diminished over last decade, leaving no infrastructure / transport experts in most Delegations.
- Yes, all local specialised personnel was hired following deconcentration. European personnel was already in charge.
- Transport has never been a core sector of cooperation so no impact of deconcentration
- Not registered any move towards transport economists (there are not many on the market). There is not yet a full time job for financing specialists.
- With the fusion of INFRA and Sust. development into one section there is only one engineer (LA) and 3 Agronomists/Forest technicians
- We have gone from 3 to 4 civil engineers
- Staff has increased but not necessarily for the transport sector as it has never been a real focal sector (though partially covered by 'economic infrastructure' and 'urban development'.
- Liberia Delegation is one of the lowest-staffed delegations in the world with relation to the size of the NIP. There are only 13 expat posts and only of these 50% are fielded.
- Il n'y a actuellement plus d'ingénieur en travaux public à la DUE.

In addition, the following some EUD elaborated on staffing needs:

- More than the number of staff is the fact that it is required that we deal with too many areas and sectors. In the case of Mozambique, the options are simple : either we choose to remain focuss in one sector (which is often mentioned but rarely respected) either ressources should be increased.
- Either a transport economist or another civil engineer. In order to properly manage the EUD project portfolio and improve the participation of the EU in transport policy dialogue, the recruitment of 2 more people should be considered. In case of a more prominent role of blending instruments in the transport sector, a financing specialist should be considered instead of the civil engineer.
- Good qualification, very high workload. If blending mechanisms is to be used, more quality training on financial issues.

***Indicator 10.1.2. Evidence of technical support mechanism for EUDs made available from HQ (e.g. regional workshops/seminars, web-based access to relevant knowledge/ expertise).***

The Evaluation of the Commissions support to the ESA – IO Region 2008 notes that appropriate capacities and mechanisms to coordinate the position of EC actors involved (namely EUD and HQ) and strengthen dialogue with and within RIPs have not been put in place.<sup>399</sup> Draft 9<sup>th</sup> and 10<sup>th</sup> EDF CSP/NIPs, RSP/RIPs

<sup>399</sup> Structured mechanisms to ensure coordinated policy dialogue between the Delegations responsible for the four RIOs involved and between these and Delegations with national competences are not in place, nor are they currently in the making. The same applies to mechanisms to ensure structured dialogue with EC Headquarters. EC pre-IRCC coordination meetings usually take place and the sporadic participation of AIDCO representatives to the IRCC meetings has been

and (presumably) 11<sup>th</sup> EDF MIPs are submitted by EUDs to HQ for scrutiny by the geographical desk and IQSG (Inter. Quality Support Group) which consists of a permanent secretariat (of 3 persons) and a group of experts 'borrowed' from various DGs with the task of ensuring consistency and quality of programming document on the basis of the common framework adopted in 2000. It has been alleged that IQSG's role is 'largely cosmetic'<sup>400</sup>. After validation of the proposed programme it is returned to IQSG, EUD and NAO for final comment and an Inter-Service Consultation is launched by the geographical service<sup>401</sup>. The validated proposal is then sent for approval to countries with MS representation.<sup>402</sup>

It would appear that such a process gives ample scope for quality control and to act as a technical support mechanism to the draft finished CSP and RIP product rather than as support to preparation of proposals. In this context it has been noted that *'Operational staff do not always have clear understanding of how to use the existing procedures with a view to promoting and complying with aid effectiveness principles. There is a demand for clear, accessible and regularly updated information on how to work with and interpret existing procedures....'*<sup>403</sup>

The 2004 Transport Sector Evaluation recommended that capitalisation of experience and provision of support to EUDs should be ensured by the maintenance of a properly resourced and sustainable transport thematic network.

Methodological guidance and knowledge sharing support towards the EC<sup>404</sup> was initiated in 2005 with work undertaken to update and develop guidance on aid implementation methodology and provide training in project and programme design and implementation. The various components of this initiative are set out below:

### Methodological Work

Outputs include guidelines and documentation in support of the technical cooperation (TC) reform including reinforcement of the Capacity Development approach with production of a guide "*Making Technical Cooperation more Effective*" (2009). There are also a number of documents published under The Tools and Methods series<sup>405</sup> (e.g. operational guidance on governance issues and for thematic sectors such as agriculture, water, social transfers, trade and

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registered, but these are yet to become structured and systematic mechanisms. Furthermore field visits have highlighted that neither in Lusaka, Addis Ababa or Dar es Salaam are the Delegations staffed and in a condition to effectively address the policy dialogue and coordination work required by the regional programme. In most cases, the same Delegation officers are in charge of both the regional programme and the national programme. A couple of persons in charge of the regional programme often are responsible for national programmes amounting to hundreds of millions of Euros, and for policy negotiations at the highest levels for both regional and national matters. The lack of local and expatriate staff is a major bottleneck. In Brussels the situation is no better. This situation generates a weak dialogue and sometimes contradictory messages. It has been reported that in the absence of a formal liaison mechanism between EC Delegation and the IRCC project, advice given by RIOs by the respective Delegations was not consistent with those given by the IRCC staff.

<sup>400</sup> EU Development Cooperation after Lisboa: The Role of EEAs EU Diplomacy Papers 10/2010.

<sup>401</sup> AIDCO, ECHO, DG Rolex (EDF), DGDEV (DCI), DG TRADE & Legal Service.

<sup>402</sup> EDF Committee, DCI Committee, European Parliament.

<sup>403</sup> Referring Technical Cooperation and PIUs for External Aid provided by the European Commissions: A Backbone Strategy, 2008 2.2.2. Main weaknesses identified in the internal diagnostic. This strategy goes on to propose enhancement of internal capacity through communication, knowledge management and training including: dissemination of guidelines, communication targeting EUMs and other donors, exchange between EUDs and HQ, diversification of services of expertise, facilitation of access and networking of countries of compliance in EU system, academic institutions, research centres etc, revision of existing methodological tracing, more advanced training at HQ and country levels.

<sup>404</sup> Methodological support and training for project and programme management EuropeAid/130799/C/SER/Multi ; Methodological support and training in aid delivery methods EuropeAid/126284/C/SER/Multi.

<sup>405</sup> <http://capacity4dev.ec.europa.eu/t-and-m-series/info/tools-and-methods-series>.

environment). In 2013 - 2014, a new set of EC operational guidance (Common features and Project Modality Guidelines), including themes such as Policy Dialogue and Political Economy Analysis. Methodological guidance has also been provided on cross-cutting issues such as environment mainstreaming, engaging with CSOs, the use of blending mechanisms, working in fragile/conflict affected states, justice and the rule of law. In 2012, the revised guidance on Budget Support was published.

### Training, Workshops and Learning Events

Training courses included:

- Aid Delivery Methods (Budget Support, Project Cycle Management, Sector Approaches) and Monitoring and Evaluation.
- Technical Cooperation and Capacity Development (Aid effectiveness Agenda), Policy Dialogue, Cross-cutting issues (environment mainstreaming, gender, human rights, engaging CSOs, resilience).
- Contextual pillars of budget support: (i) macro-economic analysis, growth strategies and government fiscal policies (ii) public financial management systems, related assessments and reforms, including debt and procurement (iii) public policy design and implementation, including performance measurements.
- Sector courses, seminars and workshops on issues such as: anti-corruption, decentralisation, social protection, education, agricultural hot topics, value chain, environment, climate change, employment, green economy, water, transport and trade.

### **Methodological Training organised from August 2008 to October 2013**

Row Labels	Distance Learning N° participants	EUD* N° of Participants	EUD - N° of courses	HQ - N° of participants	HQ – N° of courses	Total N° of participants	Total N° of courses
Budget Support and Public Financial Management	24	776	31	1450	91	2250	124
Project cycle Management, monitoring and evaluation	54	556	26	1263	64	1873	96
Aid effectiveness and Public policies	0	253	11	897	50	1150	61
Capacity Development and Policy Dialogue	0	824	23	587	31	1411	54
Context Analysis	161	88	4	349	26	598	50
Cross cutting issues	13	216	10	413	22	642	34
Sector specific trainings	0	708	25	640	28	1348	53
<b>Grand Total</b>	<b>252</b>	<b>3421</b>	<b>130</b>	<b>5599</b>	<b>312</b>	<b>9272</b>	<b>472</b>

\*EUD: EU Delegations

Suggestions have been made for an information exchange forum on the [www.capacity4dev.eu](http://www.capacity4dev.eu) (C4D) website.<sup>406</sup> This was originally set up as a tool to implement the EC Technical Cooperation reform launched in 2008. (C4D) has been redesigned to try to better respond to the needs of EC staff and other development aid agencies and partners and has become a platform for sharing experience and know-how. The platform is intended to support knowledge sharing and collaboration in major areas of EU development cooperation with stated objectives:

- consolidating knowledge and contributing to building an institutional memory at EU level;
- supporting thematic expertise within the EU;
- enabling cross-learning among practitioners from EU institutions and other organisations;
- consolidating knowledge sharing and communities of practice.

The site offers a magazine, with news and views on the latest thinking in a given field. At the end of 2013, Capacity4Dev was reported to have >11,000 registered users, more than 20 topics areas and around 300 knowledge sharing groups. New functionalities are being developed including the development of a project interface (project webpages and groups, project collaboration tools).

EU undertakes a huge number of evaluations and monitoring of support interventions and these evaluations are taken into account in intervention management and preparation of support strategies and programming of directly connected programmes and projects (i.e. the findings and recommendations of an evaluation in one country or region area seemingly only applied in that country or region). There does not seem to be any structured system of wider dissemination of lessons learned or findings even though there are common features which could have wider application. Overall, the quality of communications between EUDs and EU (Brussels) is reported to have improved during the course of 9<sup>th</sup> EDF implementation.<sup>407</sup>

**Madagascar:** L'efficacité des mécanismes (i) d'appui technique mise à disposition du gouvernement et (ii) de diffusion des enseignements / leçons tirés de l'expérience à travers notamment des Rapports d'évaluation n'est pas appréciable.

**Senegal :** The dissemination of lessons learned has not yet a technical mechanism known and effective for implementation. The elaboration of completion and ex-post impact evaluation reports is not yet automatic within agencies and structures implementing PIN.

**Mozambique:** Training seminars reportedly effective and useful. No information on dissemination of lessons learned (from evaluations). Reference to limited back up by Unit C5.

### **Questionnaire responses 105 (EUD training needs):**

<sup>406</sup> Transport Sector Desk Study 2011.

<sup>407</sup> Multiple references e.g. Mozambique Country Level Evaluation which goes on to note '....doubts expressed by some donors on the consistency of EC position in some sectors'.

The following training topics were mentioned:

- Regional seminars/ regional coordination (6x)
- Finance, Blending and PPP (15x)
- Infrastructure development (6X)
- Economic evaluation, including CBA (7x)
- Technical training, including CODEALOC (3x)
- PFM and Budget Support (4x)
- Contracting, Contract management, incl. arbitration (5x)
- Multimodal transport development (4x)
- Environment and transport (2x)
- Axle load control (2x)
- Poverty and social (2x)
- Security (2x)
- Transport geography
- Mise à jour de Politiques de Transports y inclus la définition des indicateurs
- Supporting Change through Capacity Development and Policy Dialogue
- Project Cycle Management - Economic and Financial Analysis
- Governance and policy issues
- Diplomatic procedures
- Back to basics (SWAP and log frame)
- Urban transport
- Financing and implementing road maintenance
- Agences européenne couvrant les différents modes de transport

### **Indicator 10.1.3. Correspondence between tasks and available EU human and technical resources at national and regional levels.**

The Evaluation of the Commission's support to the ESA IO Region 2008 noted, '*under resourced EUDs and lack of structural dialogue mechanisms between EUDs with regional responsibilities and between these and both EC HQ and EUDs with national competencies have prevented the EC from reaping the full benefits for improved coordination offered by the institutional set up and from playing an increased role in strengthening of coordinated policy dialogue with ROs and RIO member states*'. The Evaluation went on to recommend an increased capacity for EUDs to ensure full realisation of EC's potential added value.<sup>408</sup>

The 10<sup>th</sup> EDF SADC RSP/RIP notes a lesson learned from past and ongoing cooperation that '*due to a lack of skilled human resources ...there is a need to focus cooperation and move to fewer, longer programmes*'. The RSP/RIP goes on to observe a finding of the 2007 evaluation of EC support to SADC '*....the combination of an organisation lacking capacity (SADC) with an organisation run by procedures (EC) has contributed to delays at all stages of implementation*'.

<sup>408</sup> The EC should reinforce its regional units to ensure full materialisation of a potential added value. Specific capacities for policy dialogue and actions regarding the single RIOs should be located in the relevant Delegations: on the one hand the number of senior staff with regional responsibilities should be increased especially in those areas where regional work has become particularly significant; on the other hand specialised expertise should be provided according to needs especially in those areas where the expertise in the Delegations is normally lacking or to complement existing expertise in order to support the development of sector-specific strategies/programmes (e.g. TCSP/IP and the articulation of clear inter-modal transport strategies which require extensive consultation processes).

It has been noted that inadequate measures have been dedicated to promotion of PCD and that *'the promotion of PCD requires resources, both human and material. Adequate provisions need to be made available for this and not just on an ad-hoc basis but continual. Specific expertise and skills are also needed, such as technical knowledge of different policy areas with which development specialists will cover into contract...'*<sup>409</sup>

There are reported to be continuing shortages of technical staff in some EUDs with persistent anecdotal reports of delays in the recruitment process. A typical reference is ECDPM Briefing Note No 62 March 2014.<sup>410</sup>

Correspondence of available resources to tasks is also an issue for HQ levels: *'Adequate capacity and development expertise must be ensured to make the most of the existing development objectives when formulating EU policies likely to affect developing countries'*<sup>411</sup>

In general there appears to be an assumption that EUDs have the capacity and resources to adequately deal with whatever responsibilities are allocated to them despite widely different capabilities, expertise and skills being demanded for a huge range of issues from policy dialogue to technical engineering<sup>412</sup>.

There seems to be no overall EU strategy for human resources for development cooperation – each directorate apparently has an individual strategy. Limited observation and information collection suggests that on the whole, EUD staff morale is good (although the reduction in EU support to the transport sector leaves many technical personnel engaged in support to transport infrastructure in EUDs and HQ somewhat apprehensive). The gender profile of transport sector support staff is heavily skewed with relatively few female officers in place.

The EUD organisation is defined by EU services in Brussels and subject to only very limited local discretion. The slow speed of appointment did not keep pace with deconcentration needs or take into account rotation and replacement of EUD staff.<sup>413</sup> Also, certain postings are not viewed as amenable and recruitment can be a prolonged process (eh CAR, DRC, Sierra Leone).

The 10<sup>th</sup> EDF CSP/NIP for Ethiopia noted that 9<sup>th</sup> EDF strategies were seen to be too ambitious and were *'...also seen to be ignoring the limitation of staff capacity in the EUD.....several problems remain, of which capacity problems in the EUD are not the least important.'*<sup>414</sup>

<sup>409</sup> EU Policy Coherence for Development: from moving the goal posts to result-based management. ECDP in Discussion Paper 2010.

<sup>410</sup> Delegations have to perform new tasks and fulfil new roles that mobilise considerable human resources (in particular acting as Chair of Presidency and taking the lead in joint programming); yet EU Delegations have not been sufficiently strengthened in capacity, and in some cases have even been lost several (DEVCO) posts after the Workload Assessment. Political sections are generally understaffed and under resourced (although this seems to be gradually improving with time) and relied on DEVCO and even in some instances DG TRADE staff to fulfil their roles, further overstressing their limited capacities. This problem was accentuated during the European Development Fund/Development Cooperation Instrument programming phase in 2013.

<sup>411</sup> Concord Cotonou Working Group Briefing Paper June 2013 in discussion of PSD in CSPs 'confusion and blurring of concepts'.

<sup>412</sup> An example of the expected range of EUD engagement is given in 'Reforming TC and PIUs for External Aid provided by EC: A Backbone Strategy: Europe Aid 2008 and includes support to reform efforts, high level dialogue, programming, dissemination of strategies, taking reform forward at international and national levels, integration of capacity development in sector programmes (working with other donors), develop links with public sector and civil service reform, take a lead role on demand driven and country controlled Jas, act as driver of change among European partner agencies, pursue opportunities for co-financing and division of labour and so on....

<sup>413</sup> Mozambique Country Level Evaluation.

<sup>414</sup> Suggestions of 'pro domo' advocacy should perhaps recall that Cicero did prove his case (and rebuilt his house) .....

**Senegal:** In Senegal, there is a real nursery of technical staff in the transport sector. An extensive programme of capacity-building in the context of institutional support could be implemented through technical cooperation programmes.

**Mozambique:** No information on human resources strategies of different directorates.

**Indicator 10.1.4. Evidence of knowledge and application at EUD level of Principles of Project Cycle Management (including M&E) for the sector support programme.**

There are regular training courses in Brussels on aspects of PCM although no information has been examined on participation in such courses by EUD technical personnel.

Some training has been given on improving the quality of TORs (covering long and short term TA services in centralised and decentralised management modes) including communication tools (for EU, EU MS and other donors), feeding the system with good practise materials and revision of some systems, tools and procedures.

Some evidence has been examined of development of training courses to cover the changing 'face' of EU transport sector support (i.e. from project to programme approach; move to regional implementation [with an implied greater facilitation approach]; use of new financial instruments [such as blending] and maximisation of 'leveraging')<sup>415</sup>.

**JC 10.2: Adequate financial and administrative resources have been made available for EU support to the transport sector in Africa.**

There are reports that inadequacy of both financial and administration services at EUD levels have constrained the effectiveness of EU support to the transport sector in Africa. Limitations on operations budgets have limited the frequency of monitoring visits to project locations by EUD personnel. There are multiple references to delays in EU decision making but no evidence has been examined of such delays resulting from inadequate financial resources (but rather due to staffing constraints in EUDs combined with complexities arising from EDF procedures). No evidence has been examined of any analysis of input/output ratios including unit cost of outputs.

**Indicator 10.2.1. Correspondence between tasks/activities and available financial resources at national and regional levels.**

ODI reviewed EDF performance in 2013<sup>416</sup> noting that '*staffing constraints and a low ceiling for administration expenditure underlie the problems (of slow disbursement).*' No evidence has been examined of analysis of input/output ratios including unit costs of outputs.<sup>417</sup>

<sup>415</sup> eg in 2009 there was introductory training given to limited numbers of persons on transport sector policy and SBS followed by more extensive training (Anglophone and Francophone) in 2010 – ADM Programme (ADE).

<sup>416</sup> Reviewing the Evidence: How well does the EDF perform, ODI, 2013.

<sup>417</sup> This is confirmed by the Evaluation of EC's cooperation to the Republic of Malawi 2003-2010 JC 10 4 I10.4.2.



Although the process of ‘deconcentration’<sup>418</sup> was undertaken before the time period covered by this evaluation the reasons leading to deconcentration and outcomes of this devolution of management responsibility continue to be resonant to EU transport sector support (although no evaluation of the status and utility of deconcentration has been examined).

There are some reports of few field visits to sector support interventions being undertaken by EUD staff due to budgeting constraints.<sup>419</sup>

**Mozambique:** Reports of inadequacy of operations budgets.

#### **Questionnaire responses 108 (adequacy of operational budgets and resources for EUD portfolio management)**

- Suivi léger des projets, visites de terrain limitées, discussions techniques et choix techniques peu pertinents, pas de connaissance des expertises existantes au sein de la commission, etc...
- The budget for mission is quite limited and it is a constraint to be able to appropriately monitor both projects in implementation and opportunities for future programming.
- Limitations with regards to field missions
- The EU DEL in Guinea-Bissau does not have an Operational section for "Infrastructures" any more since two section were merged (Infrastructures and Rural Development). We are lacking expertise and we are lacking funding.
- Impossibility not only to secure the correct management of the available funds but also to follow the implementation of the action on the spot
- As regards works, it is of the utmost importance to go to the ground and monitor projects on a regular basis. As for sector dialogue and transport governance, it is necessary to go with national administration to a toll barrier or a custom border post in order to identify together the needs and improvements of the support provided.
- The regular occurrence of riders clearly suggest shortfalls at the studies stage, and subsequent inability to pinpoint those shortfalls on time
- Administrative issues related to functioning have become cumbersome and make operations difficult.
- Inadequate conception of some Financing Agreement (waterways transportation), inadequate frequency of on-site visits.
- See comment above and also consider the limited engagement in the sector
- Par exemple pas possible de faire formations en 2013 sur les contrats des travaux a Bruxelles
- Lack of human resources at EUD; Lack of support at headquarters levels (transport unit with 3 people for the whole world) Lack of specific training (possibility of studying a MS degree or more long term training should be considered); Lack of a pool of experts for the transport sector; Lack of an instrument such as a technical assistance facility to easily mobilize experts to the field (really challenging, if not impossible, to find and mobilize experts of a certain quality level in countries like Niger);

<sup>418</sup> The principal was ‘Anything that can be better managed and decided on the spot, close to what is happening on the ground, should not be managed and decided in Brussels.’

<sup>419</sup> e.g. Mozambique Country Level Evaluation – which also noted a reported ‘hands off’ approach to some sectors.

- Very high workload leading to little time for technical training and more strategic policy discussion. Administrative part is too time consuming.
- For our current involvement, it is adequate.

**Indicator 10.2.2. Evidence of timely decision making and disbursement of support financing.**

There are multiple references to delayed decision making and delays in support programme implementation (attributed to various reasons including EDF procedures) and there is even provision for such expected delays by 'over-programming' in some NIPs.<sup>420</sup>

The ODI review of EDF performance in 2013<sup>421</sup> noted critiques including: '*The EDF is inflexible in its procedures and unable to adapt quickly to changing circumstances*', *EDF suffers from weak forecasting and slow disbursement*.<sup>422</sup>

At regional levels there are also multiple reports of delays in granting Contribution Agreement status to regional organisations.<sup>423</sup>

Evidence of delays in decision making appear largely to be due to staffing problems in EUDs most often referred to in the 9<sup>th</sup> EDF implementation with subsequent improvement in the situation during the 10<sup>th</sup> EDF. On the other hand delays in disbursement are more often reported as due to problems in application of EDF procedures.<sup>424</sup>

The 10<sup>th</sup> EDF CSP/NIP for Ethiopia notes '*...the lengthy decision making process of EC...moreover the recent decision of EC to re-orientate budget support assistance aggravated the already registered weak performance of the EU.....*'

**Senegal:** The information collected show a good steady state between EUD activities and operations budgets.

<sup>420</sup> Examples of CSP/NIPs which explicitly highlights such mitigation measures. 9<sup>th</sup> EDF CSP/NIP Uganda – '*A certain over-programming has been assured while programming the envisaged CSP interventions in order to have a sufficient pipeline to remedy unexpected problems or delays in implementation*'. 10<sup>th</sup> EDF CSP/NIP Gambia '*...slow implementation of the 9<sup>th</sup> EDF can be mainly attributed to delay in identifying and drafting programmes and projects after signing of the CSP/NIP. This will be better anticipated in the 10<sup>th</sup> EDF*'.

<sup>421</sup> Reviewing the Evidence: How well does the EDF perform, ODI 2013.

<sup>422</sup> Reasons for delays in 2011 included: delayed calls for proposals/tenders; delayed signature of contracts; countries not meeting BS eligibility criteria; new policies and guidelines, weak staff capacity.

<sup>423</sup> Albeit that there are also reports of CAs resulting in advantages in financing sectoral support programmes even if accompanied by a reported loss of focus in the CA system compared with the project system – Evaluation of EC support to the ESA, IO Region 2008.

<sup>424</sup> Multiple references e.g. Mozambique Country Level Evaluation.





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