



Evaluation of the EC interventions in the transport sector in third countries

Final report – Volume 1

May 2004

ADE s.a.
Rue de Clairvaux, 40
B-1348 Louvain-la-Neuve
Belgium
Tel.: +32 10 45 45 10
Fax: +32 10 45 40 99
E-mail: ade@ade.be
Web: www.ade.be

FRAMEWORK CONTRACT: EVALUATION OF THE EUROPEAN COMMISSION
AID IN PRODUCTIVE SECTORS AND BUDGETARY AREAS

ADE IN ASSOCIATION WITH IBM AND EPU-NTUA

This report has been prepared with the financial assistance of the European Commission.

The views expressed are those of the Consultant and do not represent the official views of the Commission.

Table of Contents

ACRONYMS AND ABBREVIATIONS

EXECUTIVE SUMMARY	I
Object of the evaluation.....	i
Context	i
Overview of the Commission's interventions in the transport sector	ii
Main findings	iii
Conclusions.....	vii
Recommendations.....	viii
CHAPTER 1 - INTRODUCTION.....	1
1.1 PURPOSE OF THE EVALUATION.....	1
1.1.1 Scope.....	1
1.1.2 Objective and target users	2
1.2 CONTEXT.....	2
1.2.1 EC Development policy in the transport sector	2
1.2.2 Overview of the Commission's interventions in the transport sector	5
1.3 EVALUATION QUESTIONS.....	7
CHAPTER 2 - METHODOLOGY	9
2.1 SEQUENCING OF THE EVALUATION	9
2.2 EVALUATION QUESTIONS, CRITERIA, INDICATORS	9
2.3 COLLECTION OF INFORMATION.....	10
2.3.1 Field missions	10
2.3.2 Questionnaire	11
2.4 ANALYSIS AND FINAL REPORTING	12
CHAPTER 3 - FINDINGS AND ANALYSIS.....	13
Question 1: To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect?	13
Question 2: To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategy?.....	20
Question 3: How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?.....	28
Question 4: How far have commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?	33
Question 5: How far have Commission strategies, programmes and projects contributed to economic and political integration across political and population boundaries?.....	38
Question 6: How far have Commission strategies, programmes and projects contributed to specific sector goals?	42

Question 7: To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?.....	49
Question 8: How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?.....	55
Question 9: To what extent has the design of Commission-sponsored strategies, programmes, activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?	59
Question 10: To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?.....	64
CHAPTER 4 - CONCLUSIONS AND RECOMMENDATIONS	69
4.1 CONCLUSIONS.....	69
4.1.1 Overall approach to transport.....	69
4.1.2 Partnership and donor coordination.....	70
4.1.3 Outcomes of EC interventions.....	73
4.1.4 Cross-cutting issues	76
4.1.5 Programme and project management.....	77
4.2 RECOMMENDATIONS	78
 FINAL REPORT - VOLUME 2 – ANNEXES 1-4	
ANNEX 1 -TERMS OF REFERENCE	
ANNEX 2 - EVALUATION QUESTIONS, CRITERIA AND INDICATORS	
ANNEX 3 - COUNTRY MISSION REPORT ALBANIA	
ANNEX 4 - COUNTRY MISSION REPORT ETHIOPIA	
 FINAL REPORT - VOLUME 3 – ANNEXES 5-6	
ANNEX 5 - COUNTRY MISSION REPORT MADAGASCAR	
ANNEX 6 - COUNTRY MISSION REPORT RUSSIA	
 FINAL RERPORT - VOLUME 4 – ANNEXES 7-10	
ANNEX 7 - COUNTRY MISSION REPORT TANZANIA	
ANNEX 8 - MAIN FINDINGS OF THE QUESTIONNAIRE SURVEY	
ANNEX 9 - CONCLUSIONS OF PREVIOUS SECTOR EVALUATIONS	
ANNEX 10 - OVERVIEW OF EC INTERVENTIONS IN THE TRANSPORT SECTOR IN THIRD COUNTRIES	

Acronyms and abbreviations

ACP	African and Caribbean Countries
CSP	Country Strategy Paper
DG	Directorate General
EC	European Commission
EDF	European Development Fund
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EU	European Union
HDM-4	Highway Development and Management, software version 4
IFI	International Financial Institution
NGO	Non-governmental organisations
NIS	Newly Independent States
NMT	Non-Motorised Transport
ODA	Official Development Assistance
PCM	Project Cycle Management
PMU	Project Management Unit
PRSP	Poverty Reduction Strategy Paper
RIP	Regional Indicative Programme
RMI	Road Management Initiative
RTTP	Rural Travel and Transport Programme
RUSIRM	Ruvuma and Southern Iringa Road Maintenance
SME	Small & medium-sized enterprise
SSA	Sub Saharan Africa
SSATP	Sub Saharan Africa Transport Programme
TA	Technical Assistance
TEN	Trans European Network
ToR	Terms of Reference
TRACECA	Transport Corridor Europe Caucasus Central Asia

Executive summary

Object of the evaluation

The current evaluation assesses the European Commission's cooperation activities in the transport sector in relation to the general and specific objectives of the different regional co-operation and development programmes, and in particular the extent to which the Commission's sectoral approach has been adopted in practice and has proved appropriate.

The scope of the evaluation encompasses every aspect of interventions related to the transport sector, whether:

- In the nature of infrastructure, services, traffic management, institutional support and regulatory activities for all transport modes – road, rail aviation, maritime, and inland waterways;
- Financed from EC budget lines, the EDF or the European Investment Bank;
- Located in ACP, ALA, MEDA, TACIS or Balkan countries;
- Within the period 1995-2001.

Context

The principles that guide the European Commission's current cooperation policy in the transport sector were developed during the 1990s. Two documents in particular reflect this development.

The first one, titled "Towards sustainable infrastructure: a sectoral approach in practice"¹ was released in 1996 by the Directorate General for Development. It provides users with practical support for the identification, planning and implementation of projects in the transport sector. These guidelines represented a major breakthrough to the extent that they set the Commission's transport cooperation policy in the framework of a sectoral approach instead of the project approach that prevailed previously.

Whereas the Transport Sector Guidelines have the character of a guide for practitioners, the Commission's Communication on Sustainable Transport in Development Cooperation², released in July 2000, is a policy document intended to promote a common view of the EC and the EU Member States on the principles that guide the Commission's cooperation with third countries in the transport sector. Building on the lessons learnt from experience, especially in the ACP region, the Communication states the principles that govern, or should govern, the Commission's interventions in the transport sector; presents the strategy promoted by the Commission to ensure that the results of its

¹ European Commission, Directorate General for Development, Towards sustainable transport infrastructure: a sectoral approach in practice, Brussels, 1996.

² Commission of the European Communities, Communication from the Commission to the Council and the European Parliament, COM(2000) 422 final, Brussels, 6 July 2000.

assistance are sustainable; and lists the conditions that have to be met if the Commission and EU Member States are to assist third countries effectively in the development of sustainable transport.

Although the Communication addresses EC development cooperation in transport wherever it takes place, in practice, the priorities articulated in that Communication have not been applied to countries outside the ACP and ALA regions where the EC cooperation targets specific objectives.

Overview of the Commission's interventions in the transport sector

According to the CRIS database, the EC's total commitments to the transport sector over the 1995-2001 period amounted to Euro 4.9 billion through 841 projects. The emphasis given regionally by the Commission to the transport sector and its sub-sectors varies significantly, as also do the objectives of the interventions:

- In the ACP region, to which was allocated 75% of total commitments (Euro 3,700 million), transport was a focal sector of most national programmes, with strong concentration on road infrastructure. The main objectives of the Commission and of the partner governments in the region were to support economic growth and to ensure sustainability of transport infrastructure investments through adequate maintenance.
- In the TACIS and Balkan regions, which respectively received 13% (Euro 638.4 million) and 6% (Euro 279.9 million) of total committed funds, EC interventions mainly aimed at supporting regional integration and trade facilitation.
- In the MEDA region, the EC is expected to focus on technical assistance, leaving the financing of infrastructure investments to the European Investment Bank (EIB). Nevertheless in practice most of the resources of the MEDA programme allocated to transport (Euro 205.6 million) between 1995 and 2001 went into road infrastructure investments, in particular in Morocco.
- In the ALA region, the Commission's transport sector interventions are very recent and have not involved large flows of funds (Euro 89.7 million, that is 2% of total commitments). The primary objectives of these interventions were regional integration in Latin America, and economic cooperation in Asia.

The EIB also contributes to the development of the transport sector in third countries through loans for infrastructure investments. The EIB mainly focuses on the road and railways sectors (50% and 18% of the turnover respectively) and geographically mainly on the MEDA (50%), Balkans (27%) and ACP (16%) regions.

Main findings

The focus of EC interventions in the transport sector differed from one region to another in relation to the nature of local needs and problems

During the 1995-2001 period, EC interventions in the transport sector mainly consisted, at least with respect to the financial resources involved, of infrastructure investment projects in regions and countries where the scarcity of transport infrastructure, or its poor condition, was a major impediment to economic development (ACP countries and some ALA countries), or else hampered the development of trade at regional level or between the region and the EU (PHARE and Balkan countries). In regions and countries where deficient transport infrastructure was not a major hindrance to economic growth or trade development (TACIS, ALA countries with intermediate income levels), the focus of EC interventions was on technical assistance projects aimed at enhancing the effectiveness of transport systems. Although transport is intended to have an important role in the establishment in the MEDA region of a free trade area - a core objective of the Barcelona Agreement - very few interventions addressed the sector during the 1995-2001 period.

EC interventions contributed to the adoption and implementation in ACP countries of transport policies broadly consistent with a sectoral approach

Thanks to continuous policy dialogue with government and to overall agreement between the main donors on objectives, the EC made an important contribution to design and implementation in ACP countries of transport policies and strategies broadly consistent with sectoral approach principles. At the same time as financing construction or rehabilitation of major transport infrastructure, the EC supported the institutional and financial reforms required to secure proper maintenance of this infrastructure. The EC also contributed to other institutional changes aimed at enhancing transport sector effectiveness. Capacity building projects addressed the weaknesses of the government agencies in charge of the sector.

Although implementation of transport policies or strategies varied from one country to another, the general trend in ACP countries reveals positive developments: steps are being taken towards separation of, on the one hand, policy and regulatory functions which are a government responsibility, from infrastructure management activities which are entrusted to autonomous agencies, notably Road Agencies, on the other; significant progress has been made towards ensuring proper maintenance of the main road network; markets for transport services have been liberalised; infrastructure for maritime and air transport has been privatised or transferred under concession; and maintenance work is contracted out or else the units in charge of this task are managed on commercial principles. These changes are likely to be irreversible.

The involvement of civil society in transport issues is still limited. But efforts are currently made in some ACP countries to involve civil society in design and implementation of transport policy, and initiatives are taken by some Delegations to implement a more participatory approach in identification and design of investment projects. This development has not yet taken place in other regions.

While providing a comprehensive support to the design and implementation of sustainable transport policies in ACP countries, the EC placed special focus on maintenance of the road network. The agreement of the EC to finance infrastructure investments in ACP countries was dependent on government commitment to measures to ensure adequate maintenance. In some cases, the EC postponed the implementation of investment projects when it became clear that the governments were reluctant to fulfil their commitments in this regard. EC projects have made important contributions to establishing Road Funds endowed with earmarked revenues levied on road users and to their strengthening, as well as to programming and follow-up of maintenance work by the bodies in charge of managing the road infrastructure. However, ensuring adequate maintenance of the road network is still work in progress; most Road Funds do not yet collect revenues proportional to the required volume of maintenance work, and the EC may then complement the Road Fund revenues with a support scheme entailing a progressive decrease in transfers. Insufficient capacity in the domestic construction industry may be another obstacle to adequate maintenance of the roads network.

In ACP countries, the main limitations of EC interventions were a nearly exclusive focus on the road sub-sector and an insufficient attention devoted to development of transport related activities and to crosscutting issues.

EC interventions in ACP countries, whether investments or support to institutional reforms, concentrated nearly exclusively on the road sub-sector.

While it is strongly supportive of regional organisations' efforts to harmonise legislations, regulations and standards in relation to transport, the EC could have put a stronger focus on this issue in the framework of its policy dialogue with governments.

Insufficient attention was devoted to such issues as safety, protection of the environment, health risks related to increased mobility, or gender issues, which were addressed either not at all or in a poorly effective manner.

Very few attempts were made to improve the regulatory framework for transport services and to develop the capacities of private operators in the transport sector, whether contractors, consultants or providers of transport services.

Outside the ACP region, EC interventions did not contribute, nor were meant to contribute to a more consistent or holistic approach to transport so as to ensure its sustainability.

In the Western Balkans, EC transport sector interventions primarily targeted the development of trade at the regional level and between the region and the European Union, as well as consolidation of peace. Indeed EC interventions have made an important contribution to rehabilitation of the transport infrastructure in this region and to restoring transport links within the region. To that end EC interventions combined infrastructure investments financed from national programmes with border-crossing improvements financed from regional programmes. But in a context of war and political troubles in the

region, investment projects were implemented in a climate of emergency, without sufficient preparatory studies, and without ensuring that the institutional environment was appropriate for proper management of the infrastructure. More recently the EC has financed the development of a transport master plan for the whole region, which should allow more solidly-grounded identification of investment projects. At the same time, the conclusion of bilateral agreements between the Western Balkans countries and the EU should allow the development of an overall policy dialogue on the framework within which transport policy issues should be debated.

The TRACECA programme pursues similar objectives of regional integration and development of trade relations with Europe through technical assistance and investment projects that involve at least two participating countries. It started as a technical assistance programme to support the removal of institutional barriers to trade along a corridor joining Central Asia to the Caucasus and Europe. Over time the programme devoted more resources to investment and its geographical scope tended to enlarge. But the effectiveness of the transport corridor, which remains the main focus of the programme, is still debated. The programme is located at the periphery of the transport system of the participating countries, thus having a limited impact on the development of transport policies. Nevertheless evaluations of the programme noted that there is general government acceptance and support for the programme throughout the region and that it contributes to the building-up of an extensive network of contacts and working relationships.

In countries where EC interventions in the transport sector do not belong to the focal sector of the EC country strategy and/or are marginal in comparison with the volume of public expenditures in the sector, Russia being an example, the effectiveness of interventions is to a large extent out of control of the EC. Since there is no real policy dialogue with government on transport policy or strategy, EC interventions are taken from a shopping list without clear selection criteria. While delivering their planned outputs, these interventions neither contribute to the design nor support the implementation of a transport policy consistent with sectoral approach principles. The sustainability of their outcomes is dubious.

EC interventions supported economic growth and trade development, thus indirectly contributing to poverty alleviation

Since the scarcity or very poor condition of transport infrastructure was a major obstacle to the circulation of goods, rehabilitation of the primary road network in ACP countries and other poor countries of the ALA region has had a positive impact on economic development through sharp reductions in transport costs and travel times. Thanks to the liberalisation of transport services, lower transport costs were reflected in lower transport prices charged to the users.

The transport sector is identified by most PRSPs as a priority sector for its contributions to economic growth and to improved accessibility of the poor to essential services. However the stress is more commonly put on the former effect than on accessibility. In fact major trunk roads, which attracted the largest part of EC finance during the 1995-2001 period in ACP and other developing countries, are primarily meant for facilitating the transport of

goods. In countries where a large proportion of the population, and still more of the poor, live in rural areas, the construction of rural tracks impacts more directly on the potential for the rural poor to have access to social services, markets for their products, or job opportunities. Nevertheless the sharp reduction of inter-urban transport tariffs following the rehabilitation of a major road can make it affordable for the poor to travel to the nearest town.

Rehabilitating transport infrastructure has a positive impact on the development of trade. In this regard, however, it was noted that transport strategies developed by partner governments, notably in ACP countries, usually give priority to domestic transport needs. EC interventions, insofar as they support these strategies, tend to share this bias.

Avoidable difficulties sometimes hampered the implementation of investment projects. The effectiveness of capacity building projects was quite uneven.

Transport infrastructure investment projects were not immune of implementation problems resulting in schedule slippages and additional costs. This was observed notably in ACP countries but also in the Balkans. While they may originate in unforeseeable events, these difficulties frequently resulted from shortcomings in the preparatory studies for the projects. Weaknesses within the contracting authority were another frequent factor in delays.

The implementation of capacity building projects usually raises fewer problems. EC technical assistance was most effective when, as often the case with maintenance, it focused on a given component of the transport policy or strategy, which the component EC projects then supported in all its dimensions and through the different bodies and agencies involved. In contrast, technical assistance provided on a piecemeal basis and without clear objectives, while delivering its planned outputs, was not very effective at supporting a reform process, nor secured ownership by the beneficiaries.

Usage of analytical and management tools improved the identification and formulation of projects, but monitoring is generally restricted to outputs and projects and programmes are seldom evaluated.

Delegations capacity in terms of qualified staff is often very limited in relation to the number and size of the projects they have to implement. Deconcentration is accompanied by the recruitment of additional staff, but also widely increases the workload. Delegations have internalised the management and analytical tools made available to them (PCM, ECOFIN, EIA, Guidelines). This brought more rigour in the identification and formulation of projects. However, logical frameworks were sometimes designed in a rather formal manner without making explicit how the given project is part in a sectoral approach to transport. Delegations ensure close follow-up of the implementation of investment projects, and check whether technical assistance projects deliver their expected outputs, but outcomes and results of interventions are seldom monitored. The potential usefulness of evaluations to enhance project effectiveness is not clearly perceived by the Delegations.

Conclusions

As regards the **overall approach to the transport sector**, conclusions of the evaluation are that:

- The objectives pursued by EC interventions in the transport sector, or at least the prioritisation of those objectives, differ from region to region;
- Since the early 1990s, EC interventions in the transport sector in ACP countries have made significant progress towards a sectoral approach. However, they were not framed in a true sector-wide approach to transport;
- outside the ACP region, EC interventions were not based on a sectoral approach to transport. They therefore lacked consistency.

On the issues of **partnership and of donor coordination**, conclusions are that:

- In ACP countries, the Commission's establishment of a close partnership with government enhanced the relevance of interventions in the transport sector within national development objectives;
- Noticeable but uneven progress has been registered in ACP countries as regards the commitment of partner governments to implement reforms conducive to a sustainable development of the sector;
- A wide measure of agreement on sectoral approach principles exists between donors intervening in the transport sector of ACP countries; this facilitates coordination of their interventions;
- Outside the ACP region, the EC's failure to enter into a systematic and continuous dialogue with partner governments on transport policy issues puts at risk the sustainability of interventions;
- 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 has remained limited;
- The lack of relevant and reliable data in all regions is a serious impediment to decision-making and to monitoring of developments in the transport sector.

As regards the **outcomes of EC interventions**, the conclusions are that:

- In ACP countries, EC interventions contributed to the formulation and implementation of transport policies consistent with a sectoral approach to transport aiming at a sustainable development of the sector;
- In particular, the EC played a very important role towards ensuring adequate maintenance of transport infrastructure in ACP countries. Outside the ACP region, the issue of maintenance was not systematically addressed;
- In ACP and other developing countries, EC interventions have 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;

- In countries that are implementing a PRSP, EC interventions, in line with government strategies, primarily aimed at supporting economic growth as a basis for poverty reduction;
- In the ACP region, EC support to rehabilitation of the primary road network and maritime ports has had a positive impact on the development of trade and on regional economic integration;
- EC interventions in Western Balkan countries have created favourable conditions for development of trade within the region and between the Western Balkan countries and the EU;
- In the TACIS region, EC interventions in the transport sector did not consistently address their stated objectives;
- Little attention has been devoted by the EC to the establishment and enforcement of a legal and regulatory framework supportive to the development of transport services;
- Few attempts were made by the EC to support the development of local capacities in transport-related activities. As a consequence, opportunities to increase employment were not fully exploited.

As regards **cross-cutting issues**:

- Increasing attention is being given to environmental issues, but the scope of EIAs and measures implemented in relation to environment protection have remained limited;
- Safety has not been given the attention that it should have in a sectoral approach to transport;
- Health risks associated with infrastructure projects have not been addressed as part of a sectoral approach to transport;
- EC interventions in the transport sector failed to integrate gender issues.

In relation to **programme and project management**, the evaluation conclusions are that:

- Transport infrastructure projects delivered their planned outputs, but were not immune to implementation difficulties which could have been avoided;
- The effectiveness of capacity building interventions has been uneven;
- EC Delegations make use of the analytical and management tools made available to them;
- 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.

Recommendations

Recommendations (described in detail in Chapter 4) are as follows:

1. Ensure capitalisation of experience and provide support to Delegations through the maintaining of a properly resourced and sustainable transport thematic network;

2. In ACP countries, broaden the approach to the sector to cover all transport modes and take a comprehensive view of the whole range of activities involved in a given transport mode;
3. Promote the involvement of non-government stakeholders in design and implementation of the transport policy, and also involve them in the design and implementation of EC programmes and projects;
4. Support the development of the private sector in transport related activities;
5. Put sharper focus on the contribution of EC transport sector interventions to poverty alleviation;
6. Ensure that the objective of supporting the integration of partner countries into the world economy is properly reflected in both national transport policies and strategies and EC interventions;
7. Give more attention to the protection of the environment;
8. Adopt a comprehensive approach to safety in transport;
9. Give more attention to health risks in relation to infrastructure projects and the effects of increased mobility;
10. Integrate gender issues into EC interventions;
11. Take measures to enhance the quality of feasibility studies of investment projects;
12. Enhance the effectiveness of capacity building projects;
13. Support the development of transport data collection, processing and dissemination;
14. Extend the scope of project monitoring to outcomes and impacts and make better use of evaluations;
15. Move to budgetary aid to Transport Sector Policy.

Chapter 1 - Introduction

1.1 Purpose of the Evaluation

The Terms of Reference of the evaluation define its objectives in the following terms: “The primary purpose of the evaluation is to achieve improved coherence and application of the Commission’s sectoral approach to transport in partner countries. To achieve this purpose, the evaluation should assess the European Commission’s cooperation activities in the transport sector, relative to general and specific objectives of the different regional co-operation and development programmes, and in particular the extent to which the Commission’s sectoral approach has been adopted in practice and has proved appropriate”.

They further indicate that “the evaluation should be built around a testing and verification of the logic and consistency of individual actions against stated objectives and anticipated impacts. It should also aim at enhancing the coherence between objectives in the field of transport and the Commission’s other objectives, as well as a more rational strategic decision-making (including with Country Strategy Papers)”.

The main results of the evaluation will be assessments of key issues reflected in a set of 10 evaluation questions (see Section 2.3). In addition, the evaluation will assess the Commission’s sectoral approach to transport on the basis of the five evaluation criteria prescribed by the OECD Development Assistance Committee (DAC): relevance, effectiveness, efficiency, impact and sustainability.

1.1.1 Scope

The evaluation encompasses every aspect of interventions related to the transport sector, whether:

- in the nature of infrastructure, services, traffic management, institutional support and regulatory activities for all transport modes – road, rail, aviation, maritime, and inland waterways;
- financed from EC budget lines, the EDF or the European Investment Bank;
- located in ACP, ALA, MEDA, TACIS and Balkan countries.
- The time frame for the interventions under study is the period 1995-2001.

The evaluators have considered those Commission interventions explicitly defined as support to the transport sector. Activities implemented, for example, under humanitarian aid (ECHO), food security, rural development or STABEX, although not included in the scope of the evaluation, are listed in the typology of funding sources used to support transport projects and programmes during the period under scrutiny.

As regards the TRACECA programme, a specific evaluation was already under way at the time this global evaluation started and the findings and analysis of that work have been taken into account by the evaluation team.

1.1.2 Objective and target users

The specific objective of the present evaluation is an assessment of the extent to which the recommendations of the 1993 sector evaluation and the commitments made by the European Commission in their policy declarations have been reflected in the Commission's interventions carried out in the transport sector between 1995 and 2001. More particularly, the core of the evaluation will be an assessment of the issues addressed by the 10 evaluation questions.

The evaluation report will present an overall judgement on the Commission's past performance and the relevance of its current approach to programme design, as well as setting out specific conclusions and operational recommendations.

The evaluation thus aims to serve the policy-making and sectoral decision-making functions as well as project management purposes. The main direct target users include DGs DEV, RELEX, AIDCO, TREN and EC Delegations in countries covered by the evaluation. Other potential users include geographical desks, those responsible for interventions in other sectors (such as food security, health or education), and government and civil society partners.

1.2 Context

1.2.1 EC Development policy in the transport sector

The principles that guide today's cooperation policy of the European Commission in the transport sector were developed during the 1990s. Three milestone documents reflect this development.

In 1993, the EC Directorate General for Development released the Basic Principles³, a booklet compiling documents drafted from 1986 onwards to set out the lessons learnt from the evaluations carried out on projects and programmes financed by the European Commission in ACP countries. This document includes three pages dealing with "basic principles in the road infrastructure sector." Some recommendations presented in this document are still valid, such as those prescribing (i) the conduct a permanent dialogue between the Community and the ACP States on their transport policy; to strengthen cooperation between donors; and (ii) harmonisation of national road policies at regional level. But other recommendations have been re-examined since these basic principles were released and would today either be questioned or at least be worded differently, an example

³ Commission of the European Communities, Directorate General for Development, Basic principles, a compilation of texts derived from evaluations of projects and programmes financed by the EEC and approved by the ACP/EEC Council of Ministers, Brussels, February 1993.

being the statement that “the three forms of actions – extensions, improvements and maintenance – must be considered on the same footing”.

An important step forward in the formulation of the principles underlying the Commission’s cooperation with ACP countries in the field of transport was the publication in 1996 of the ‘Transport Sector Guidelines’⁴. The major breakthrough made by this document was the placing of the Commission’s transport sector cooperation policy within the framework of a sectoral approach as distinct from the project approach that prevailed previously. This move was consistent with the outcome of a large evaluation of EDF-funded transport sector projects and programmes⁵, which recommended in particular:

- Integration of transport sector investment projects/programmes into the national sectoral planning process;
- Ensuring that transport projects and programmes dovetail into a coherent sectoral policy, and to apply Community aid at the sector level;
- Adopting a “programme approach” by linking several individual physical projects with a range of support measures;
- Improving dialogue between beneficiary countries and major donors on preparation and monitoring of national, inter-sectoral and sectoral policies and programmes.

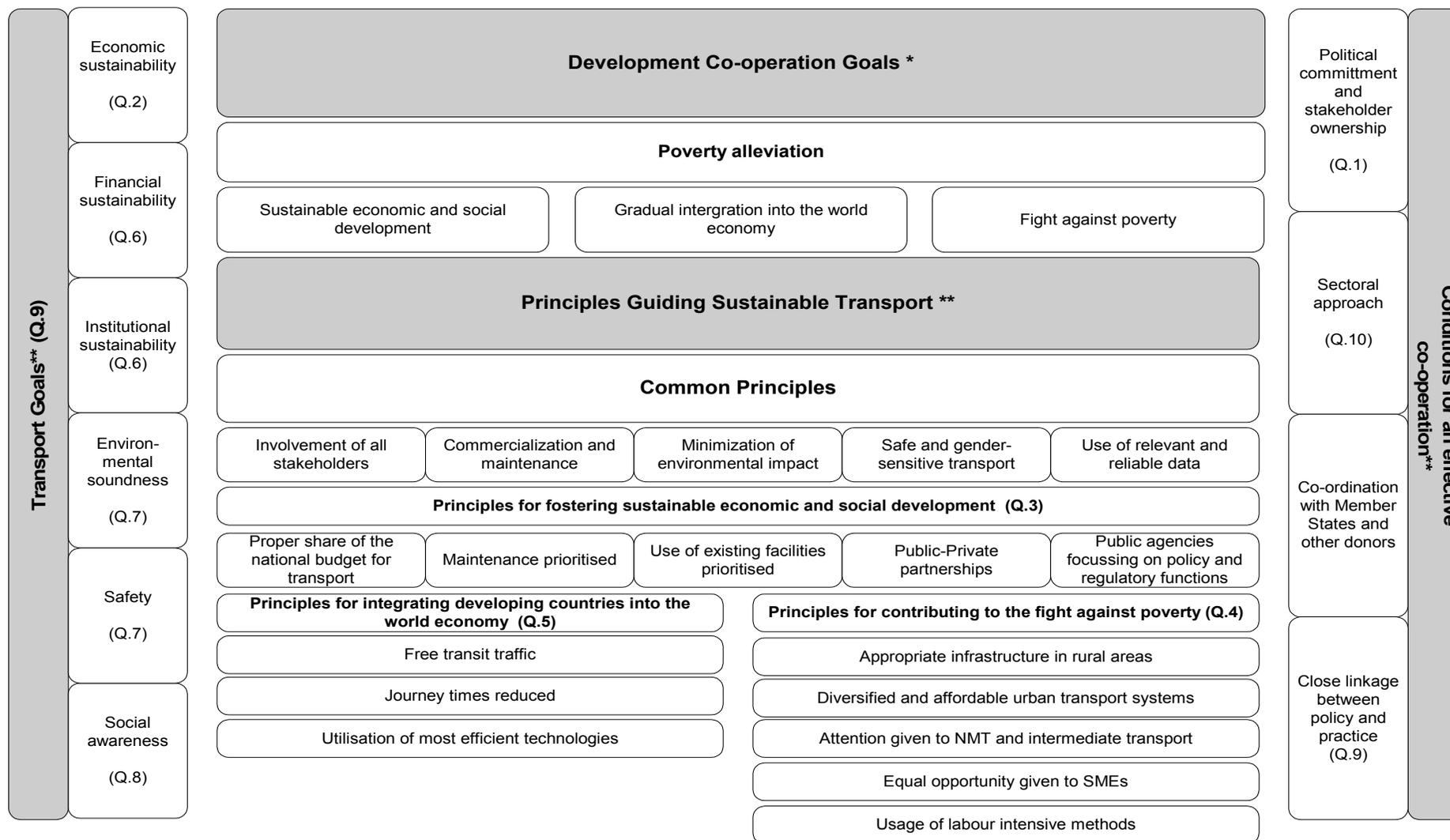
The Transport Sector Guidelines are meant to provide users with practical support for identification, planning and implementation of transport sector projects within the framework of a sectoral approach. They first indicate why and how the Commission’s cooperation in the transport sector should move from a project approach to a sectoral approach and what this implies for the various transport modes: roads, railways, ports, airports, urban transport. The Guidelines then go on to detail how this approach can be implemented in practice through the various stages of Project Cycle Management: programming, identification, formulation, financing, implementation, monitoring and evaluation. In the third and final part, the Guidelines describe tools for implementing a sectoral approach.

The third milestone document in the formulation of the Commission’s cooperation policy in the transport sector is the Communication of the Commission to the Council and the European Parliament: Promoting a Sustainable Transport in Development Cooperation⁶, released in July 2000. Whereas the 1996 guidelines are in the nature of a guide for practitioners, the Communication is a policy document intended to promote a common view between the EC and the EU Member States on the principles that guide the Commission’s cooperation with third countries in the transport sector. Both documents are fully consistent with one another.

⁴ European Commission, Directorate General for Development, Towards sustainable transport infrastructure: a sectoral approach in practice, Brussels, 1996.

⁵ EC (1995), Evaluation of EDF Transport Sector projects and Programmes, Final Report, Tecnecon.

⁶ Commission of the European Communities, Communication from the Commission to the Council and the European Parliament, COM(2000) 422 final, Brussels, 6 July 2000.



* The European Community's Development Policy, Statement by the Council and the Commission, Brussels, 10 November 2000

** Communication(2000)422 - Promoting Sustainable Transport in Developing Cooperation

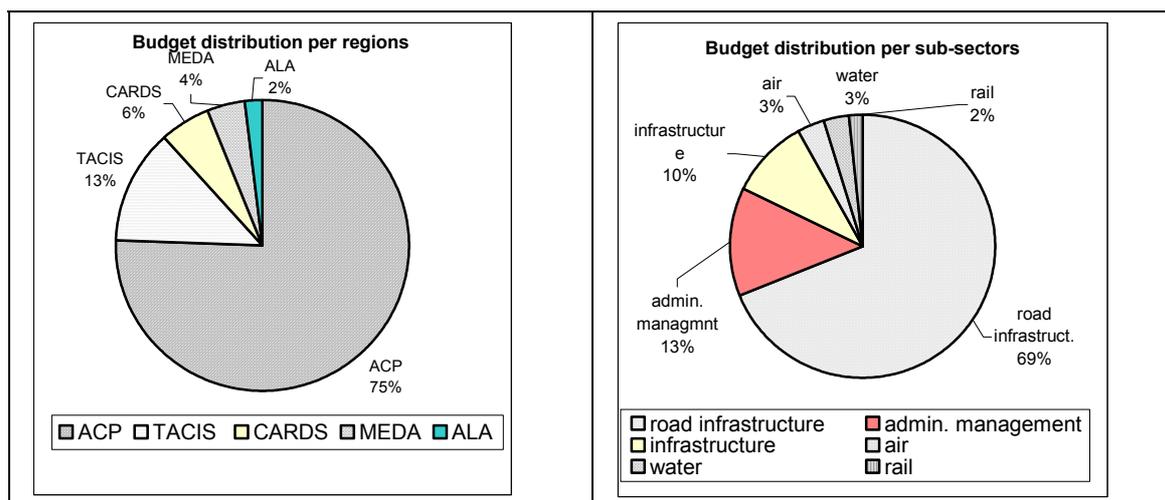
Building on the lessons learnt from experience, especially in the ACP region, the Communication sets out the common and objective-related principles that govern or should govern the Commission's transport sector interventions. It then presents the strategy promoted by the Commission to ensure sustainability of the results of its assistance. In the final chapter, the Communication lists the conditions that have to be met to enable the Commission and the EU Member States to assist third countries effectively in the development of sustainable transport.

The evaluation mainly relied on the Communication to identify the intervention logic of the Commission's transport sector interventions and, further, to identify forward-looking recommendations. On the previous page is an attempt at a graphical representation of this intervention logic.

However, care had to be taken not to evaluate strategies, programmes and projects identified in the first half of the 1990s and designed and implemented in the second half of the decade on the basis of best practice guidelines that were not finalised until a later date. The evaluation team also took into account the fact that, if some of the principles stated in the Communication are relevant for countries outside the ACP and ALA regions, the intervention logic defined by the Guidelines and the Communication does not entirely apply to these countries.

1.2.2 Overview of the Commission's interventions in the transport sector

During the period considered, the European Commission's interventions were mainly targeted on the ACP region and the road sub-sector. According to the CRIS database, the European Commission's total commitments over the period 1990-2001⁷ amounted to almost Euro 5,000 million through 841 projects. The graphs below show how EC commitments were distributed between the various regions and transport sub-sectors.



Source: CRIS database

⁷ The period considered is 1990-2001 since the projects undertaken between 1995 and 2001 were financed through funds committed from 1990 onwards.

- In the ACP region, which received 75% of the funds allocated to transport (€3,700 million), transport was a focal sector for most countries. Moreover, around 84% of the planned commitments for transport under the seventh and eighth EDF were dedicated to road infrastructure. The main policy objectives of the Commission and of the partner governments in this region were to support economic growth and ensure the sustainability of investments (through maintenance especially).
- In the TACIS and Balkan regions, which respectively received 13% (€638.4 million) and 6% (€279.9 million) of funds, it is harder to identify the sub-sectors that received most funds. Indeed, projects were most often reported under the titles “transport” and “infrastructure” in the CRIS database, which is quite vague. As for the policy objectives, they mainly consisted of regional integration and trade facilitation.
- In the MEDA region, transport investments are usually financed by EIB loans. However, between 1995 and 2001 the European Commission exceptionally devoted resources from the MEDA programme to finance the Mediterranean bypass and rural tracks in Morocco as well as transport infrastructure in the Palestinian entity. Together with a few technical assistance projects aimed at adoption of EU standards, the region was allocated 4% of the total funds committed by the EC to the transport sector, that is €205.6 million.
- In Latin America, Commission interventions in the transport sector are very recent. During the period considered, LA received only €67 million, of which the CRIS database indicates that 57% were dedicated to the road sub-sector and 27% to “infrastructure”. The main policy objective was regional integration.
- In Asia, the Commission allocated €23 million to the transport sector. Projects were undertaken in the framework of “economic cooperation” but no transport strategy was defined as such in the policy documents.

Besides interventions in the transport sector identified as such in the CRIS database, the European Commission financed construction or rehabilitation of roads through projects whose main focus was not on transport. Feeder roads for instance were financed in ACP countries as a component of Stabex-funded projects aimed at supporting development of agricultural production. In other instances, construction of rural tracks or repair of roads damaged by climatic conditions were carried out as part of a food security programme or within the framework of a humanitarian intervention financed under ECHO. It was however not possible to identify these activities in the CRIS date base. The corresponding expenditures are therefore not included in the figures presented above, and in any case are likely to be small in comparison with the amounts involved in specific transport interventions.

In addition to EC interventions, the EIB also contributed to the development of the transport sector in developing and transition countries. Over the period 1995-2001 the European Bank allocated loans amounting to €2,117 million to transport projects in these countries. It focused mainly on the road and railway sub-sectors (50% and 18% of turnover respectively) and geographically on the MEDA (50%), Balkans (27%) and ACP (16%) regions.

More details on the Commission’s transport sector interventions are given in annex 10.

1.3 Evaluation Questions

The terms of reference include ten evaluation questions presented below in Box 1. These questions reflect the “full extent of the stated objectives, obligations and activities in the sector”⁸ as well as the main issues of interest to the different EC services involved in this evaluation. They are grouped round the following themes:

- Quality and impact of transport policy dialogue and accompanying policy actions;
- Impact of Commission assistance in relation to economic and social development goals;
- Coherence and complementarity of EC assistance with other EU policies;
- Degree of attention given to cross-cutting and horizontal issues; and
- Relevance and efficiency of tools, working practices and financial mechanisms.

Box 1 – Evaluation Questions

A. THE EVOLUTION AND IMPACT OF TRANSPORT POLICY IN PARTNERSHIP

1. To what extent were policy and programme development (at a sectoral level) conducted in partnership with third countries since the publication of the last major evaluation, and with what effect?
2. To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategies?

B. COMMISSION ASSISTANCE IN RELATION TO SUSTAINABLE ECONOMIC AND SOCIAL DEVELOPMENT GOALS, INTEGRATION INTO THE WORLD ECONOMY, AND THE CAMPAIGN AGAINST POVERTY

3. How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?
4. How far have Commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?
5. How far have Commission strategies, programmes and projects contributed to economic, and political integration across political and population boundaries?

C. TRANSPORT SECTOR GOALS

6. How far have Commission strategies, programmes and projects contributed to specific sector goals?

D. HORIZONTAL AND CROSS-CUTTING ISSUES: ENVIRONMENT, SAFETY, GENDER, HEALTH

7. To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?
8. How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

E. TOOLS AND WORKING PRACTICES, FINANCIAL MECHANISMS AND THE PROGRAMME FRAMEWORK

9. To what extent has the design of Commission-sponsored strategies, programmes and activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?
10. To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

⁸ Terms of Reference, page 5.

Chapter 2 - Methodology

2.1 Sequencing of the evaluation

In line with the terms of reference, the evaluation was divided into two phases: a preparatory desk phase and a completion phase.

The preparatory phase was carried out between July 2002 and February 2003 and was mainly devoted to a preliminary assessment; structuring the evaluation approach; data collection; and analysis methods.

The main tasks of Phase I included:

- Reconstruction of the intervention logic,
- Preparation of the evaluation sheets,
- Sampling of EC interventions,
- Selection of data collection methods for the completion phase.

This preliminary phase led to the production in February 2003 of a report submitted to the evaluation Steering Group.

The Completion Phase started in March 2003. Its main components were:

- Inception stage: drafting of an Inception Note; preparation of specific TOR for each of the field missions; development of instruments for the collection of information; drawing-up of a questionnaire to be sent to a sample of EC Delegations.
- Fact-finding stage: field missions; follow-up and processing of the questionnaires sent to Delegations; complementary research in Brussels, and preparation of a synthesis of the findings.
- Analytical and report writing stage: analysis, drawing-up of conclusions and recommendations, writing of the Final Report.

2.2 Evaluation questions, criteria, indicators

The methodology for the evaluation is based on addressing the ten Evaluation Questions by means of judgement criteria linked to indicators. During the preparatory phase, therefore, each Question was analysed to identify the most appropriate criteria and indicators. A *fiche* for each Evaluation Question was then produced containing the following information:

- The team's understanding of the question, including the intended coverage, possible difficulties in addressing the question and, when necessary, definitions and additional issues for consideration;

- The intervention logic of the question, often at two levels: the relationship of the question to the overall intervention logic of EC interventions in the transport sector, and the “internal” logic of the question;
- Several judgement criteria were proposed for each question, either programme-specific or country-specific according to the question, some questions including both types;
- For each criterion, one or several indicators were proposed, covering different kinds of interventions, some initially defined in a general way and later more precisely specified according to the intervention;
- For each indicator, potential sources were proposed, varying according to the type of intervention, the region and the country.

Owing to the scarcity of data and existing analysis in the areas where the programmes under evaluation were carried out, it seemed safe to identify a rather large number of criteria for each question and several indicators for each criterion. These lists had to be taken as “long lists” within which the field teams would select the most realistic criteria or indicators according to the country or type of intervention they were analysing.

Altogether this process led to the identification of 58 criteria and 186 indicators.

The set of 10 *fiches*, indicating in particular the criteria and indicators associated with each evaluation question, is presented in Annex 2.

2.3 Collection of information

2.3.1 Field missions

Following discussion of the Phase I report by the Steering Group, it was decided to carry out field missions in five countries: Ethiopia, Madagascar, and Tanzania for the ACP region; Russia for the TACIS region; and Albania for the Balkans region.

The duration of each of the country missions was set at 2 weeks except for Albania for which the availability of a country strategy evaluation made possible a shortening of the field mission to one week. It was initially envisaged that the country missions would start with a pilot mission, which in addition to providing information for the evaluation could be used to test and refine the instruments prepared for the collection of information; the four other field missions then being carried out simultaneously by four different teams. But constraints related to the availability of Delegation Advisers did not allow work to proceed in this manner. Indeed the five field missions were mostly organised sequentially and carried out by the evaluation core team, as follows:

Ethiopia: 19-30 May 2003

Tanzania: 9-20 June 2003

Albania: 14-18 July 2003

Madagascar: 1-12 September 2003

Russia: 1-12 September 2003

Specific terms of reference were drafted in advance of each country mission. They provided a global view of the transport sector in the given country, including an analysis of the institutional set-up; government policy, strategy and programmes; and donor

interventions. The ToRs also listed the EC interventions in the sector during the period 1995-2001 covered by the evaluation, identified a sample of projects to be investigated by the evaluation team, and proposed a list of institutions to be visited.

Mission teams comprised an economist/evaluator, a transport expert, a junior expert and a local expert. In the countries visited the teams met with the EC Delegation; with the government agencies in charge of the transport sector (Ministries of Transport, of Public Works, of Local Government; Road Agency; Road Fund; Civil Aviation Authority; etc.); with contractors and consultants implementing EC funded projects; with consultants providing technical assistance to the government agencies; with professional associations of transport operators, contractors and consultants; with the management of railway companies; and with multilateral and bilateral donors active in the transport sector. The diversity of interviewees made possible coverage of the entire scope of the evaluation and crosschecking of the information collected.

Field missions culminated in country reports and in a synthesis report that was discussed with the evaluation Steering Group in December 2003. Country mission reports up-dated the information provided in the mission ToR on the main features of the transport sector and the descriptions of EC interventions. Field mission findings for each of the 10 evaluation questions are presented within a grid based on the criteria and indicators defined during the preparatory phase.

Country mission reports can be found in Annexes 3 to 7 of this report.

2.3.2 Questionnaire

To complement the information collected through the field missions a questionnaire was sent to 15 EC Delegations for the attention of the transport adviser. The questionnaire consisted of two parts, one dealing with transport-related issues at national level, the other focusing on specific EC interventions in the country's transport sector. Altogether 29 projects in 15 countries were covered by this survey. The 15 countries were selected in agreement with the EuropeAid Evaluation Unit, and include:

- 10 ACP countries: Benin, Cameroon, Central African Republic, Congo (Brazzaville), Jamaica, Lesotho, Mali, Mozambique, Niger and Senegal;
- 2 TACIS countries: Georgia and Ukraine;
- 1 MEDA country: Morocco;
- 1 country in Latin America: Bolivia;
- 1 country in Asia: India.

This survey was carried out in October 2003. All 15 Delegations approached returned a filled questionnaire. Questionnaires were then processed and a report summarising the main findings of the survey was drafted and submitted to the Steering Group at the December 2003 meeting. This report, and the questionnaire on which it is based, are presented in Annex 8.

2.4 Analysis and final reporting

At the end of the data collection stage the evaluators had available, for the countries visited or surveyed by questionnaire, a large number of findings set out by evaluation question and, within each question, by evaluation criteria and indicators. The last stage of the evaluation process consisted in building on this material, first to provide overall answers to the evaluation questions, then to derive from those answers an overall assessment including a full set of conclusions and recommendations.

It turned out at this stage that the criteria utilised for organising the findings during data collection were too numerous to provide synthesised answers to the evaluation questions. A new set of aggregated criteria was accordingly defined in such a way that each criterion addressed a clearly identified issue, and that taken together the different criteria associated with a given evaluation question covered the question in its entirety. This redefinition of the evaluation criteria built on the work carried out during the preparatory phase to delineate the coverage of the evaluation questions. Altogether the number of evaluation criteria was reduced to 32, with between two and five criteria for each evaluation question.

The evaluators then drafted a text presenting for each criterion the evaluation findings. A practical difficulty of this work was that for most criteria the findings tell different stories according to the region or even to different countries within a region, and even in some cases according to different periods of time within a given country.

The processing and presentation of the findings has had to reflect this diversity, while at the same time isolating those findings which have, possibly at regional level, sufficient commonality to provide an overall basis for answering the evaluation questions. Chapter 4 is accordingly devoted to presentation of the findings and the derived answers to the 10 evaluation questions. Where necessary findings are informed, as well as by analytical treatment, also by examples encountered which link this synthesis report to the country reports and the questionnaire survey. In compliance with the evaluation ToR, the chapter also provides an overall assessment of EC interventions in the transport sector on the basis of the five classical DAC evaluation criteria: relevance, effectiveness, efficiency, impact and sustainability.

The last stage of the evaluation consisted in deriving, from the answers to the evaluation questions, overall conclusions and recommendations which are presented in Chapter 5. Evaluators carried out this stage of the work through a bottom-up approach. They first drew conclusions at the level of the 10 evaluation questions and their 32 criteria, formulating recommendations at that level; then the conclusions and recommendations were reorganised on the basis of five themes:

- overall approach of the sector;
- partnership and donor coordination;
- impacts of EC interventions;
- cross-cutting issues;
- programme and project management.

As far as needed conclusions have been differentiated by region, and the recommendations presented in relation to the successive stages of the project management cycle.

Chapter 3 - Findings and analysis

This chapter presents the evaluation findings collected during the country missions and through the questionnaire sent to EC Delegations, and provides elements of analysis for their interpretation. Findings and analysis are organised in relation to the 10 evaluation questions and, within each evaluation question, to the judgement criteria.

Question 1: To what extent were policy and programme development at sectoral level conducted in partnership with third countries since the publication of the last major evaluation and with what effect?

The evaluation question is addressed through five criteria dealing respectively with (i) policy dialogue on transport; (ii) involvement of non-government stakeholders; (iii) the relevance of EC interventions to the needs and problems of partner countries; (iv) the links between transport and other sectors of the economy; and (v) the availability of reliable data to inform policy decisions.

Most ACP countries have designed transport policy/strategies broadly in line with the principles underlying the development of a sustainable transport sector. The involvement of non-government stakeholders in the design and implementation of these policies, although it is still limited, is making distinct progress.

These developments have been supported by a permanent policy dialogue on transport policy issues at national, and in Sub-Saharan Africa at regional, level between the governments and a donor community whose members share common views as regards the principles of a sectoral approach to transport.

The existence of transport policies/strategies creates favourable conditions for the identification of interventions that meet the needs and problems of partner countries. In particular, in countries that are implementing a poverty reduction strategy, transport has an important role to play in enhancing economic growth and improving access to essential services.

The situation is much less satisfactory outside the ACP region. The EC did not undertake a systematic and continuous policy dialogue on transport with partner governments in the TACIS, Balkan and MEDA regions. Its interventions in the sector, even when they have been massive as was the case in the Western Balkans, did not therefore contribute to the implementation of a consistent policy jointly agreed by both parties.

Nearly everywhere in developing and transition countries, the design of sound transport policies/strategies suffers from scarcity of reliable data. Regional programmes may make a useful contribution to progress in this area.

Criterion 1.1: Policy dialogue on transport

Most developing and transition countries either have designed, or undertaken to design, a transport sector policy/strategy, which however does not always encompass all transport modes. According to the questionnaire survey, in half of the fifteen countries surveyed the transport policy/strategy only covers one single mode of transport, most often roads, while in the other half it covers several or all transport modes.

In ACP countries in particular, a large number of countries have adopted transport policies over the last 10 years. Among 27 Sub-Saharan African countries surveyed in the framework of the Sub-Saharan Africa Transport Programme (SSATP), only two countries, Benin and Mali, had elaborated a transport policy prior to 1995; by end-2003, they had been joined by 19 more countries, and a transport policy document was under preparation in two others⁹.

This development is to a large extent an outcome of the policy dialogue between governments and the donor community on transport policy issues. Donors, including the European Commission, supported the elaboration of transport policies/strategies through donor-funded studies and the provision of technical assistance to the government institutions in charge of the transport sector.

Transport policies/strategies adopted in ACP countries are broadly in line with the EC cooperation objective of promoting sustainable transport. They (i) stress the necessity of securing maintenance of transport infrastructure; (ii) aim at improving the efficiency of transport systems through the privatisation of transport services and the commercialisation of such activities as infrastructure maintenance; (iii) include plans for institutional reforms involving a changing role for the Ministry of Transport, which typically restricts its attention to policy and regulatory matters, while the management of transport infrastructure is transferred to an autonomous Road Agency; (iv) take steps for large transport infrastructure, apart from roads, to be either privatised or subject to concessionary arrangements.

Donor coordination in the policy dialogue with governments has been facilitated by a large convergence on the principles of a sectoral approach of transport. In Sub-Saharan African in particular, this convergence was reflected in the creation of the Sub-Saharan African Transport Policy Programme (SSATP), an international partnership between donors and aid recipient countries that aims to facilitate policy development and implementation in the transport sector. The EC is currently the main contributor to SSATP in which it cooperates with the World Bank and 16 bilateral donors, among which are 10 EU Member States¹⁰. SSATP has five components: Road Management Initiative (RMI), Rural Travel and Transport Programme (RTTP), Urban Mobility (UM), Trade and Transport (TT), and Railway Restructuring (RR). Cameroon, Chad, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mozambique, Senegal, Tanzania, Uganda, Zambia, and Zimbabwe

⁹ Source: SSATP. Information given at the First African Conference of Road Maintenance Funds, Libreville, December 2003.

¹⁰ Bilateral donors contributing to SSATP are Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States.

participate in the Road Management Initiative and in the Rural Travel and Transport Programme components. Burkina Faso, Côte d'Ivoire and Nigeria participate only in the RTTP. Participating countries are committed to reporting annually to SSATP members on progress of their activities. SSATP activities also influence transport policies and strategies implemented in Sub-Saharan countries that are not formally members of the programme, and even developing countries outside Africa.

Once there is agreement between governments and donors on the basic principles that underlie the transport policy/strategy, the focus of the policy dialogue between governments of ACP countries and donors moves to implementation issues. In relation to the European Commission, this dialogue basically aims at defining mutually supportive commitments of both parties, the Government with respect to consistent implementation of the principles stated in the transport policy/strategy documents, the EC to supporting this implementation through investment and technical assistance projects.

In TACIS countries, where transition to a market economy implied thorough revision of existing policies, a comprehensive transport policy consistent with developments taking place elsewhere in the economy did not exist in the earlier years of the transition process. Development of such transport policies is still ongoing, without, however, significant involvement of the European Commission. In Russia, for instance, a fully-fledged transport sector strategy - equivalent to the EU White Paper on transport - is only now being developed by the Government, but without any participation by the donor community. In the Caucasus and Central Asia, the EC-funded TRACECA programme does not address the issue of transport policy at national level.

In Western Balkans countries as a contribution to their preparation for integration into the EU, and in MEDA countries as a step towards the establishment of a Euro-Mediterranean Free-Trade area, the issue of national transport policies should be the object of a specific policy dialogue within the framework of the bilateral agreements between these countries and the European Union. However such a policy dialogue with the EC on transport issues did not take place during the 1995-2001 period covered by this evaluation. During this period very few interventions targeted the transport sector in MEDA countries. As for the Balkans, stabilisation of the political situation was a pre-requisite to the establishment of a dialogue on sector policies. Indeed, it is only in 1999 that the conditions were met for the EU to propose to its partners in the region participation in a Stabilisation and Association Process.

Criterion 1.2: Whether the EC sought to address the needs of stakeholders outside government?

In ACP countries, formal involvement of non-government stakeholders¹¹ in the debate on transport policy issues remains limited but is on the rise.

In countries that have established a Road Fund, a Road Agency or a Road Authority, representatives of the private sector participate in the Boards of these institutions. There are also examples of conferences bringing together different stakeholders in the sector, notably foreign donors, but also representatives of local stakeholders. One can mention for instance the bi-annual meetings convened in Ethiopia to review the Road Sector Development Programme; the annual round-tables on transport in Ghana; the national conference on transport that took place in 2003 in Madagascar and is expected to be repeated on an annual basis. According to the questionnaire survey, private transporters and economic operators have been consulted in most countries, frequently through the organisation of workshops, at some stage during the preparation of the national transport programmes.

On the other hand, multi-country programmes encourage their members to enter into a participative process involving the private sector and civil society. The SSATP, in particular, promotes the creation of boards and coordination committees with participation by the private sector and the organization of participative workshops. In Burkina Faso, Cameroon, Chad and Cote d'Ivoire the RTTP Steering Committee has about half its members from the private sector or civil society. In Guinea, the private sector accounts for one-third of the board. Ghana has not yet established a RTTP Steering Committee but the Ghana Highway Authority Board includes 4 private sector members out of 10 and the Road Fund Board 8 out of 15. In Ghana, an annual public forum on the Road Fund is also organized to raise awareness of the functions of the Road Fund and of the benefits to road maintenance of road user charges, and to involve stakeholders in the management of the road portfolio. Less often the countries participating in the Road Maintenance Initiative have a coordination committee including members of the private sector or civil society.

Besides these institutionalised forms of participation, non-government stakeholders are commonly involved in informal discussions with the Government on transport policy issues. Road users' or transporters' associations have talks with their Government. They however claim that their influence on policy is minimal. As regards final users of transport (producers' associations, women groups or representatives of civil society in general), mission findings and questionnaires reveal that, with a few exceptions (e.g. Lesotho, Mali), they are usually neither consulted on transport policy issues nor involved in the management of the sector.

¹¹ By "non-government stakeholders", we refer here on the one side to the professional providers of the transport sector (civil engineering consultants, contractors, operators of transport services) and on the other side to the users of transport services whether individuals or enterprises.

At the project level, the involvement of non-government stakeholders has been extremely limited. In none of the five countries visited has the EC formally engaged in consultations with non-government stakeholders in the framework of the identification, design or implementation of its interventions. The questionnaires sent to EC Delegations show that out of the 29 projects analysed, there were only two cases, in the Central African Republic and in Morocco, where local populations were consulted at project identification stage. But here again positive developments can be noted. In Madagascar, for instance, the Delegation has recently undertaken to develop new mechanisms (socio-economic studies, surveys, EIA, consultations on accompanying measures, etc.) to involve the local population in the different stages of the project cycle, and it has regular contacts with local authorities and other stakeholders.

Outside ACP countries, the evaluators did not uncover any example of involvement of non-government stakeholders in the policy debate on transport, nor in the identification, design or implementation of transport projects except for the road project in Morocco mentioned above.

Criterion 1.3: Relevance of EC interventions to needs and problems of partner countries

Insofar as EC interventions support the implementation of a transport policy/strategy adopted by the Government following discussions with non-government stakeholders and with the donor community, as has been the case in ACP countries, the right conditions are being fulfilled for these interventions to address the needs and problems of partner countries.

EC interventions in ACP countries, while supporting the reform process engaged by the governments, contributed to the rehabilitation of the core transport network, the poor condition of which was a major obstacle to economic development and a priority in the poverty alleviation strategy. As will be seen later¹², more attention could have been given to such issues as safety, environmental protection and gender issues. But basically, the most urgent needs and problems of partner countries have been addressed¹³.

Outside the ACP region, EC interventions, while meeting the real needs of partner countries, taken together were not of the nature of a policy/strategy such as would be likely to ensure sustainable development of transport.

EC interventions in the transport sector reflected issues that the partner governments considered relevant and which they requested be included in the National Programmes. Indeed, these interventions addressed real issues: in Russia, enhancing the effectiveness of transport systems; in Central Asia and the Caucasus, facilitating the geographical diversification of trade flows; in the Western Balkans, developing links within the region and between the region and the European Union; in ALA countries, depending on their

¹² See below questions 7 and 8.

¹³ See below questions 3 to 6.

level of development, contributing to the improvement of the transport network (e.g. Bolivia, Nicaragua, Sri-Lanka) or promoting a cooperation with the EU in transport-related industries (India).

But these interventions were carried out in a climate of emergency and political instability (Western Balkans), were quite small in comparison with the volume of resources involved in the transport sector (Russia, India), or were not key to the cooperation policy of the EC with the partner countries (ALA region). They were not identified through a policy dialogue with the partner governments on transport issues. As a consequence, on the EC side these interventions did not reflect agreement with and support for the national transport policy/strategy. They were not even predicated on the existence of such strategies, that indeed at that time were still under preparation in countries of the former Soviet Union and in the Balkans. This situation calls into question less the relevance of these interventions to the needs and problems of partner countries than the impact and sustainability of their outputs.

Criterion 1.4: Links between transport and other key sectors

Two approaches prevail in terms of the role of transport in the overall development of a country: (a) its contribution to poverty reduction through enhanced economic growth (e.g. Morocco, Bolivia) or easier access to basic services (e.g. Tanzania) and (b) facilitation of exchange and integration into the world economy (e.g. Russian Federation).

Countries that have developed a PRSP explicitly identify transport as a contributor to development and poverty alleviation and in nearly all cases make transport a priority sector. This is the case in four of the countries where missions have taken place (Ethiopia, Tanzania, Madagascar and Albania) as well as in such countries as Cameroon, Congo Brazzaville, Lesotho, Mali, Mozambique and Niger, which were surveyed by questionnaire.

On the other hand, in countries where there is no PRSP the role of transport and its linkages with other sectors may also be identified in an overall development strategy. In many developing and transition countries, improving the transport sector is seen as a way of fostering trade and economic growth. This is the case in the Russian Federation, where transport development is viewed as one of the main conditions for integrating Russia into the world economy and taking advantage of the country's geographical position. An overall transport sector strategy is currently being developed along this line by the Russian authorities.

Ideally, inter-sectoral linkages and priorities should be reflected in the allocation of public resources through a multi-annual programming instrument. In the second half of the 1990s, a Medium Term Expenditure Framework has been developed in many countries to act as a guide for the sectoral allocation of public resources and ensure that policy decisions, notably those related to the implementation of the poverty reduction strategy, are properly reflected in the budget. In 2002, some 25 countries, including 13 in Africa, had

developed a MTEF¹⁴. These instruments are most commonly limited to a few major sectors of public intervention. They nevertheless may have a useful contribution in the formulation of a budget giving due consideration to the role of transport in the development of other sectors, and should ensure that the recurrent costs induced by the development of infrastructure are properly accounted for. Even so, the main problem relates to budget implementation and, more particularly still, to the budget appropriations to the different sectors. To secure adequate revenues for the maintenance of the road network, the international community and the EC in particular have encouraged the creation of Road Funds dedicated to maintenance¹⁵.

Criterion 1.5: Availability of reliable data for decision-making

In general, the availability and reliability of transport sector data is very deficient. It is especially so in less developed countries, where national statistical systems are in general often extremely weak. In some countries, however, a transport - or more often, roads - sectoral database has existed for many years, in some cases put in place during colonial times. In other countries the elaboration of a transport sector policy and programme encourages the development of monitoring indicators that serve as an initial transport sector database. This applies notably in Ethiopia, which relies on a very complete set of monitoring indicators within the framework of the Road Sector Development Programme. One main challenge is to be able to maintain data collection through time. A financial and engineering audit of road maintenance in Uganda in 2000 revealed, among other findings, that the road database had not been updated since it was created in 1997¹⁶.

On the other hand, many former planned economies have available a large database. The main weaknesses in those cases include the reliability of past data, capacity to continue comprehensive data collection during and after the process of transition to a market economy, and the capacity to enable the administration to adapt its procedures so that it can use the available data more efficiently and openly.

Although according to the questionnaire survey data is available and reliable in such countries as Bolivia, India, Lesotho or Niger, in most developing countries and the two TACIS countries surveyed by questionnaire, important data are missing, especially traffic flow data, modal split data, road quality indexes, road master plan, road transport haulage data as well as data on the progress of rehabilitation and maintenance projects.

Multi-country programmes such as TRACECA or SSATP may have an important role in encouraging and assisting countries to develop and maintain a transport sector database. For instance, a TRACECA database storing homogenous data relative to all participating countries has been defined by the programme and is maintained in the TRACECA head

¹⁴ P. Le Houerou & R. Taliercio, Medium Term Expenditure Frameworks: From concept to practice; lessons from Africa, Africa Regional Working Papers, February 2002.

¹⁵ Findings related to Road Funds will be presented later, in particular under Question 2 and 6.

¹⁶ A Contrasting Approach to Road Reforms. The Case Study of Uganda Experience, Ajay Kumar, March 2002, SSATP Discussion Paper No 1.

office in Baku. In spite of design deficiencies highlighted by the evaluation of the programme¹⁷, this database provides useful data for pre-feasibility and feasibility studies as well as for monitoring project progress.

Question 2: To what extent has policy commitment from partner countries been secured so as to ensure the sustainability of transport strategy?

The evaluation question is addressed through four criteria dealing respectively with (i) the commitment of partner countries to transport sector reform; (ii) government commitment to ensuring for transport a reasonable share of the budget and adequate funding of maintenance; (iii) the approaches adopted by the European Commission in securing Government commitment; (iv) the European Commission contribution to more effective utilisation of national resources allocated to transport.

In the ACP region, positive developments towards sustainable transport have taken place during the period 1995-2001 covered by this evaluation.

Transport policies involving far-reaching institutional reforms have been adopted that are broadly consistent with the sectoral approach promoted by the European Commission. With the support of the donor community, planned reforms are actually implemented even if progress is uneven from country to country. In particular, noticeable progress has been achieved in many ACP countries towards ensuring maintenance of the road network. Commercialisation and privatisation of transport are in progress, notably through the transfer under concession of railway services, ports and airports, while maintenance work is contracted out to private enterprises.

These achievements are the outcomes of a continuous policy dialogue with governments, but also a result of the implementation by the EC of conditionalities making the implementation of projects contingent on fulfilment of government commitments.

Although progress has been registered, sustainability of transport is far from secure in most ACP countries. The resources allocated to maintenance remain short of need. Infrastructure investments are financed to a large extent by foreign aid and will continue for a long time to rely on foreign funding. Enhancing the capacity of government agencies would imply far-reaching civil service reforms that governments are reluctant to implement.

Outside the ACP region, the absence of a real policy dialogue on transport issues with the partner governments, and in some cases a lack of attention to the need for financial and institutional reforms, has tended to restrict EC co-operation to isolated interventions without significant impact on the orientations of the transport policy/strategy.

¹⁷ Cf. Jacobs Consultancy, Evaluation of the TACIS/TRACECA programme, Second Draft report, July 2003

Criterion 2.1: Commitment from partner countries to transport sector reform

In ACP countries the stated government objectives for transport are broadly in line with the EC sectoral approach: allocation of sufficient resources for the maintenance of transport infrastructure; privatisation of transport services; adoption of a commercial approach for the management of transport-related public goods; restructuring of government institutions and refocusing of their activities on policy and regulatory functions; establishment of autonomous agencies for the management of transport infrastructure. Actual reforms mainly concerned the road sector, which was everywhere the main focus of the government transport development strategy, and accordingly also a focal sector of donor assistance. But the degree of commitment and the status of reforms vary from one country to another.

In many ACP countries, the reform process included the establishment of a Road Fund managed by a Road Fund Board including representatives of the private sector, funded by user charges, and dedicated to the financing of road maintenance. Out of 27 Sub-Saharan African countries surveyed by SSATP, 22 had by the end of 2003 established a Road Fund, against only one country (Zambia) in 1995¹⁸. All but two of these Road Funds are managed by a Board in which the private sector is represented, although in only 9 cases with a majority share.

As regards other institutional reforms, situations differ widely from one country to another as shown by the management of the road sector in the three countries where field missions have taken place. In Tanzania, a National Road Agency was created in 2000 with support from the EC, World Bank and bilateral donors. Thanks to competitive staff recruitment, clear definition of its tasks and effective donor support, this new institution demonstrates a high level of effectiveness. In Ethiopia, a Road Agency had existed for a long time but was in need of in-depth restructuring. A restructuring process was actually undertaken, but momentum has not been maintained. In Madagascar, although the creation of a Road Agency is sometimes alluded to, management of the road sector currently lies with the Ministry of Transport and Public Works, while the creation of an Agency for Civil Aviation mainly consisted in a change in the status of the Ministry of Transport's former Direction of Civil Aviation without significant changes in its approach and activities. Altogether, out of the 27 Sub-Saharan African surveyed by SSATP only 9 have established a Road Agency, while in the others management of the primary road network remains under the responsibility of the Ministry of Works¹⁹.

Giving responsibility to autonomous agencies for managing the various transport sub-sectors and moving towards a commercial approach in infrastructure management implies a redefinition of the policy and regulatory functions of the Ministry of Public Works and of the Ministry of Transport. This is an area in which less progress has been recorded. Modifying the responsibilities and activities of ministries involved in the transport sector

¹⁸ Source: documents presented at the First Conference of the African Road Maintenance Association in December 2003.

¹⁹ Source : SSATP, 2003.

implies large changes in the number and qualification of the personnel they employ. This did not occur in any of the three ACP countries where country missions were carried out, nor does it seem to have been effectively carried out elsewhere.

More generally ministries and agencies in charge of developing and implementing transport policy in ACP countries frequently do not have adequate capacity to exercise their responsibilities effectively. Low salaries in public administrations is a generic problem preventing public bodies from attracting qualified staff, negatively affecting staff motivation and creating conditions for corruption. The problem is still more serious outside the capital city where difficult working conditions in badly equipped local government premises add to the reluctance of qualified people to work for public bodies.

In many cases, a solution to this problem would be for government agencies to employ fewer but better qualified employees who could be paid better salaries within the same budget envelope. This solution was adopted by the Road Agency in Tanzania, and explains to some extent the effectiveness of this institution. But this approach can more easily be implemented when a new institution is established than when applied to an existing institution. In fact, in the case of Tanzania the recruitment by the Road Agency of the most qualified agents of the Ministry of Works resulted in a serious weakening of the capacity of the latter, and added to its difficulties in adjusting to its new responsibilities. In practice governments are reluctant to implement such a far-reaching civil service reform, which is politically highly sensitive and involves heavy social costs. This is true even when, as in Madagascar, donors are ready to finance compensation for employees made redundant.

Progress has been made towards privatisation and commercialisation of transport. In nearly all ACP countries road transport services are fully privatised. Concession of rail transport service to private operators has taken place in several countries and is under preparation in others. In Sub-Saharan Africa, in particular, out of 23 railway companies, eight were given under concession between 1995 and 2003, while a tendering process is under preparation or ongoing for seven more companies²⁰. Wherever there is a state-owned airline company, the supply of air transport services is also open to private operators, even if the latter cannot always compete on equal terms with the State-owned company on regular lines. Large transport infrastructure, such as airports and ports, are frequently considered for concessionary arrangements provided technical assistance is available to prepare the tender dossier and manage the tendering procedure. Maintenance work on transport infrastructure is commonly contracted out to private enterprise companies. When and where this is not possible, notably because of insufficient private sector capacity, as for example in some regions of Tanzania, there is a move towards commercialisation of maintenance. Local units of the Road Agency that carry out road maintenance by direct labour, instead of being allocated an annual budget, charge the Agency for the maintenance work that they have carried out.

²⁰ SSATP, Guide de mise en concession ferroviaire, Avril 2003. Have been given under concession the Abidjan-Ouagadougou (1995) and Dakar-Bamako (2003) lines, and the railway companies of Cameroon (1999), Gabon (1999), Madagascar (North network, 2003), Malawi (1999), Mozambique (Maputo line, 2000) and Zambia (2003).

Privatisation is not an end in itself but a means of relieving the State from carrying out operations that private operators can carry out more effectively. But care must be taken that privatisation does not induce undesirable effects: restriction of transport facilities only to those services most profitable for transport operators; fare increases that would further reduce mobility of the poor; neglect of safety or environment protection, imbalances in the competition between transport modes. Privatisation must therefore be accompanied by development and enforcement of an adequate regulatory framework for transport services. However little attention has been given to this issue by governments or donors.

While in ACP countries the EC, along with other main donors, has consistently promoted a sectoral approach to transport and succeeded in ensuring government commitment to implementing reforms along such lines, nothing like that can be observed in other regions. In MEDA countries, although transport should be an important element for the success of the free-trade area whose establishment is a core objective of the Barcelona agreement, there have been few EC interventions in the transport sector. The TRACECA projects concentrated on the main corridor linking Central Asia and the Caucasus to Europe, but only marginally addressed financial, institutional and policy issues in the countries involved. The same is true of EC interventions in the Western Balkans, which during the period covered by this evaluation gave priority to the rehabilitation of the main corridors linking these countries to the EU, but left aside financial, institutional and policy issues. The most extreme case in this respect is Albania, where the EC financed large investments for rehabilitation and development of transport infrastructure but did not address at all financial, institutional and policy issues even though serious weaknesses impacting negatively on the effectiveness of investments in this area had been identified. Even in PHARE countries, as noted by the Evaluation of EC-financed transport programmes²¹, more efforts should have been devoted to the reform and strengthening of institutions. Finally, where Russia is concerned the failure of the EC to enter into policy dialogue with the government on transport policy issues resulted in fragmented interventions inconsistent with a true sectoral approach.

Positive developments may take place in these countries such as, for example, the move in Ukraine towards private finance of transport infrastructure, or in Russia the separation recently undertaken in the railway sector between regulatory functions and economic management. These developments may originate to some extent in ideas brought in by EC projects, but cannot be interpreted as government commitments to reform their transport sectors in line with the Commission's sectoral approach.

Criterion 2.2: Commitment from governments to ensure to transport a reasonable share of national budgets and an adequate provision for maintenance²²

In ACP countries, investment in rehabilitation and development of transport infrastructure is to a very large extent financed by foreign donors and is likely to continue to rely on external funding for a long period. But, with the exception of the poorest countries with an

²¹ European Commission, An Evaluation of PHARE-financed Transport Programmes, Trademco, 1999

²² This issue is further dealt with below under Question 6.

extremely weak economic base, governments and donors agree that infrastructure maintenance should be financed from domestic resources.

In countries where they have been established, Road Funds are allocated stable resources, most commonly a fuel levy as a proxy for a user charge. With the exception of Niger, all Road Funds in Sub-Saharan African countries have 90% or more of their revenue originating in fuel levies and other user charges²³. To minimise the risk, in a situation of financial stringency, of revenue earmarked for the Road Fund being diverted to other uses, or at least of delays in transfer to the Fund, fuel levies are best directly transferred to the Fund account by the tax administration or directly paid to the Fund by the fuel distribution companies on which they are levied. However, such direct transfer mechanisms exist in only 10 of the 22 Road Funds established in Sub-Saharan African countries, while in the other countries the revenues earmarked for the Road Fund pass through the Treasury. Furthermore, although the volume of resources going to the Road Fund is generally growing, in a majority of countries it is still insufficient to ensure adequate maintenance of the primary road network, not to mention secondary and rural roads. According to a SSATP review, in 2003 only 6 Road Funds out of 22 in Sub-Saharan Africa had revenues large enough to cover the cost of routine maintenance of the road network. Road user charges other than fuel levies, such as levies on heavy vehicles or fines for transgression of axle-load limits, are generally not collected. Finally, observations made by mission teams in Tanzania and Madagascar, suggest that Road Funds may come under pressure from governments to allocate part of their revenue to financing of rehabilitation work.

In Uganda, where no Road Fund has been established, the government had committed itself to finance road maintenance wholly from the State budget by the year 2001/02. But this objective was not achieved, and the deadline for full coverage of road maintenance needs was postponed to 2004/05²⁴.

Even though progress is evident, the issue of road maintenance is likely to remain an important topic in policy dialogue between donors and governments in the coming years.

Maintenance of transport infrastructure outside the roads sub-sector – railways, ports and airports - is most likely to be ensured through transfer of operations to concessionaires. Where railway operations remain public and where loss-making railway companies depend on state budget subsidies, there is generally a serious lack of maintenance of infrastructure and rolling stock.

Outside the ACP region, national budgets generally make a larger contribution to the financing of transport infrastructure investments. According to the most recent TRACECA evaluation²⁵, EC technical assistance contributed to raise the government awareness in Central Asia and the Caucasus of the importance of transport infrastructure maintenance. However, the necessity of ensuring adequate maintenance of transport infrastructure may be overlooked. It is notably the case in two countries where field

²³ Source: SSATP.

²⁴ Ajay Kumar, A contrasting approach to Road Reform, The case study of Uganda experience, SSATP, March 2002.

²⁵ European Commission, Evaluation of the TACIS / TRACECA programme, Jacobs Consultancy, 2003.

missions have taken place, namely Russia and Albania. In both cases transport infrastructure maintenance is financed from the state budget²⁶, but governments lack a clear maintenance policy and no direct relationship exists between road user taxes and the level of resources allocated to road maintenance.

Criterion 2.3: Approaches implemented by the Commission to securing Government commitment

In ACP countries policy dialogue was the key instrument used by the EC for securing government commitment to a sectoral approach to transport. This dialogue was the more effective when, as was frequently the case in this region, the main donors in the transport sector, notably the EC and the World Bank, agreed on the reforms that had to be implemented to ensure sustainability of the transport sector.

National Indicative Programmes (NIPs) are a key outcome of the policy dialogue between the EC and governments. NIPs are jointly agreed between Commission and government and detail the measures that the government is committed to take during the period covered and the time schedule for their implementation, as well as the assistance the EC is committed to provide.. Even when EC assistance is not formally made contingent on government implementation of the policy orientations set out in the NIP, EC Delegations may, when necessary, refer to this document to remind the government that commitments are not unilateral.

More binding documents are the Financing Agreements which list the government's commitments in relation to each individual project²⁷. Besides measures closely related to the given project, such as for example ensuring that the land made available to a contractor charged with building a road is unoccupied, these documents may include measures aimed at establishing an institutional and regulatory environment that ensures the sustainability of the expected project outcomes. Failure of the government to meet its obligations may result in postponement of the project.

EC Delegations have in fact resorted to such measures mainly to push forward the establishment of Road Funds, to ensure that they were allocated stable resources and were soundly managed. For instance, the Commission financed projects in Congo Brazzaville and in the Central African Republic only on the condition that a Road Fund is set up prior to the start of project implementation. In Tanzania the launch of new projects was

²⁶ A Road Fund had been established in Russia in 1992, but as part of the public budgeting system. After the financial crisis of 1998 its resources were severely cut and it was eventually liquidated in 2001.

²⁷ For instance, the Financing Agreement signed in February 2000 by the Government of Madagascar and the EC for the 8ACP MAG30 project of road rehabilitation with a budget of Euro 67.0 million states that the Government will continue to implement the structural adjustment policy agreed with the International Financial Institutions and other donors. More specifically, it commits the government (i) to mobilise enough resources to cover 50% of road maintenance needs; (ii) to approve and release a decree modifying the management of the Road Fund; (iii) to adopt a Road Code; (iv) to satisfy with additional conditions (privatisation of road maintenance, control of axle load limits; adequate appropriations in the budget for the indemnification of resettled persons and for the payment of VAT in relation with project works). Actual launch of the project is made contingent to the achievement of conditions ii and iv.

interrupted for nearly two years until the Road Fund was established in 1999. In Madagascar, financial support to the Road Fund was suspended when it appeared not to be properly managed. Questionnaires revealed that the Commission adopted similar measures in Jamaica and Mozambique when the government failed to meet its commitments.

Ensuring that non-government stakeholders are involved in the management of the transport sector may be another means of promoting desirable reforms. In Tanzania, representatives of road user associations have a very active role in the Road Fund Board, which is highly committed to matching Fund resources to actual road network maintenance needs, and makes concrete proposals to the government for achieving this objective.

Finally the studies financed by the EC to inform the policy debate on transport, and the technical assistance that it provides for the implementation of reforms, are additional means through which the EC can push forward the policy and institutional reforms that it deems necessary to ensure sustainability of the transport sector.

Poverty Reduction Strategies, in countries where they have been drawn up and are being implemented, are at the core of the dialogue between donors and governments on major issues of development policy. But although transport is frequently identified in PRSPs as a priority sector, up to now PRSPs have not brought much concrete contribution to the policy dialogue on transport between donors and governments. A reason for this may be that in most ACP countries the priority of governments in the transport sector is rehabilitation of the primary road network. While this objective is clearly linked to economic growth, thus creating conditions for poverty alleviation, its impact on poverty is perceived as less direct than is for example the development of such sectors as education or healthcare.

The same instruments for promoting a sectoral approach to transport are potentially available in regions other than ACP. An important difference, however, is that the contribution of the EC to financing of the transport sector, and therefore its leverage in the policy dialogue with the government on transport issues, is in general much smaller than it is in ACP countries. But even when it had a major role in the financing of transport infrastructure, as was the case in Albania in the second half of the 1990s, the EC did not adopt a sectoral approach to transport. What is at stake here, more than lack of leverage, is the lack on the EC side of a vision of what should be done in a given context to ensure sustainable development of the sector.

Criterion 2.4: Contributions of the European Commission to a more effective utilisation of national resources allocated to transport

In ACP countries, the EC provided the institutions involved in road sector management - Ministries, Road Funds and Road Agencies - with technical assistance aimed at strengthening their capacity to make efficient use of the resources devoted to the sector. It was either provided through technical assistance projects contracted to consultancy companies, or through recruitment of individual experts. While TA projects have their own budget and necessitate a specific financing agreement signed by the partner government

and the EC, the recruitment of individual experts is frequently financed from a TA budget line for investment projects.

Technical assistance is meant to equip the beneficiary institutions with various tools to enhance their capacity for programme maintenance operations, prioritising investments or following up project implementation. At the same time, technical assistance should bring about a transfer of know-how to the local staff working with the European experts.

Technical assistance has been highly effective when, as was the case in countries where the EC contributed to the establishment and strengthening of Road Funds or Road Agencies (e.g. Benin, Congo Brazzaville, Madagascar, Mozambique, Tanzania), it was instrumental in the implementation of a clearly defined development project agreed with the beneficiary institution and coordinated between donors.

But the field missions came across examples where the effectiveness of technical assistance was dubious, notably where the EC funds recruitment by ministries of individual experts on long term contracts. In such cases, terms of reference for technical assistants often do not clearly relate their activity to the strategy implemented by the EC in the sector; Delegations do not provide technical assistants with the support they need, nor always pay much attention to what they are doing; and the technical assistants either carry out the day-to-day tasks of the beneficiary institution without much value added, or else they work in isolation from the institution which does not take ownership of their outputs. Furthermore, technical assistance is an area in which donor coordination has frequently been weak, giving rise in some cases to a form of rivalry between technical assistance teams supported by different donors.

The EC implemented very few activities to develop the capacities of private sector transport operators, whether carriers, engineering consultants or construction companies. There are however exceptions. In Tanzania the Ruvuma and Southern Iringa Road Maintenance (RUSIRM) project includes a training programme targeting private enterprise management staff in the construction industry as well as civil servants of local Road Agency units working on road maintenance. In Cameroon the PERFED II project, supporting privatisation of road maintenance, provides training to small enterprises in the construction industry.

In the Western Balkans technical assistance mainly entailed establishment of Project Implementation Units, whose primary function was to ensure proper implementation of EC-funded projects. This situation is currently changing. In particular the EC financed the REBIS²⁸ study, an important contribution to identification of a multi-modal core transport network at regional level, and therefore a major instrument for the prioritisation of investments.

In Russia, promoting more effective management of the transport sector was the main objective of EC cooperation. It resulted in implementation of management tools in some

²⁸ European Commission, Regional Balkans Infrastructure Study, Final Report, June 2003.

institutions, such as for example the introduction of HDM-4²⁹ and other planning tools in North West Russia. However the sustainability of these achievements is not proven.

The TRACECA programme also aims at improving the effectiveness of the transport system with a strong if not exclusive focus on the corridor linking Central Asia and the Caucasus to the EU. An important instrument in this regard is the TRACECA database, which stores data on the physical and technical characteristics of the infrastructure, the traffic on these links, and relevant socio-economic and trade data. However, the recently completed evaluation of the TRACECA programme is severely critical of the design of this tool.

Question 3: How far have Commission strategies, programmes and projects contributed to the achievement of sustainable economic benefits?

This evaluation question is addressed through three criteria, respectively dealing with EC contributions to (i) reduction of logistical costs and prices; (ii) job creation and (iii) long-term wealth creation.

The scarcity and poor condition of transport infrastructure, hampering as it does the circulation of goods and persons, is a major obstacle to exploiting the economic potential of most ACP and other developing countries. Supporting the construction/rehabilitation of the core transport network of these countries therefore constitutes a major contribution to their economic and social development. In addition to facilitating the circulation of goods and persons, improving transport infrastructure facilitates reductions in transport costs and freight tariffs that improve the competitiveness of local products on domestic and foreign markets and impact positively on local living standards. Finally, construction and rehabilitation works create temporary jobs, while infrastructure maintenance provides the basis for the development of a domestic construction industry.

These positive impacts of EC interventions in the transport sector on economic and social development could have been enhanced if the EC had adopted a vision of the transport sector encompassing all activities and factors involved, notably the regulatory framework of transport activities, the professional capacity of transport operators, and development of the local construction industry.

Improving the overall efficiency of transport was the main EC objective in countries that already had a well-developed transport infrastructure, notably in Russia and Ukraine. But in the absence of a policy dialogue with the government, the effectiveness and sustainability of these interventions are dubious. As far as TRACECA is concerned, evaluations raise the question of whether the corridor on which the programme is focusing is in reality an effective route for linking Central Asia and the Caucasus with Europe.

²⁹ HDM-4 (Highway Development and Management, software version 4) is a computerised system for the analysis of road management and investment alternatives.

Criterion 3.1: Contributions of EC interventions to the reduction of logistical costs and prices

A reduction in logistical costs results from the convergence of two factors: reduction of vehicle operating costs made possible by infrastructure improvement, and reduction of transport duration resulting from improved transshipment management and from minimisation of the impact of customs procedures (through harmonisation, equipment provision, non-trade barriers) or control (roadblocks). Transport users only benefit from this cost reduction insofar as the market for transport services is competitive.

In ACP countries, the reduction in transport costs has rarely been displayed as an operational objective of EC interventions in the transport sector and, although noticeable exceptions can be highlighted, particularly in Ethiopia, Burkina-Faso and Ghana, the impact of EC interventions on transport costs and prices has seldom been monitored. Estimated vehicle operating costs before and after rehabilitation are indeed taken into account in the economic and financial analysis carried out in the framework of feasibility studies, but are seldom subsequently verified *ex post*.

Both the low density and poor condition of transport infrastructure have a demonstrable impact on the high level of transport costs borne by developing countries, notably in Sub-Saharan Africa. According to a recent econometric study, «intra SSA trade costs are substantially higher and trade volumes substantially lower than those of non-SSA countries. (...) Infrastructure accounts for nearly half the transport cost penalty borne by intra-SSA.³⁰». There is therefore little doubt that improving transport infrastructure in these countries, and in developing countries in general, reduces transport costs. Provided the markets for transport services are liberalised, lower transport costs induce lower transport prices for the benefit of transport users, whether enterprises or individuals. In fact, in the three ACP countries where field missions have taken place, broad variations in transport prices, depending on season and traffic conditions, provide evidence of a competitive market for road transport services. In these conditions, infrastructure improvements induces transport price reductions. During the country missions, situations were observed in Madagascar and Tanzania where passenger fares had been reduced by more than half following rehabilitation of road infrastructure.

Apart from infrastructure improvement, other factors that could have a positive impact on transport efficiency, and therefore on transport costs and prices, have not been addressed by EC interventions and have seldom or only partly attracted the attention of other donors involved in the transport sector. Examples in this regard include establishment of a regulatory framework conducive to harmonious functioning of a competitive market for transport services; the qualifications of transport operators; and issues of inter-modality and competition between modes. That apart, in many ACP and other developing countries an important part of shipment costs is attributable to the maritime transport of manufactured goods, as well as of agricultural products and food in many cases. Strengthening of domestic and regional links, on which the EC and other donors have

³⁰ Limao, N. & Venables, A.J., Infrastructure, Geographical Disadvantage, Transport Costs and Trade. World Bank Research Papers, 2000.

focused their interventions, only impacts on a proportion of the total transport costs of imports and exports.

In countries that already had a well-developed transport infrastructure network in a condition that did not jeopardize transport services, EC interventions aimed at improving transport efficiency with the aim of contributing to a reduction of transport costs and, as far as the market for transport services is liberalised, to lower transport prices. This has notably been the case in the former Soviet Union. However, no attempt was made to monitor the impact of these interventions.

Russia is a typical example of a country where the transport network is adequate and even oversized in relation to the budgetary resources available for its maintenance. In that country EC interventions focused on improving management of the networks' nodal points and on strengthening the management capacities of the public sector and of private operators. In Ukraine, the Highway Maintenance System implemented by an EC-funded project explicitly aims at reducing vehicle operating costs as well as road maintenance costs. However, since these interventions were not part of a transport policy developed in partnership with the Government, their impact on transport costs and prices is likely to have remained limited.

As regards the Caucasus and Central Asia, evaluations of the TRACECA programme carried out in 1998 and 2003 raise the question whether the corridor on which the programme focuses is the most effective route, considering that it entails numerous transshipments from one transport mode to another.

Criterion 3.2: Contributions of EC interventions to job creations

Whether EC interventions in the transport sector contribute to creating jobs is a question to be addressed in infrastructure investment and maintenance projects. Technical assistance and other interventions in support of institutional reforms, while they may contribute to enhancing the qualifications of the employees of government agencies and other beneficiary institutions, are not expected to have an impact on employment. As a consequence this criterion is only relevant for countries where the EC financed transport investment projects, that is in ACP countries, some countries in the ALA region, and Balkan countries.

Except in countries such as Benin, the Central African Republic, Congo-Brazzaville or Lesotho where the EC promoted labour-intensive projects, creating jobs was not a primary objective of EC-funded transport projects. But it is frequently mentioned among the secondary results expected from project implementation. Two aspects have to be differentiated in this respect: employment on work sites during the construction and rehabilitation phases; and jobs generated by the maintenance of the infrastructure after construction or rehabilitation.

The huge majority of construction and rehabilitation work, which made up the bulk of EC-funded transport investment in ACP countries, was contracted to European companies.

Except for a few companies from the Republic of South Africa, construction companies from ACP countries do not have the experience and references required to compete for large construction projects. For that reason, the 1995 evaluation of EDF-funded transport projects³¹ recommended that large rehabilitation projects are split into small lots which would be then be more easily accessible to local companies³². This has not happened.

But although contracted to foreign companies, infrastructure construction and rehabilitation projects nonetheless create jobs because contractors mainly employ local labour for non-qualified jobs as well as for many qualified jobs such as technician, foreman or machine operator. These jobs are temporary, but contractors point out that, when they happen to have a series of successive work contracts in a given country, they find it advantageous to employ the same qualified workers whom they have trained and whom they trust. That apart, even if successive work contracts are implemented by different contractors, it is likely that the fact of having already worked for a foreign contractor in a position requiring a specific qualification increases the chance of a local worker being recruited by another foreign company. Use of local labour whenever possible is however at the discretion of the contractors. EC contracts include no provisions that compel or even encourage contractors to resort to local labour.

Maintenance of newly constructed or rehabilitated roads may be a significant source of employment for the local labour force and, in contrast with construction or rehabilitation work, a permanent one. While it is in some cases still carried out on force account, maintenance work is more and more frequently contracted out by the relevant government agency, whether a ministry or a road agency. Routine maintenance is either contracted to local enterprises or, in the case of rural roads, is carried out by villagers through an agreement between the village authorities and the contracting authority. Periodic maintenance is most commonly contracted to local companies because the small size of the contracts would not cover the costs of a foreign company bringing in its team and equipment from abroad.

But situations frequently occur where local capacities are insufficient to meet maintenance needs. This capacity shortage has several facets: too few enterprises are active in this market, many lacking either the equipment needed to expand their volume of activity or the required technical and management knowledge, even if they are active in other segments of the construction industry; or else banks or other financial institutions do not finance the running costs of SMEs contracted to carry out these works, and are still less ready to finance their investments. This situation negatively impacts on employment in the construction industry. With very few exceptions (RUSIRM in Tanzania or PERFED II in Cameroon), neither the EC nor other donors addressed this issue.

³¹ European Commission, Evaluation of EDF transport sector projects and programmes, Tecnecon, March 1995

³² The Cotonou Agreement, as already before the Lomé Agreements, states that “participation in invitations to tender and the award of the contracts financed by the Fund [EDF] shall be open to equal terms to natural persons, companies or firms or public or semi-public agencies of the ACP States and the [EU] Member States”. Works contracts of a value (i) higher than EUR 5,000,000 shall be awarded in an open invitation to tender; (ii) between EUR 300,000 and 5,000,000 shall be awarded through an open local invitation; and (iii) lower than EUR 300,000 shall be awarded by direct agreement contract which involves a simplified procedure without publication of a procurement notice.

Local consultants complain that they are not sufficiently involved in feasibility studies and supervision. In ACP countries in particular, local engineering consultants and their associations underline that the EC, insofar as it imposes an eligibility condition on bidders to the effect that they should already have carried out feasibility studies of large infrastructure projects, prevents local consultants from participation in the tenders. Furthermore, when a local consultant has carried out the feasibility study prior to the EC decision to finance a project, the Commission usually requests that the study is done anew. In the countries where missions have taken place, European consultants had carried out all feasibility studies for EC-financed infrastructure rehabilitation projects. These engineering companies however frequently hire local staff, thus supporting employment and contributing to building up the experience of local engineers. The same is true for supervision.

Criterion 3.3: Contributions of EC interventions to longer-term sustainable wealth creation

Long-term economic growth is not an operational objective of EC interventions in the transport sector. But it is generally mentioned in the context of a wider objective that an effective transport system is a pre-condition for economic development and an important asset in international competition. In fact, economic and social development in many developing countries is jeopardized by the scarcity and very poor condition of the transport infrastructure, especially of roads. Equipping developing countries with a transport infrastructure that no longer impairs economic growth, while ensuring that the country can afford to maintain this infrastructure, is therefore a priority for any policy in support of sustainable economic development.

In ACP countries and some other developing countries, notably in the ALA region (e.g. Bolivia and Nicaragua in Latin America, Sri-Lanka in Asia), EC interventions systematically focused on rehabilitation of the national trunk roads, sometimes with extensions to secondary and rural roads, in accordance with the priorities of the national transport strategies. In parallel, assistance was given to the governments to create the financial and technical conditions necessary to ensure that the rehabilitated infrastructure would be properly maintained in future.

The mission team did not find one single case where indicators had been identified to monitor the impact on economic growth of EC interventions in the transport sector. Nevertheless, considering that the very bad condition of the road network in most ACP countries was, and still is to a large extent, a major obstacle to economic growth, there is little doubt that EC interventions in support of the rehabilitation of major roads contribute to wealth creation. This statement is reinforced by the fact that in ACP countries, such as for example Tanzania with the RUSIRM programme where, in addition to trunk roads, secondary roads were selected for rehabilitation, the main criterion for their selection was the economic potential of the areas they serve. Ensuring that roads, once rehabilitated, will be adequately maintained guarantees the sustainability of rehabilitation work.

This is however still work in progress. In most developing countries rehabilitation of the trunk road network has not yet been completely achieved. As for the sustainability of road maintenance, it is not fully guaranteed even though noticeable progress has been recorded.

In former socialist countries such as Russia or Ukraine, transport is operated in material conditions that, even if not fully satisfactory, make possible the circulation of goods without imposing unacceptable transport costs. The main challenge that the transport sector has to take up is to contribute to enhancement of the country's international competitiveness, mainly through trade facilitation. Indeed, EC interventions mainly consisted of technical assistance projects targeting government agencies in charge of managing the sector (e.g. the Russian Ministry of Railways) and aimed at enhancing the efficiency of transport systems. As far as Central Asia and the Caucasus are concerned, the main objective of the TRACECA programme was to equip these regions with a direct transport link with Europe, thus allowing them to diversify their foreign trade partners.

Question 4: How far have commission strategies, programmes and projects contributed to poverty reduction by improving access to essential services?

The two criteria through which this question is addressed respectively assess (i) how far enhancing the mobility of the poor is an objective of the government's transport policy/strategy, and (ii) how far contributing to poverty alleviation has been an objective of EC interventions in the sector during the period covered by this evaluation.

Since 2000, a growing number of developing countries have made poverty alleviation the overarching objective of their economic and social development strategy. In this context, restricted access to essential services because of inadequate transport is acknowledged as an important dimension of poverty.

Transport is identified as a priority sector in most PRSPs, but more frequently for its contribution to economic growth than for its role in enhancing the mobility of the poor. As long as deficiencies in the primary road network remain in many developing countries a major hindrance to economic growth, governments will tend to prioritise rehabilitation of this network rather than investments more directly targeting the specific mobility needs of the poor. As far as the latter are considered, PRSPs propose to address these needs through an improvement of the rural roads network. But progress in this area is constrained by the limited capacity of local governments, which are in charge of the rural road network.

For the EC too, putting poverty alleviation at the forefront of its cooperation policy is a recent development. During the period under examination, EC interventions in the transport sector in developing countries, in line with partner governments' own objectives, primarily aimed at removing a major obstacle to economic growth through the construction or rehabilitation of the primary road network, and at ensuring that this network is properly maintained.

Criterion 4.1: Whether enhancing the mobility of the poor is an objective of the government transport policy/strategy

A growing number of developing and transition countries have designed and are implementing, with the support of the donor community, development strategies whose overarching objective is poverty alleviation. By end-2003, some 26 countries have developed and are implementing a fully-fledged Poverty Reduction Strategy Programme (PRSP), while 31 more countries have prepared an interim PRSP³³. This however is a recent development: the first PRSPs were adopted in year 2000.

Restricted access to markets, job opportunities and social services because of a lack of transport facilities or because of the cost of transport services is acknowledged by PRSPs as an important dimension of poverty. The questionnaire survey confirms that, particularly in ACP countries, there is clear awareness that better transport infrastructure and services have a positive impact on the living conditions of the poor through easier access to basic services, to markets for their products, and to employment opportunities. Most frequently the focus in this regard is on rural populations; mobility problems of the urban poor are seldom mentioned.

Transport is most frequently identified as a focal sector of Poverty Reduction Strategies. Its contribution to poverty reduction is understood as a combination of its roles of enhancing economic growth and of improving access to essential services.

However PRSPs most often give pre-eminence to the contribution of transport to economic growth. In countries where a primary road network in poor condition seriously hampers domestic and international trade, as is still frequently the case in many developing countries, this is reflected in a transport development strategy that gives priority to the construction and rehabilitation of the primary transport network. Indeed, having a primary transport network effectively interconnecting the various producing areas and the main markets is a prerequisite for any sustainable growth, and logically takes precedence over the development of the secondary network to which it provides an outlet. In a situation of financial stringency governments of developing countries therefore concentrate public investments in the transport sector on the primary network rather than on more directly targeting specific mobility needs of the poor. They can also put forward the argument that a solid growth of the national income is a necessary, if not sufficient, condition for reducing poverty.

To the extent that the mobility needs of the poor are explicitly taken into account, they are reflected in a strategy of rehabilitating rural tracks and opening up isolated rural areas. In African countries the Sub-Saharan Africa Transport Policy Programme supports this development through its Rural Transport and Travel Programme (RTTP).

The RTTP programme supports participatory development and implementation of national rural transport policies and strategies with the aim of providing better rural

³³ Source: World Bank website on PRSPs.

transport infrastructure and services on a sustainable basis. The program emphasizes five key approaches:

- Establishing policies and strategies for rural roads and transport.
- Promotion of participatory delivery of services and infrastructure.
- Decentralisation of decision-making to local level.
- Development of local transport solutions.
- Use of appropriate work technology.

In Ethiopia, for instance, the RTTP aims at improving the mobility of rural populations through roads constructed at the community (woreda) level on the basis of a partnership between donors, government and communities. In two other countries where field missions have taken place, Madagascar and Tanzania, access to and use of basic services (education, health) is an explicit objective of the PRSP.

More generally, RTTP annual reports from member countries³⁴ show that the main objective of these programmes is to set up rural transport strategies addressing all transport modes used in rural areas to ensure sustainable, equitable and balanced development contributing to poverty reduction. However, these reports reveal that very often implementation of the programme is jeopardized by a lack of funds to finance activities; lack of motivation of staff; lack of training; and lack of equipment. These weaknesses reflect a low financial and technical capacity of local governments in charge of managing the rural road network.

Beyond the Rural Transport and Travel Programme, the SSATP is strengthening its focus on poverty alleviation. In particular, it has undertaken to assess the consistency of national transport policies with poverty reduction strategies³⁵, and intends to assist governments at designing transport policies more strongly oriented to poverty alleviation. The Development Programme of SSATP for the years 2004-2007 puts at the heart of its strategy “making transport serve poverty reduction goals”³⁶.

There are also a number of non-sub-Saharan countries (therefore not participating in the SSATP) where poverty reduction is a public priority and which have drawn up a PRSP. It is the case in Asia (e.g. Cambodia, Pakistan, Vietnam), Latin America (Bolivia, Honduras, Nicaragua), the Balkans region (Albania, Macedonia), and the TACIS region (Georgia, Kyrgyzstan, Tajikistan). In almost all cases transport is identified as an important element in overcoming poverty, although it is not always a priority sector. But even if lack of proper transport facilities is identified as one of the dimensions of poverty, the prioritisation of the transport sector is here again more often associated with its role in supporting economic growth. Cambodia is one of the very few countries where emphasis is placed on the role of transport in facilitating access to basic services.

³⁴ In particular, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, Ghana, Guinea, Malawi, Nigeria, Senegal and Zambia.

³⁵ Sub-Saharan Africa Transport Policy Programme, Review of National Transport Policies and Poverty Reduction Strategies, Guidelines, December 2003

³⁶ Sub-Saharan Africa Transport Policy Programme, Long-Term Development Programme 2004-2007, Final Draft, April 2003

Targeted subsidies aiming at lowering the price of transport for poor people may also be a way of addressing the mobility needs of the poor. But in none of the countries visited the mission teams find examples of direct subsidies to road transport operators. In Russia and Albania, access of the poor to urban transport is not directly subsidized but tariffs are under state control.

In some countries where a railway service concession has not yet taken place, railway tariffs are formally set on a commercial basis, but railway company deficits are compensated by the state budget. In Albania, the subsidy paid to the railway company (nearly 40% of total railway revenues in 2001) is explicitly intended to keep passenger fares affordable to the poor although it benefits all railway users. In Madagascar, where operations on part of the railway network have just been given under concession, rail traffic may in future be subsidized for the benefit of populations living in areas of the country that do not have any other transport means available; this should take place in the framework of a contract between the railway company and the State.

Criterion 4.2: Whether contributing to poverty reduction was an objective of EC interventions

For the EC too, making poverty alleviation the overarching objective of its cooperation policy is a recent development which can be tracked back to a statement by the Council and the Commission in November 2000 on the European Community's Development Policy³⁷. Previously the fight against poverty was considered, along with support to economic and social development and integration into the world economy, as one of three equally important objectives.

During the 1995-2001 period covered by this evaluation, the primary objective of EC support to investments in the transport sector in developing countries has been, in line with the partner governments' own objectives, to enhance economic growth. In Madagascar, for instance, the 8th EDF Programming Strategy Paper states that the objective of EC interventions is to help the government fully exploit the economic potential of the country and consequently reduce poverty. Even when EC interventions targeted secondary roads, as was the case in Tanzania for the RUSIRM project, the criterion for selecting these roads was the economic potential to which they could contribute. However when the partner government's development strategy included construction or rehabilitation of rural tracks, the EC contributed to the financing of these projects. This was most notably the case in Benin, the Central African Republic, the Democratic Republic of Congo (Brazzaville), Jamaica and Zambia.

The bulk of infrastructure investments financed by the EC in developing countries during these years did not, by their very nature, give much room for a design that would have paid special attention to the needs of the poor. These investments almost exclusively consisted of rehabilitation of trunk roads, most asphalted and a few gravelled. Except for limited

³⁷ The European Community's Development Policy, Statement by the Council and the Commission, Brussels, 10 November 2000.

alterations, the layout of these roads remained unchanged. Labour intensive methods of construction, which may offer job opportunities to the poor, were not appropriate to the type of work required.

Although maintenance has been, along with rehabilitation, a major focus of EC interventions in the transport sector in ACP countries, only in very few cases did the EC promote labour-intensive methods of maintenance. The inventory of EC transport projects lists only four projects, in Benin, the Central African Republic, Congo-Brazzaville and Lesotho, where use was made of labour-intensive methods for construction of rural tracks or urban roads.

An explanation of this situation is once again that, during the period covered by the evaluation, EC interventions in the field of maintenance, as well as in investments, were highly concentrated on the primary trunk road network, that is on roads that do not easily lend themselves to maintenance through labour-intensive methods. Such methods are more appropriate for routine maintenance or, to some extent, for periodic maintenance of gravelled roads, provided that proper training in their use is given to local contractors and their foremen.

The impact of EC interventions on the mobility of the poor has very seldom been monitored. No baseline study or monitoring was carried out on the accessibility of essential services to the poor, and no monitoring indicators were set up. Only anecdotal information on journey times and fares can be collected at present.

This relative lack of focus on poverty issues of EC transport sector interventions in developing countries is likely to change in the coming years. On the one side, poverty alleviation has been identified as the overarching objective of EC development policy, a change reflected in the year 2000 Communication on promoting sustainable transport in development cooperation. On the other side, many developing countries, as pointed out under the previous criterion, have designed and are currently implementing poverty reduction strategies that give an important role to transport, while at the same time paying more attention to poverty issues in the design of their transport policies. As a consequence of these converging developments, EC interventions in the transport sector should in the future have a stronger and more direct focus on poverty than has been the case during the period covered by this evaluation.

An example of this trend can be found in Ethiopia, where documentation on all new EC projects aimed at road rehabilitation describe how it is expected that access by the poor to basic services, markets and areas of economic activity will be improved. At the policy level, the EC, through the financing of studies and technical assistance, supports the endeavours of the partner government to develop transport policies and strategies actively contributing to poverty alleviation. Finally, the EC, in its capacity as a member of the SSATP Board, has played an active role in strengthening the focus of the programme on poverty reduction.

Question 5: How far have Commission strategies, programmes and projects contributed to economic and political integration across political and population boundaries?

The evaluation question is addressed through two criteria dealing respectively with the contribution of EC interventions (i) to economic integration and (ii) to political integration.

Supporting the integration of partner countries into the world economy, with a particular focus on trade with the EU in the case of countries geographically close to the Union, is a distinct objective of EC co-operation, and one in which transport has an important role to play.

This dimension was key to EC interventions in the transport sector in Eastern Europe and the Balkans. PHARE transport programmes aimed at rehabilitating or upgrading connections by all transport modes within Eastern Europe and with the EU, while supporting the efforts of the governments to harmonise their regulatory framework with that of the EU. Cooperation in the transport sector with Balkan countries, while pursuing the same objective, gave insufficient attention to institutional reforms.

Although the establishment of a Free-Trade Zone in the Mediterranean region implies progress towards harmonisation of transport regulations and improvements in the effectiveness of transport operations, very few projects addressed these issues during the period covered by the evaluation.

As far as ACP countries are concerned, the EC supports regional economic communities' and sub-regional organisations' endeavours to promote harmonisation of transport and trade-related standards and practices. National transport strategies and programmes of partner countries are generally rather inward-looking. However, in most ACP countries the very bad condition of the core transport network at the beginning of the 1990s was a major obstacle to the development of exports, imports and transit as well as to domestic trade. To that extent, rehabilitating this core network has a positive contribution to the development of trade.

In the Balkans, Central Asia and the Caucasus, contributing to the establishment of peaceful relations between neighbouring countries is an objective of EC interventions in the transport sector.

Criterion 5.1: Whether EC interventions contribute to facilitate economic integration?

In countries geographically close to the European Union, in particular PHARE countries for which there has been a prospect of integration into the European Union such as materialised in 2004 for 10 of them, a key objective of EC interventions in the transport sector was to support the development of trade relations between these countries and the EU Member States as well as between these countries themselves.

These interventions consisted in the rehabilitation and up-grading of transport infrastructure along the main corridors joining these countries to the Union, and in the equipment and modernisation of border crossing points under Cross-Border Programmes financing. This support covered all transport modes. It was complemented by technical assistance for the integration, into the legislative and regulatory framework of these countries, of the EC “acquis” relative to transport, and for its enforcement. However, according to the Evaluation of PHARE-financed transport programmes³⁸, the effectiveness of these interventions suffered from investment projects being implemented in emergency situations before strategic or pre-investment studies had been carried out.

It was still more true in the Western Balkans. In Albania, in particular, EC interventions and those of other donors, which were implemented in a situation of political instability in the region and in the country itself, concentrated exclusively on the rehabilitation of main roads and the port of Durres, with no attention to institutional or regulatory weaknesses. While this negatively impacted on the effectiveness and efficiency of foreign assistance, donor interventions achieved their primary objective of making possible reconnection of Albania with neighbouring Balkans countries and with the EU.

Although the EC is willing to strengthen its trade relations with the MED countries as well as to support development of intra-regional trade, little attention has been devoted to transport during the period covered by this evaluation. At the 1995 Barcelona conference, the 15 EU Member States and 12 countries of the Mediterranean region decided to build a Euro-Mediterranean Partnership involving, among other objectives, establishment among themselves of a free trade area. The European Commission acknowledges that “the success of the partnership requires the development of sub-regional and regional strategies for modern integrated multi-modal transport systems”³⁹. However, very few activities in the transport sector have been undertaken under the MEDA I cooperation programme during the period 1995-1999. But this situation is currently changing. The EuroMed Transport Project, launched in 2001, will provide support for the reform of the legislative and regulatory framework for the transport sector in the participating countries and for the definition of a regional transport infrastructure network. The aim is to develop South-South interconnection and linkage with the Trans-European Transport Network. Other projects still in their identification phase will address maritime safety, port and maritime organisation, and global navigation satellite systems. Investments in transport infrastructure are not financed by the EC budget, but may be eligible for EIB loans.

The TRACECA programme, the backbone of EC cooperation with countries of Central Asia and the Caucasus in the transport sector, aims at supporting the development of trade within the region and with Europe through improvements to the effectiveness of transport systems along a corridor linking these countries to the Trans-European Transport Network (TEN) and to harmonisation of transport legislation, policies and standards. This objective is most important since, as pointed out by the 1998 Evaluation of the programme⁴⁰, each

³⁸ European Commission, An evaluation of PHARE financed transport programmes, Trademco, 1999.

³⁹ European Commission, MEDA Activity Report, 2000.

⁴⁰ European Commission, Evaluation of the TACIS Interstate Transport Corridor Europe Caucasus Central Asia Programme, Tecnecon, 1998.

Republic became responsible, following the collapse of the Soviet Union, for its own trade and transport affairs, which bred new barriers to economic integration. The programme, which originally exclusively consisted in technical assistance projects, was progressively extended to investment projects. All projects involve at least two countries in the region. Evaluations of the programme recommended a more flexible approach to routing by endorsing spur connections to other corridors via Iran, Turkey and Russia.

Strategic documents stress that an objective of EC cooperation with Russia is to support its integration into the world economy, and particularly development of its trade with the EU. In fact EC interventions in the sector concentrated on (i) projects aiming at an improvement of the management of transport infrastructure, especially at the entry and exit points of freight flows, with a strong component of technical assistance; and (ii) support for the identification of the strategic elements of a transport policy needed in the context of harmonisation with the EU. However, as already noted above, EC interventions in the transport sector in Russia suffered from the weakness of the policy dialogue with the government and, as a consequence, faced difficulties in defining objectives and lacked coherence.

As regards ACP countries, the EC is strongly supportive of regional organisations' efforts to promote harmonisation of legislation, regulations and standards, notably in the transport sector. Country Strategy Papers drafted by EC Delegations also make regional integration one of the major objectives of EC cooperation in ACP countries. This objective however is reflected only faintly in national transport policies and strategies. A few countries, such as Mali or Senegal, mention the removal of obstacles to the development of trade as an objective of their transport policy; but most governments give priority to rehabilitation of their domestic network, and hardly if at all mention trade development as a guiding principle of their transport policy or strategy. Significantly, the Regional Indicative Programme for East Africa under the 4th Lomé Convention requested "the States of the region to take appropriate measures to ensure that regional funds are used for projects benefiting the region and are not considered extra funds for financing purely national projects".

However, considering the situation that prevailed in ACP countries in the first half of the 1990s, giving priority to rehabilitating the core domestic transport network was not contradictory with the objective of supporting trade development. In reality, the deterioration of the primary transport network in most of these countries was so serious that rehabilitating the primary transport network was a pre-condition for collection of exportable products as well as, reciprocally, for distribution of imported goods throughout the country. This phenomenon is clearly illustrated in Madagascar. Although only limited investments have been made to improve shipment conditions at the secondary ports of Mahajanga and Toliara, these ports have registered a rapid growth of their throughput following improvements in their road links with the rest of the country. In Tanzania, the rehabilitation of the Central Corridor and of the road from Dar Es Salaam to Mwanza and the lake region, even if these projects are seen by the Tanzanian government as a domestic investment aiming at facilitating the movement of people and goods within Tanzania, are having a positive impact on the trade competitiveness of Zambia, Rwanda, Burundi or

Eastern Congo for which the port of Dar Es Salaam is an outlet to the markets of developed countries.

Finally it must be noted that even when EC interventions in the transport sector explicitly aimed at supporting the development of trade, as in the PHARE, Balkans or MEDA regions, no attempt was made to monitor the impact of these interventions on trade flows and on their geographical direction.

Criterion 5.2: Whether EC interventions contribute to facilitate political integration?

Aiming to contribute to the establishment of peaceful relations between neighbouring countries is an objective of EC interventions in regions that are under threat of political tensions.

In the Balkans, in particular, after the break-up of the former Yugoslavia, rehabilitating the transport network was seen as an important component of the EC strategy to promote stability within the region while supporting the development of trade links between the relevant countries and the EU. The 2002-2006 EC Regional Strategy Paper for the Western Balkans identifies four closely interrelated cooperation priorities, one of which was reinforcement of the regional infrastructure. The document underlines that integrated border management and reinforcement of transport infrastructure “will enable the people of the region to live in a space of security and freedom where their businesses can trade more easily across borders and where they can travel more easily throughout the region”. It further stresses that progress in these areas is “a key pre-requisite for economic growth and poverty reduction as well as for development of multicultural societies that tolerate their neighbours and appreciate cultural, religious and linguistic differences”.

Similarly, supporting regional integration and establishment of peaceful relations between countries of Central Asia and the Caucasus is an objective of the TRACECA programme. The evaluation of this programme carried out in 1998 also underlined that a key objective of the programme was to provide these countries with a trade link to Europe bypassing Russia, thus supporting their efforts to diversify their economic and political relations.

In the ACP region, strengthening national transport networks and improving access to isolated areas can be a means of easing tensions in countries where some segments of the population feel discriminated against and are tempted by separatism. Commitment of the EC to finance the rehabilitation of transport infrastructure damaged during a period of conflict may also contribute to facilitating a peace agreement between the parties involved. Such situations were noted in Burundi and Mali.

Question 6: How far have Commission strategies, programmes and projects contributed to specific sector goals?

The Communication on promoting sustainable transport in development cooperation identifies as specific transport goals the achievement of the economic, financial and institutional sustainability of transport, and ensuring that transport is environmentally sound, safe and “socially aware”. The analysis will focus here on sustainability, while issues of environment, safety and social awareness are dealt with under the two following evaluation questions.

The criteria used to answer the evaluation question successively address EC contributions to the (i) economic; (ii) financial; and (iii) institutional sustainability of transport.

In ACP countries the EC has had a decisive role in rehabilitating transport infrastructure that countries budgets would have been unable to finance. In this context, even if some EC interventions targeted railways, ports and airports, the bulk of resources was devoted to the road sub-sector, and more specifically to the core network of trunk roads as a first step towards development of a comprehensive but affordable road network.

In ACP countries the EC promoted and supported financial reforms aiming at ensuring proper maintenance of the road network, and disengagement of the public sector from activities that can be more efficiently carried out by private operators, notably road maintenance work.

The EC provided technical assistance in support of the institutional reforms undertaken by ACP countries in the transport sector. It contributed in particular to the establishment of Road Agencies and to capacity building in infrastructure management. However the problems encountered by Ministries of Transport and of Works to refocus their activity on regulatory functions were not always effectively addressed. PMUs, while effectively contributing to the implementation of EC-funded investment projects, did not succeed in developing governments’ project management capacities.

Outside the ACP region, EC interventions did not address transport policy issues at sector level. Therefore they were not in a position to contribute significantly to sector sustainability.

Criterion 6.1: Contributions of EC interventions in the transport sector to economic sustainability of transport

The Communication on promoting sustainable transport in development cooperation highlights economic sustainability of transport as a key factor to be taken into account in preparing the national budget for the transport sector. This implies a proper allocation of budget resources to the sector, better prioritisation of finance for transport modes in public expenditure, and more effective programming of investment and maintenance.

Financial contributions from the EDF budget have had a decisive role in rehabilitation of transport infrastructure in ACP countries. The situation that prevailed in this region at the beginning of the 1990s was one where the most basic transport infrastructure in many countries, notably the primary network of trunk roads, was in a very bad condition because of decades of neglect. Obvious priorities to remedy this situation were rehabilitation, indeed reconstruction, of the primary transport network while at the same time making sure that the infrastructure, once rehabilitated, would be properly maintained. But the volume of financial resources required was far above what could be mobilised by the budgets of ACP countries, and far above even the foreign-loan-raising capacity of these countries, even under soft conditions. Grants provided by the European Commission have therefore made an essential contribution to the recovery of transport capacity.

Whether ACP countries will be able in future to devote more budget resources to new investments in the transport sector is still an open question. It can be noted in this respect that foreign donors, which have made poverty alleviation the overarching objective of their cooperation policy, currently advise governments to increase the share of their budget expenditures devoted to the social sectors, mainly education and healthcare. The fact that transport is frequently identified as a priority sector in the PRSPs should prevent a further reduction of the budget resources allocated to transport. But in a situation of prolonged public revenue constraints, an increase of the transport share in national budgets looks unlikely in the foreseeable future. The rehabilitation work that still has to be carried out, as well as extensions and upgrading of the transport infrastructure that might be required by the development of traffic, will therefore depend to a large extent on foreign aid. Achieving economic sustainability of transport in poor countries is a long-term objective.

The EC often participates in Public Expenditure Reviews, a multi-donor exercise carried out under World Bank⁴¹ leadership with the participation of the partner governments. The main objective of PERs is to assess whether the development policies adopted by the governments and supported by donors are properly reflected in budget appropriations and actual budget expenditures. PERs currently tend to focus on the budgeting of social sectors, especially in developing countries that have benefited of the HIPC initiative and are implementing a Poverty Reduction Strategy. But this instrument can be used, and is actually used in some countries (e.g. Ethiopia), to assess how far fiscal resources allocated to the transport sector are in line with the government's stated policy on the sector. In countries where transport is a priority sector of the Poverty Reduction Strategy, progress reports of PRSPs implementation are another means of checking that adequate resources are allocated to the sector.

During the 1995-2001 period covered by this evaluation, governments of ACP countries and EC interventions in support of their strategies gave the highest priority to roads⁴², most particularly the main trunk roads. This does not mean that governments neglect secondary and tertiary roads. On the contrary, Poverty Reduction Strategy documents, for instance in

⁴¹ Together with Country Financial Accountability Assessments (CFAA) and Country Procurement Assessment Reports (CPAR), PERs are one of three mandated instruments of the World Bank to assess the financial system of borrowing countries.

⁴² Under the 7th and 8th EDF, 84% of the funds dedicated to transport in the ACP region were allocated to the financing of road infrastructure work.

Ethiopia or Tanzania, point out that constructing or rehabilitating rural tracks should make a significant contribution to poverty alleviation in rural areas. But limited resources, as regards the management capacity of the relevant government agencies as well as in financial terms, have compelled governments to make choices. A rational approach to implementation of a long-term development plan for the road network implies to start with the trunk roads before extending the network to secondary and tertiary roads. Once the core network of trunk roads has been rehabilitated, either at the national level or in a given area, the human and financial resources allocated for this purpose are freed and can be devoted to extension of the network to secondary and tertiary roads. In Tanzania, for instance, once the rehabilitation of the main road to Mbeya and the Zambian border was completed, the government undertook, with the financial assistance of the EC, to rehabilitate secondary roads in the Iringa and Ruvuma provinces on both sides of this main link. Similarly, in Madagascar, whereas transport projects financed from the 7th and 8th EDF consisted of rehabilitation of main trunk roads, the focus of the 9th EDF will be on secondary roads in the southern provinces of the country.

Extension of the road development programme to secondary and tertiary roads is likely to raise new problems.

Whereas the primary road network and some secondary roads are managed by the Ministry of Public Works or the Road Agency, rural roads are under local government responsibility. The latter's capacity of to manage infrastructure is commonly quite limited. Rehabilitating rural roads will therefore imply an important capacity-building effort targeting local governments.

Another issue is the affordability of an extended road network. Most Road Funds already allocate a given percentage of their resources to maintenance of rural and urban roads. But demand for these resources has remained relatively weak until now because the condition of most rural roads is beyond repair, or because local governments do not have the capacity to design maintenance programmes or manage maintenance contracts. Extending the length of the road network in maintainable condition and enhancing the management capacity of local governments also implies a need for more resources for the maintenance of the secondary and tertiary road network. This in turn implies an enlargement of the resources allocated to Road Funds.

In comparison with the road sector few resources have been allocated by the EC to other transport modes. For railways the trend is towards transfer of operations to concessionaires. However, before this transfer can take place expenditures have to be incurred for preliminary studies, preparation of the tendering documents, and in most cases some basic rehabilitation work on the infrastructure. The EC contributed to such expenditures in Ethiopia (Djibouti-Addis Ababa line), Tanzania (Central Corridor railway restructuring project; Tazara 10-year Development Plan), and Mozambique (institutional and managerial reform of the Nacala line). Transfer to a concessionaire, or to an autonomous authority expected to cover its running costs through user charges, is also a way of removing from the state budget the cost of maintaining and developing port and airport infrastructure. But here again studies, technical assistance and rehabilitation work have to be financed prior to the transfer of operations. EDF contributed to port

rehabilitation work in several countries such as Guyana (Demerara), Jamaica (Kingston), Mauritania (Nouakchott), Namibia (Windhoek), Tanzania (Dar es Salaam and Zanzibar), Zambia ((Mpulungu). Preliminary studies, equipment and rehabilitation work on airports were financed by the EC, mainly in the Caribbean Islands, but also on secondary airports in Madagascar. However, interventions in the railway, port and airport sub-sectors amounted to only 6.2% of total EC transport sector funding in ACP countries under the 7th and 8th EDF.

In non-ACP countries, EC interventions in the transport sector did not address transport policy issues at the sector level. They were therefore unable to make a distinct contribution to the economic sustainability of the sector.

EC assistance to the transport sector in Albania, for instance, was in sharp contrast to what was done in ACP countries. The situation in Albania however bore strong similarities to what applied in many ACP countries: a primary road network in very bad condition, budget resources insufficient to finance its rehabilitation, weak capacity of the institutions in charge of managing the sector, and a deficient institutional framework. Nevertheless, the EC made a large contribution to transport infrastructure rehabilitation in Albania without conducting a policy dialogue on transport with the Albanian government, and without taking any accompanying measures in its investments except for the establishment of a Project Implementation Unit in charge of managing EC-funded projects.

In the TACIS region, the cost-effectiveness of the TRACECA route has not been demonstrated yet. It is therefore not sure that this route is the most sustainable one from an economic point of view. Inter-modality implied by the project is costly, especially when the maritime sector is at stake. Indeed, according to the 2003 evaluation, ferries serving the Caspian Sea were “sailing only when demand was sufficient” and traffic was not dense enough to justify the Caspian Sea maritime projects. As for the Black Sea components of the programme, in addition to being confronted by severe security problems, they are assessed as over-ambitious in the light of traffic development forecasts. Besides, according to the EC transport officer in Ukraine, the emphasis that EC projects placed on railways in this country is not justified considering the shift of traffic from railway to road that is currently taking place.

Criterion 6.2: Contributions of EC interventions in the transport sector to financial sustainability of transport

Ensuring financial sustainability of transport implies in particular that enough resources are available to ensure a proper maintenance and operation of transport infrastructure. The EC has made an important contribution to the progress registered in many ACP countries towards ensuring the maintenance of the road network, and frequently acted as the lead donor in this area. While the financing of investments in transport infrastructure is likely to continue to depend on foreign donors for a long time⁴³, the EC and other donors have

⁴³ Or on private operators for transport infrastructure whose operation has been given or will be given under concession.

made clear that maintenance of roads should be financed from domestic resources⁴⁴. They therefore frequently set as a condition to their contribution to transport sector investments that governments should establish a Road Fund dedicated to the financing of road maintenance, endowed with ring-fenced revenues levied on road users, and managed by a Road Fund Board on which private stakeholders are represented. As already noted above⁴⁵, this is still work in progress. Road Funds have been established in many ACP countries, including 22 Sub-Saharan African countries. But a majority do not yet collect enough revenue to cover maintenance needs fully, a situation which is worrying since the aggregated cost of maintenance increases year after year as rehabilitation work progresses. Nor is the resourcing of Road Funds fully secure in a majority of countries. Nevertheless the establishment of Road Funds is a very significant step forward, the more important given that lack of proper maintenance was the main reason for the poor condition of the primary road network in ACP countries in the mid-1990s.

The issue of maintenance, which was given very high attention in ACP countries, was not sufficiently addressed elsewhere even when there was evidence of serious weaknesses in this area. According to the 2003 TRACECA evaluation, some EC projects contributed to raising government awareness of the need to maintain infrastructure. However, the evaluation also noted that the computer-based Pavement Management System put in place by the programme was considered inadequate, and that the overall level of maintenance was insufficient, especially for maritime infrastructure.

As regards the respective roles of the public and private sector in transport, the trend in ACP countries is clearly towards an increasing role for private operators, a development to which the EC has contributed, especially as regards transfer of road maintenance to private contractors. Road transport services have been privatised. Governments either have already handed over under concession the operation of railways, ports and airports, or are planning to do so. Governments also agree that infrastructure maintenance should be contracted out to private operators. Even if this process is not fully completed everywhere - in some cases for good reasons such as a lack of private contractor capacity - steps have been taken everywhere in this direction.

But the EC did not pay much attention to the strengthening of the private sector, which happens to be the missing link as regards financial sustainability of transport in ACP countries.

Road transport enterprises operate in a highly competitive market. In Madagascar, for example, prices charged by urban transport services in the capital city are lower than the cost estimates of the Ministry of Transport and Public Works. While competition between carriers benefits, through lower prices, consumers and enterprises, the lack of an appropriate regulatory framework may have negative consequences in terms of transport safety, protection of the environment, or competition between transport modes. In

⁴⁴ However, in countries with a very weak economic base, the EC does not exclude to have a lasting contribution to the financing of infrastructure maintenance. In other countries, the EC is ready to make financial contributions to maintenance in order to fill the gap between the resources collected by the Road Fund and actual financial needs; but the volume of these contributions is due to decrease over time.

⁴⁵ See Question 2, Criterion 2.3

Madagascar again, the concessionaire of the railway company complains that the company has to compete with truckers who escape payment of VAT. However field missions did not find any examples of projects supporting the professional organisation of transport services or the development and enforcement of a regulatory framework conducive to sound competition within the sector.

Serious weaknesses also affect the domestic construction industry. Construction enterprises frequently have neither the equipment nor the working capital required to operate in an infrastructure maintenance market that is rapidly growing. Engineering consultants lack experience and evidence of good track records on large projects. The associations representing these professions frequently complain that foreign donors neither support their efforts to enhance the qualification of their members or promote ethical professional principles, nor give them any opportunity to compete, either directly or through an association with a foreign enterprise, for a share of foreign-financed projects. With the exception of the RUSIRM Project in Tanzania and of the PERFED II project in Cameroon, already mentioned, evaluators did not find any example of an EC intervention addressing such issues.

Criterion 6.3: Contributions of EC interventions in the transport sector to institutional sustainability of transport

According to the Communication on promoting sustainable transport in development cooperation, institutional sustainability requires that policy and regulation remain in the government domain, with progressive commercialisation and privatisation of management, operations and maintenance of infrastructure and services. Donors may contribute to institutional sustainability, notably through (i) support for the establishment and strengthening of public institutions with a clear mandate and capacity to cope with their responsibilities; (ii) development of a regulatory framework compliant or harmonised with international transport standards and their enforcement; and (iii) promotion of interoperability between transport modes. Improving public management of the transport sector, notably contract management, developing the capacity of private operators in the sector, establishing a regulatory framework to facilitate fair competition and rational transport pricing, and reducing public dominance in the sector are various complementary means of achieving this objective.

Contributions of the EC to the strengthening public institutions in the transport sector in ACP countries have been concentrated on the management of infrastructure – rehabilitation and maintenance – with a nearly exclusive focus on the road sub-sector.

Improving the effectiveness of programming public investments and maintenance in the transport sector entails enhancement of the qualifications of the relevant government agencies' staff, and making modern tools available to these agencies for the prioritising infrastructure investments and programming maintenance. The EC addressed these issues through provision of technical assistance to the transport managing agencies with a special focus on maintenance programming. We have already commented above on the technical

assistance provided by the EC⁴⁶, pointing out that its objectives and expected outputs were often not defined precisely enough. As for the provision of programming tools, its effectiveness as an instrument to improve programming depends on the availability of reliable data and the degree of beneficiary ownership. But as already noted, data are often missing. As for ownership, country missions came across situations where tools developed by foreign experts remained unused either because no staff had been appointed to use them, or because their usage was made impossible by the reluctance of departments within a given administration to exchange information.

The EC also contributed to the establishment of public agencies as autonomous institutions in charge of managing transport infrastructure in a given transport sub-sector. Where a Road Agency already existed, as was the case in Ethiopia, or when institutional reforms led to the establishment of an Agency, as in Tanzania, the EC contributed to strengthening of its capacities. As for countries where such an agency did not exist, the EC did not systematically recommend that it be created, but it contributed to setting up Road Agencies in such countries as Kenya, Malawi, Mozambique, Sierra Leone or Zambia.

The creation of a Road Agency, when it takes place, implies redefinition of the responsibilities and tasks of the ministry previously in charge of managing road infrastructure. The experience of Tanzania suggests that in such a case it would be useful, while supporting the newly created Agency, also to provide support to the reform process in the ministry itself. In fact there are currently in Tanzania two ministries dealing with transport issues, the Ministry of Transport and the Ministry of Works, both having obvious difficulties in defining their respective fields of responsibility and in designing appropriate work programmes. Even though significant technical assistance was granted to the Tanzanian Ministry of Works in the early 1990s, this problem remains unresolved.

The European Commission, in order to manage the implementation of the investment projects that it financed, and also to strengthen the capacity of government agencies to manage large infrastructure projects, put in place Project Management Units (PMUs) headed by an engineer of the government agency, assisted by one or several European technical assistants, and staffed by civil servants seconded by the agency⁴⁷. PMUs, to which was delegated the task of implementing EC-funded projects, carried out this task satisfactorily. They were less successful in developing the project management capacity of the agencies in which they were located.

Theoretically, in addition to managing EC funded projects, PMUs or their de facto equivalents are assumed to ensure a transfer of knowledge and experience from the European experts to their local counterparts. In this sense, it is to the credit of the EC that EC PMUs mainly employ civil servants seconded by the relevant agency whereas World Bank PMUs only employ personnel directly recruited and paid by the Bank. In principle, the EC approach, while it may be less effective in the short run, should be more favourable to a sustainable transfer of knowledge and know-how to beneficiary institutions. But in practice PMUs frequently behave as permanent parallel institutions, and work

⁴⁶ See above Question 2, criterion 2.4

⁴⁷ Under 9th EDF, PMU do not exist anymore.

independently of the institutions they are expected to serve. They therefore do not help but rather prevent the relevant government agencies from acquiring the necessary skills to take full responsibility of the implementation of projects.

In Russia and Ukraine, the EC attempted to promote institutional reforms, notably as regards the management of the railway sub-sector. But the impact and sustainability of these interventions, which were not backed by policy dialogue with the government, is questionable.

In the Balkans, as already noted above, while a significant volume of resources was devoted to rehabilitation of transport infrastructure, institutional reforms did not have a significant share in the EC transport sector interventions implemented during the 1995-2001 period.

Except for some investment projects in Morocco and the Palestinian territories, very few interventions targeting the transport sector took place in the MEDA region during the period covered by the evaluation. Institutional issues were not addressed.

Question 7: To what degree have Commission strategies, programmes and projects contributed to improvements in health and safety, and in environmental impact?

The Communication on promoting sustainable transport in development cooperation points out that environment and safety, although they form an integral part of the sectoral approach to transport, have retained insufficient attention in the past. It concludes that these themes therefore need special focus in EC interventions in the transport sector.

During the 1990s increasing attention has been given by the EC to the environmental impacts of transport infrastructure projects. Environmental Impact Assessments of large infrastructure projects are carried out and measures implemented to minimise potential damage to the environment. The focus of these analyses and of the prevention measures is however frequently restricted to the sole impact of construction work, whereas little attention is devoted to the environmental implications of the infrastructure itself or of traffic. More could have been done to raise the awareness of partner government of transport-related environmental risks and to develop their capacity to address these issues.

Safety is addressed in the design of transport infrastructure projects, ex-post safety assessment being however not carried out. Attempts to tackle transport safety at policy level were largely ineffective. This reflects a real difficulty to address this issue in a comprehensive manner, but still more a lack of government concern.

Although ACP country governments are well aware of the risk of a spread of HIV/AIDS linked to the implementation of transport infrastructure projects and have designed policies aiming to minimising this risk, in practice most projects are implemented without any concrete action being taken, apart from prevention measures taken on the contractors' own initiative.

Criterion 7.1: Contributions of EC interventions to alleviate potential negative impacts of transport on the environment

Incorporating environmental issues in project design is for the EC a relatively recent development. An evaluation of the environmental performance of EC programmes in developing countries carried out in 1996 pointed out that “it was only in the early 1990s that DG VIII and DG IB both introduced procedures for assessing the environmental implications of project proposals and for integrating environmental factors into the project cycle”⁴⁸. The evaluation further noted that Environmental Impact Assessments had not been systematically applied and that, in particular, limited assessments had been made of the impacts of construction activities. It is also significant in this regard that previous evaluations of transport programmes did not address environmental issues.

Significant progress has been achieved during the 1995-2001 period towards assessing the potential impacts of EC-funded development projects and designing appropriate measures to minimise these impacts.

An Environment Impact Assessment is compulsory for all large investment projects. The questionnaire survey indicates that 11 out of 15 transport infrastructure projects gave rise to an EIA, all of them leading to identification of measures aimed at preventing or reducing damaging impacts of the project on its environment. Manuals and tools have been made available to Delegations to help them address environmental issues. These manuals and tools have been regularly enriched and up-dated⁴⁹. They recommend a comprehensive approach to environmental issues and to the design and implementation of prevention measures. Beyond environment as usually understood, new EIAs tend to cover the social impacts of projects.

However, the opinion frequently prevails in Delegations and partner governments that rehabilitation works, insofar as they are based on an existing infrastructure, do not represent any serious threat to the environment and therefore require neither much investigations nor a detailed environmental management plan. Consultations with local populations, as recommended by the model ToRs, seldom take place⁵⁰. Whereas basic measures aimed at prevention of water pollution during construction work, or an obligation to carry out landscaping work once rehabilitation work is complete, are systematically included in construction ToRs, this is generally not the case for more specific measures targeting potential damage to land resources and soils or to biodiversity. The questionnaire survey confirms that prevention measures identified in the EIA mainly target potential damage to the environment induced by construction works whereas little attention is devoted to the environmental impact of the infrastructure itself or of traffic.

⁴⁸ European Commission, Evaluation of the Environmental Performance of EC programmes in developing countries, ERM, 1997.

⁴⁹ The current Transport Sector Guide for Environmental Integration available on the website of DG Development is dated October 2000.

⁵⁰ This shortcoming had already been underlined by the evaluation of the environmental performance of EC programmes.

The importance given to environmental issues also very much depends on the attitude of the partner government. Situations in this respect widely vary from one country to another. In Madagascar, for instance, EIA is a crucial step in the decision to undertake an investment project in the transport sector, whether new construction or rehabilitation. Malagasy legislation makes the production of an EIA culminating in an Environment Management Plan, and its endorsement by the National Office of Environment, a compulsory pre-requisite for the delivery to the contracting authority of the authorisation to undertake a transport infrastructure project. But the questionnaire survey reveals that in many cases there is no environmental legislation applicable to transport projects (e.g. Congo-Brazzaville, Central African Republic, Georgia, Ukraine) or else that existing legislation is not properly enforced (e.g. Benin, Jamaica, Lesotho, Mali, Mozambique, Niger).

As indicated by DG Development's ToR model, to be of any practical use the EIA of an investment project must lead to environmental protection measures being incorporated in the ToR for the contractor in charge of construction work. In practice, the extent to which ToR for construction work include an appropriate set of environment-related measures very much depends on the attention given to this issue by the contracting authority and the EC Delegation, but also on their technical capacity to identify and formulate such measures.

Madagascar is once again an example of good practice with the presence within the Ministry of Transport and Works of an Environmental Assessment Unit of which one major responsibility is to make sure that the recommendations of the EIA and the measures proposed in its Environment Management Plan are integrated in the terms of reference for the construction work. But it may be noted that mission teams did not find any example of an EC project that aimed at developing the capacity of the government agencies in charge of transport infrastructure to deal with environmental issues.

In theory, once proper specifications have been incorporated in the construction work TOR, actual implementation of the relevant measures by the contractor is under the control of the supervisor. Here again much depends on the attention devoted to environmental issues by the contracting authority and on the technical capacity of the supervisor and of the contracting authority to deal with these issues. Mission teams did not find any example of an EC-funded transport infrastructure project where an *ex post* assessment was carried out on the impact of infrastructure work on the environment.

Very little attention has been devoted by the EC to the potential damage to the environment induced by traffic (air pollution by exhausts, pollution of soil and water by vehicle discharge, noise, dust, etc.). This is partly explicable by the fact that few interventions targeted urban transport, where these issues are most acute. But no attempt was made to assess the impact on the environment of heavier and faster traffic on the inter-urban roads rehabilitated with the assistance of EC projects, nor consequently of any attempt to alleviate these impacts. In Tanzania, for example, the mission team noted that no attention had been given to the fact that the higher speed of vehicles on rehabilitated gravel roads results in the production of large volumes of dust. Besides, national authorities in most countries surveyed by questionnaire do not monitor transport emissions and other environmental impacts of traffic.

Criterion 7.2: Contributions of EC interventions to improve safety in transport

Road traffic injuries are a major but neglected public health challenge. Every day around the world, more than 3,000 people die from road traffic injuries⁵¹. Low-income and middle-income countries account for about 85% of the deaths and for 90% of the annual disability-adjusted life years (DALYs) lost because of road traffic injuries. The global economic cost of road crashes for low-income and middle-income countries is estimated at US\$ 65 billion, more than they receive in development assistance.

Foreign donors may contribute to safer transport through two different types of intervention. On the one hand, they may ensure that due account is taken of safety issues in the design of the transport infrastructure which they finance. On the other hand, they may provide assistance to partner countries for the formulation of a transport safety policy and for its implementation.

According to the questionnaire survey, in 6 out of 10 ACP transport infrastructure projects and in all non-ACP infrastructure projects, safety aspects were specifically taken into account. But the measures referred to were mostly often limited to establishment of comprehensive road-signing and definition of speed limits.

A positive development noted in several EC-funded projects in ACP countries is the widening and surfacing of shoulders, which provides separate provision for, and therefore safer passage of, non-motorized transport (NMT) along the roads. Another good practice observed in Madagascar is the consultation of populations, in the framework of so-called “complementary social activities” accompanying transport investment projects, on tasks which they would like implemented as a complement to the construction of the main infrastructure; proposals for additional safety measures frequently came out of these consultations. But weaknesses were also noted by the mission teams, such as for example the lack of appropriate signals at dangerous places on newly rehabilitated roads. More generally, no safety audits and no *ex post* evaluations of safety impacts have been carried out on EC-funded road projects. Finally, safety issues were not included in the agenda of technical assistance provided by the EC to the ministries or agencies in charge of road construction and maintenance.

As far as air transport is concerned the EC financed the upgrading of safety equipment in some airports. But as regards maritime and rail transport no safety-related interventions were recorded in the EC files covering the period 1995-2001.

A few EC interventions directly or indirectly addressed road safety at the policy level. For instance, the EC contributed to the draft of a Road Code and equipped vehicle control centres in Albania. The EC supported the government of Mali in making mechanical and safety tests (contrôle technique) for vehicles compulsory and financed studies on road safety in Ethiopia. In Lesotho, the EC Delegation’s transport officer noted in the questionnaire that vehicle speed is now monitored and speed limits effectively enforced. The EC also provided technical assistance on safety issues to road administrations in two

⁵¹ World Health Organisation, World Report on Road Traffic Injury Prevention, Geneva, 2004

regions of Russia, and gave advice to the Ukrainian authorities on drafting legislation on road safety and road transportation of dangerous goods. Other donors also implemented projects targeting road safety: for example the instalment by the Norwegian co-operation agency of a computerised accident recording system in Tanzania, or the design of a safety-oriented database by the Swedish co-operation agency in Albania. But these various activities remained isolated, did not address the institutional dimension of the problem, and were not supported by a genuine commitment by the governments to tackle this issue. Consequently, they were not very effective.

More than for any other transport-related topic, a consistent approach to safety requires the involvement of a large range of stakeholders: designers and managers of transport infrastructure, institutions responsible for issuing regulations or in charge of their enforcement, transport operators, healthcare institutions, and educational institutions. The major difficulties encountered by developing and transition countries in tackling this issue are insufficient capacity to involve the various stakeholders effectively in the design and implementation of a transport safety policy, and a lack of political commitment to enforce existing regulations.

Concern about the safety issue is weak among officials in the transport sector. In Russia, for instance, there is a State Safety Committee in which various stakeholders, including transport operators, are represented. But the 3-year road safety programme adopted in 1995 was deprived of any financial resources and was soon abandoned. The situation is still worse in most ACP countries where frequently no structure exists in which the various transport safety stakeholders could cooperate in the definition of a policy and coordinate their activities. Indeed, while baseline and monitoring data for accidents exist in all the non-ACP countries surveyed by questionnaire, they only exist in a minority of ACP countries. Moreover, accident statistics are not processed to identify black spots on the roads or to prepare implementation of corrective measures. Limited progress can however be noted here and there as, for example, the growing attention given to safety issues by the Roads Agency in Tanzania or, in the same country, the organisation of an annual road safety week during which a wide range of activities is carried out throughout the country to raise general awareness of safety issues with a special focus on school children.

Besides donor interventions, the Global Road Safety Partnership (GRSP) aims at raising awareness of road safety and finding innovative ways of dealing with this issue in developing and transition countries. Founded in 1999, GRSP is a global partnership involving business, civil society and governments. Its strategy relies on forging a partnership between all key groups in society with a vested interest in improving road safety, undertaking small-scale interventions and demonstration projects, and sharing the lessons learned from these initiatives. It currently has on-going activities in a series of countries in Africa (Ghana, South Africa), Asia (India, Thailand, Vietnam), Eastern Europe (Poland, Romania, Hungary) and Latin America (Costa Rica, Brazil) The EC supports GRSP activities.

Criterion 7.3: Contributions of EC interventions to alleviate the health risks related to increased mobility?

The Transport Sector Guidelines point out that “opening up new traffic routes and improving access and personal mobility can contribute to the rapid spread of communicable diseases such as AIDS”.

Two dimensions of this threat must be differentiated. On the one hand, the construction or rehabilitation of transport infrastructures most commonly involves an influx of migrant workers in the area where the work is taking place. The related health risks are best addressed within the project itself. A different issue is the risk of a spread of HIV/AIDS and other communicable diseases through increased mobility of populations induced by the improvement of transport systems. This second type of risk extends far beyond the time limits of the construction phase of the infrastructure. It has therefore to be addressed within the overall health policy of the given country, which accordingly has to take into account the impact of increased mobility on the level of risk and on its spatial distribution⁵².

According to the questionnaire survey, governments of ACP countries are well aware of the risk of a spread of the HIV/AIDS pandemic in relation to the construction of infrastructure projects, and with few exceptions (e.g. Congo-Brazzaville, Jamaica) take measures to minimise this risk. These measures mainly consist of the organisation of awareness and prevention campaigns targeted towards road users, drivers and roadside populations. In some cases (e.g. Lesotho, Mozambique), AIDS prevention clauses are included in the specifications of the contract between the government and the construction enterprise.

But when it comes to the implementation of these principles, the picture that emerges from the questionnaire is disturbing. In a sample of 15 EC-funded transport infrastructure projects, questionnaires reveal that a preliminary assessment of AIDS risks had been carried out in only 2 cases, and that specific prevention measures have been implemented in only 4 cases (in Benin -two projects-, Niger and Mozambique). In practice, most often contractors of transport infrastructure projects establish on their living compound a medical centre whose staff deliver information and advice to the workers and makes condoms available to them. Unless the contract clauses request the contractor to extend these measures to roadside populations, prevention is however restricted to the workers directly employed by the contractors and to their relatives living on the compound.

There however exist examples of good practice to address this issue. The “accompanying activities” associated with EC transport infrastructure projects in Madagascar are such an example. The NGOs which are contracted to identify, and then implement, complementary activities targeting populations in the vicinity of transport infrastructure projects are explicitly required by their terms of reference to pay special attention to the AIDS risk and

⁵² In Mozambique, HIV prevalence rates among the general population range from 11 to 14 percent, but rise to 21 percent among populations residing along the main road to Zimbabwe and Malawi. World Bank, Aids and Transport in Africa, Quick Reference Guide, July 2003.

to propose activities aimed at its minimisation. This does not exclude contractors from taking their own measures directly targeted on their personnel.

Another example, reported in a paper recently released by the World Bank⁵³, is the initiative of the Ethiopian Road Authority to define and implement within the Road Sector Development Programme an HIV/AIDS strategy targeting the agency's staff (about 16,000), project related personnel including international contractors and consultants, and local communities at project campsites. The strategy has three components: (i) information, education, communication; (ii) care and support; (iii) capacity building and policy development.

In the countries outside the ACP region surveyed by questionnaire (Georgia, Ukraine, Bolivia, India), EC Delegations indicate that the HIV/AIDS risk is not taken into account in the transport policy, and that no specific measures are taken when implementing transport infrastructure projects, except those measures taken by the contractors on their own initiative.

As regards the health risks induced by increased mobility, they are not addressed and can hardly be addressed, for the reason mentioned above, within transport infrastructure projects. Most countries affected by AIDS, in particular in the ACP region, have now defined a policy for the prevention of AIDS and have put in place *ad hoc* institutions for their implementation. Associated strategies put the emphasis on the identification of population groups most at risk of catching and spreading the disease so as to concentrate information, education, medical supervision and treatment on these population groups. Transport sector workers, notably long-haul truck drivers, belong to these risk groups. This justifies implementing programmes concentrated on important transport links. An example of such a programme is the so-called "Corridor Project" described in the World Bank paper mentioned above. This project involves five countries (Nigeria, Benin, Togo, Ghana and Ivory Coast) organised under one institutional framework. Its objective is to increase access along the corridor joining these countries to HIV/AIDS prevention, basic treatment, and support and care services by underserved vulnerable groups.

Question 8: How far have strategies, programmes and projects sponsored and funded by the Commission, and the conditions and context of such funding, contributed to ensuring a gender sensitive access to transport services, as well as equal access to members of minority or disadvantaged populations?

It was only in the period 1995-1998 that integrating gender issues in development co-operation became an explicit objective of EC policy⁵⁴. In 2001 a Communication of the Commission to the Council and the European Parliament presented a Programme of Action for the mainstreaming of gender equality in Community Development Co-

⁵³ Taming HIV/AIDS on Africa's Roads, World Bank, Findings, n° 236, March 2004.

⁵⁴ See, in particular, the Council Resolution of 20 December 1995 on Integrating Gender Issues in Development Co-operation, and the Council Resolution No 2836/98 of 22 December 1998 on Integrating Gender Issues in Development Co-operation.

operation⁵⁵. As regards transport this document underlines that “despite appearing gender neutral, transport policies often replicate existing gender inequalities in a society by failing, for example, to note the different degrees of mobility allowed to each sex. Lack of attention to this issue hampers movement of women and provides restricted access to social services”. The programme of actions stresses the need to analyse and integrate gender into the six priority areas for EC development co-operation activities, of which transport is one. In order to achieve this objective, the programme of action suggests practical steps at different levels, which however are not sector-specific but apply to all EC development activities.

In developing countries, women bear the bulk of the responsibility for transport and travel and have specific needs with respect to transport infrastructure and services. Nevertheless, even when gender issues are mentioned in the transport policy documents of partner countries, they very rarely give rise to any concrete measure.

Although Delegations are fully aware that gender is an important dimension of the EC cooperation policy, there are very few examples where they managed or even attempted to address gender issues in their interventions in the transport sector. The main reason for this shortcoming is most probably a lack of practical guidance on how gender specific transport needs can be taken into practical account in transport project design and implementation.

Very little action was undertaken by the EC to promote gender equality in transport-related activities.

Criterion 8.1: Whether the specific transport needs of women and minorities have been taken into account in the design and implementation of EC interventions ?

According to the questionnaire survey gender issues are taken into account in the transport policy in half the ACP countries surveyed as well as in Bolivia. However complementary information provided by the EC Delegations indicate that consideration of gender consists of overall statements on the principle of non-discrimination in employment, or on the observation that easier access to markets and to mother-and-child healthcare services benefits women. Except in Senegal, where case studies of gender-related transport needs were carried out to inform the design of the rural travel programme, these policy statements remain without clear practical implications. In reality, in developing and transition countries the needs for rehabilitation, upgrading and development of transport infrastructure are huge. Priorities are obvious: when transport policies extend beyond the fulfilment of infrastructure construction and maintenance needs, they address such issues as privatisation of transport services, commercialisation of other transport related activities, enhancement of the transport system’s efficiency or the development and enforcement of the regulatory framework. But nowhere is gender an important issue on the agenda of transport ministries.

⁵⁵ COM(2001) 295 final of 21 June 2001

This does not necessarily reflect an overall lack of interest of governments in gender issues. In countries where a PRSP has been prepared, women's associations were consulted in its preparation. In the analysis of poverty included in these documents, data are generally disaggregated by gender. Activities specifically targeting women are frequently included in the actions that the governments plan to implement to reduce poverty. But the activities targeting women most commonly relate to mother-and-child healthcare. Mission teams did not find one single PRSP in which gender issues were considered in relation to transport, and questionnaires did not mention one single case where transport-related data were disaggregated by gender.

The EC did not give much more attention than governments to gender issues in its transport interventions. Out of a sample of 29 projects surveyed by questionnaire, only 2, an infrastructure project in Lesotho and support to the Transport Sector Programme in Mali, gave rise to consultations with women's associations. Answers to the questionnaire show that Delegations are aware that addressing gender issues is a dimension of EC co-operation policy. But when providing information on the projects they have implemented, they leave questions of gender issues unanswered or have to admit that the issues were not addressed. When comments are provided, they underline that improving the transport system is beneficial to women because it facilitates the exercise and development of trade, an activity which in developing countries is most often carried out by women. The same observations and comments came out of the field missions.

Several factors may explain this lack of attention to gender issues. Neither the reference documents made available to the Delegations, nor the support they are given by EC headquarters when preparing a transport intervention, provide them with much practical guidance on addressing gender or minority issues⁵⁶. The Delegation advisers in charge of the transport sector, while they have the civil engineering qualifications primarily required for their task, may not be well prepared to integrate a gender dimension into their approach to the projects. Besides, EC cooperation is basically demand-driven. Insofar as governments do not pay attention to this issue, EC Delegations have little incentive to push forward an issue that may be contentious, for it often interferes with culture and traditions. EC interventions in the transport sector concentrate on the construction and rehabilitation of infrastructures, and on institutional reforms in the sector, that is in areas in which gender issues are not easy to identify. Finally, as noted above, addressing gender issues was identified as an objective of the EC co-operation policy only in the second half of the 1990s, several years after the projects implemented during the period covered by this evaluation had been identified and formulated.

An interesting attempt by a EC Delegation to tackle gender issues in its transport investment projects was however noted in Madagascar. These issues are not directly addressed in the design of the core projects or in their implementation, but through subsidiary activities. Financing agreements recently concluded with the Malagasy government for the construction or rehabilitation of roads include a budget line for

⁵⁶ This lack of guidance on how to address gender issues in the transport sector is pointed out in: European Commission, Thematic Evaluation of the integration of gender in EC development co-operation with third countries, PARTICIP, March 2003.

financing so-called “complementary social activities”, which are implemented by local NGOs for the benefit of the populations living in the neighbourhood. Identification of these complementary activities is carried out through a participative process in which special attention is given to identification of men’s and women’s specific needs. For that purpose training and assistance is given to the agents of the NGOs in charge of identifying and implementing complementary activities by an institution, “Initiatives Genre et Développement (IGED)”, supported by the EC and devoted to promoting a gender-sensitive approach to development projects. Complementary activities may be closely linked to the infrastructure, for example establishment of additional safety devices near a school or the construction of a market place to relocate small shops previously located along the road, but may also be without direct relation to the infrastructure, such as the creation of a kindergarten or the equipment of a cooperative workshop managed by a women’s association.

Neither the field missions nor the questionnaire survey identified any case of minority issues in relation to transport.

Criterion 8.2. Whether the EC has promoted gender equality and non-discrimination in the transport industry

By gender equality in transport, the evaluators refer to equal access of men and women to employment in transport-related activities. This is an issue that was rarely addressed by the EC.

Contractors interviewed by the evaluation team say that they employ a significant number of women, some of them in positions requiring a relatively high level of qualification. But they do it on their own initiative. In some investment projects using labour-intensive construction methods, as for example in Congo-Brazzaville for rehabilitation of rural tracks, the Delegation insisted that women should occupy a minimum percentage of jobs. Indeed, in developing countries women may be interested in such employment opportunities that provide them with cash revenue. However, care must be taken that this does not add to a workload that for women living in rural areas is already extremely heavy especially when seasonal agricultural work has to be combined with domestic tasks. Measures should also be taken to take care of, and prevent accidents to, children who accompany their mother to the building site.

As for employment of women in transport-related services and administration, the evaluation team did not identify one single instance where the EC had taken action to promote equal access of women in this area. Female employment in transport services is sometimes well developed, as for instance in the TACIS countries, but this is not linked to EC interventions.

Question 9: To what extent has the design of Commission-sponsored strategies, programmes, activities, especially the choice of beneficiaries, funding instruments and donor mix (including EIB) facilitated the achievement of specific objectives established for the sector?

Three criteria are applied to answer this question. They aim at assessing whether (i) a truly sector-wide approach has been developed in the different geographical regions; (ii) whether civil society involvement contributed to achievement of specific objectives; (iii) whether the EC exercised a leading role in co-ordinating donors.

In ACP countries partner governments have, with the assistance of foreign donors, designed and started to implement transport policies and strategies in line with a sectoral approach of transport. However, these policies most frequently remain limited to the road sub-sector and, within this sub-sector, to its infrastructure component. Outside the ACP region, EC interventions were not incorporated in a sectoral approach to transport.

The involvement of civil society in transport issues is still limited. But efforts are currently made in some ACP countries to involve civil society in design and implementation of transport policy, and initiatives are taken by some Delegations to implement a more participatory approach in identification and design of investment projects. This development has not yet taken place in other regions.

In developing countries, the EC and World Bank play a major role in donor coordination. Either institution may exercise this leadership, another scheme being joint leadership with the main responsibility taken by one of the two institutions in support of some components of the transport development strategy. In Central and Eastern Europe and in the MEDA region, the EC and the EIB have complementary activities which, however, with few exceptions remain uncoordinated.

Criterion 9.1: Whether a truly sector-wide approach has been developed in the different geographical regions ?

Progress towards a sector-wide approach for transport in ACP countries is to a large extent an outcome of the policy dialogue between governments and donors. This dialogue was all the more fruitful in that there was a high degree of convergence between the main donors as regards issues to tackle and reforms to promote. As noted above under evaluation questions 1 and 2, this led to the design and implementation by partner governments of transport policies in line with the principles underlying the development of a sustainable transport sector. That said, progress has had its limits.

In the first place, governments and donors strongly concentrated on the road sub-sector. Investments and institutional reforms mainly related to this sub-sector. Other transport modes and issues of inter-modality were given much less attention. In some cases, the efforts devoted to the sub-sector even led deterioration of other transport modes. In Ethiopia and Madagascar, for instance, the competitive situation of railways suffered as a

result of improvements made to the road network, when they themselves were starved of investment and unable to ensure the mere maintenance of their infrastructure and rolling stock⁵⁷. Transport master plans taking into account all transport modes and their inter-relationships are a need still to be addressed.

Second, in the road sub-sector itself the focus has been on infrastructure and on the financial and institutional reforms directly related to its management, notably through establishment of Road Funds and in some countries of Road Agencies⁵⁸, and also strengthening the relevant government agencies' capacity to manage rehabilitation, upgrading and maintenance of the network. Governments and donors devoted less attention to the regulatory framework for transport operations and its enforcement, or to enhancing the capacity of the various operators of transport-related activities – carriers, construction industry enterprises, engineering consultants.

To summarize this assessment in one sentence, ACP countries, with the assistance of foreign donors, have made very significant progress towards a sectoral approach to transport but have not yet developed a true sector-wide approach for transport encompassing all transport modes and addressing the needs of transport operations as well as transport infrastructure.

Outside the ACP region, EC interventions were not framed in line with a sectoral approach of transport as defined by the Commission.

In Balkans countries, the large imbalance of foreign aid in favour of infrastructure investments compared to institutional reforms during the period covered by the evaluation does not allow the approach adopted by donors and governments to qualify as a sectoral approach. But the consolidation of cooperation between these countries and the EU will lead to a shift of the policy focus towards harmonisation of transport with the EU Common Transport Policy as has been the case in PHARE countries. A similar development should take place in MEDA countries where very few EC interventions in the transport sector took place in the second half of the 1990s.

The policy dialogue between the EC and the government of Russia in the framework of the Partnership and Cooperation Agreement did not develop in the area of transport, except on very specific issues such as satellites and their utilisation. In practice EC interventions in the transport sector were selected from a shopping list. Positive changes may take place in the near future; the preparation by the Russian Government of a Transport Policy Document, which is expected to be an equivalent of the EU White Paper on Transport, should open opportunities for a more coherent approach to co-operation.

As for the TRACECA programme, its broader objectives, notably enhancement of the economic and political independence of the partner countries and of their capacities to

⁵⁷ In Madagascar, transfer of the North railway line to a concessionaire, which became effective in 2003, should remedy this situation.

⁵⁸ Of 27 Sub-Saharan African countries surveyed by SSAATP, 9 had by end-2003 established a Road Agency. These countries are: Angola, Burundi, Ivory Coast, Ethiopia, Malawi, Mozambique, Senegal, Tanzania and Uganda.

access European and world markets, are consistent with a sectoral approach. But its initial focus on the sole corridor connecting Central Asia and the Caucasus to Europe did not allow the various issues raised by the partner countries' transport policies to be addressed in a consistent manner.

Criterion 9.2: Whether civil-society involvement has contributed to the achievement of specific objectives?

In ACP countries civil society⁵⁹ involvement in the development and implementation of the transport policy is still limited, but is in progress.

Efforts are currently being made in some ACP countries, most frequently at the initiative of donors, to create space for debate on transport policy issues. They consist in the organisation, generally on an annual basis, of workshops with participation by the government agencies involved in the sector, foreign donors, representatives of the enterprises active in the sector (carriers, contractors, engineering consultants) and, to a lesser extent, representatives of transport users (industrial enterprises and farmers). Other representatives of civil society, notably NGOs, are generally not invited unless they are developing activities directly related to the sector⁶⁰. These meetings have to some extent allowed enlargement of the debate on transport policy issues. But they are primarily a place where transport policy choices and transport development programmes mutually agreed by the Government and the donors are made public and explained. The low level of organisation of the private sector limits its capacity to exert a significant influence on strategic choices.

It must be noted in this respect that the involvement of civil society in the policy debate is not an issue specific to transport policy but rather a question of good governance that applies to all sectors. The capacity of the EC to promote wider participation of civil society in the policy debate on transport is logically constrained by the overall governance situation in each partner country.

A Road Fund Board, in which private stakeholders are represented and in many cases have a majority⁶¹, manages Road Funds established in a large number of ACP countries, most frequently with active participation by the EC. This involvement of private stakeholders has proved extremely positive in some cases, for instance in Tanzania where they

⁵⁹ The Cotonou Agreement defines civil society as being composed of three different groups of actors: (i) the private sector; (ii) economic and social partners including trade unions; (iii) voluntary organizations of citizens in all forms. In the case of transport, it includes private enterprises involved in the sector (engineering consultants, contractors, providers of transport services) and their professional organisations; users of transport services (industrial enterprises, farmers) and their professional organisations; citizen organisations representing population groups impacted by transport policy decisions and transport projects.

⁶⁰ In Madagascar, for example, the evaluation team met an NGO which develops a series of activities in relation to transport such as for example the design of NMT vehicles adapted to various needs or the promotion of labour-intensive technologies for the construction and maintenance of rural tracks as well as the training of specialists of these methods.

⁶¹ According to SSATP, in Sub-Saharan Africa, by end-2003 non-government stakeholders have a majority in 9 Road Funds Boards out of 22.

contributed to a high level of commitment to fulfil the objective adequate maintenance of the road network. Madagascar provided a contrasting example, with representatives of the private sector using their position in the Board for their own immediate interests; Board members have had to be replaced and government representatives now form the majority.

Road Boards in which transport policy related issues are debated between representatives of the government and civil society are less frequent. Such institutions have been established in some ACP countries such as Benin, Lesotho, Mozambique and Senegal.

When asked in the questionnaire if local stakeholders have been consulted at the identification, formulation or implementation stages of EC interventions in the transport sector, Delegations answered positively. But the interlocutors they mention are most frequently government institutions at the central and local level and other donors. Populations affected by EC infrastructure projects have generally not been consulted at the preparatory stages of these interventions. However a few EC Delegations, for instance in Madagascar and in Uganda, have undertaken to carry out Social Impact Assessments of their transport infrastructure projects, either as a specific analysis or as part of an Environment Impact Assessment extended to social impacts, special attention then being given to the specific transport needs of various population groups segmented by gender, age or professional activity. Since this development is quite new, it is not yet possible to assess how far such investigations have had an influence on project design. But, if consultations of populations are not usually carried out, Delegations commonly have contacts with elected representatives in the regions where EC projects are implemented.

The initiative of the EC Delegation in Madagascar to develop, in parallel with its transport infrastructure projects, complementary social activities identified through a participatory process and implemented by local NGOs - although impacting only marginally on the main project - is an interesting experience in taking account of the needs and wishes of the populations affected by these projects and ensuring their ownership of the projects.

Outside the ACP region, the evaluation team did not find any indication that civil society had been involved in a debate on transport policy issues, nor that the EC or other donors had taken actions to promote involvement of civil society in this debate. As regards involvement of representatives of private stakeholders in the preparatory stages of interventions, the EC Delegation in Morocco pointed out that the “Rocade Méditerranéenne” project had been discussed with the agency for the development of the Northern Region, with local governments and with the concerned populations. No other example of involvement of populations in the preparatory stages of EC projects came out of the questionnaire survey.

As regards decentralisation, the EC took as granted the existing situation in the partner countries. It did not attempt, in particular, to promote greater devolution of responsibility to local governments for management of transport infrastructure.

Criterion 9.3: Whether the EC has had a leading role in co-ordinating other sector donors?

Coordination of donor activity in the transport sector takes different forms from country to country. In such countries as Cameroon, Congo-Brazzaville, Tanzania or Mozambique, donor coordination meetings are organised on a regular basis, usually every quarter. More frequently such meetings take place occasionally when donors deem it necessary; this is notably the case in Benin, Lesotho, Madagascar, Mali, or outside the ACP region in Ukraine or Bolivia. Finally there are countries such as Jamaica, Niger, the Central African Republic, Georgia, India or Morocco, where, according to answers given to the questionnaire, donors do not hold formal coordination meetings. In the latter case, this does not mean that donors do not coordinate their activities in the transport sector, but that coordination takes place through bilateral exchanges rather than through formal meetings.

Whether it is formally organised or relies on bilateral relations, the EC and the World Bank play the main role in donor coordination. Depending on the country, either one or the other exercises this leadership. In Tanzania, for instance, the EC plays an effective and well-accepted leading role among donors. In Madagascar, in contrast, responsibility for donor coordination rests with the World Bank. An intermediate situation may be found in other countries where the EC and the World Bank, on the basis of a common understanding of the issues to be addressed, either share responsibility for donor coordination or exercise leadership in different areas of transport policy. It must be noted in this respect that donor coordination involves tasks which EC Delegations with limited staff do not always have the capacity to carry out in addition to normal project follow-up.

Even when it does not have the lead role, the EC is actively involved in policy dialogue with governments, both on a bilateral basis and in the framework of discussions between governments and the donor community. Furthermore the EC frequently exercise leadership in some segments of transport policy. This is in particular the case as regards maintenance, an area which EC interventions addressed in all its dimensions: financing, programming, execution. Indeed, except for the debate on the general issues of transport policy, the experience of EC Delegations suggests that coordination between donors is more effective when it leads to some form of complementary task division, each donor taking full responsibility for helping forward implementation in a given area of the transport development strategy mutually agreed by the Government and the donor community.

Relations between the EC and the EIB can be better described as one of complementarity rather than cooperation. The EIB is not a development bank in the true sense of that word. Its lending activity is highly concentrated in the EU and candidate countries, against less than 10% in developing and transition countries, of which not more than 1% is in ACP countries. More importantly, the EIB is financing investment projects on a case-by-case basis. The decision to finance a project relies solely on the characteristics of the given project: implementation plan, technical features, expected rate of return. The EIB does not

pretend to influence government policies in the countries where it finances projects, nor are policy-related conditionalities attached to its projects.

In developing and transition countries, the EC and the EIB may have complementary activities. In particular, in medium-income countries, notably in the MEDA region and in the Balkans, the EIB contributes to financing of transport infrastructure projects while the EC supports institutional reforms through technical assistance projects. Interventions of the two institutions are however not closely coordinated. EC Delegations are informed of the existence of EIB-financed projects, but do not ensure follow-up of their implementation. Another type of cooperation was noted in Albania. In this country the EC, which has decided to withdraw from investing in transport infrastructure projects, finances preparatory studies of transport infrastructure projects, and then the supervision of works, while the EIB finances the investment itself.

Some changes are taking place in EIB policy. Environment is progressively given more importance in the project assessment, and more recently their social impacts, notably as regards gender issues, have also been included in project assessment criteria. Discussions are taking place between the EC and the EIB with a view to reinforcing the links between the two institutions and, in particular, to defining common strategies for some regions. The idea is to better identify the respective responsibilities of the EIB and of DG TREN, DG Relex and EuropeAid, as was already done between the EIB and DG Environment.

In Eastern Europe, EIB and EBRD often each finance one third of a project, thus providing a large contribution to its financing while respecting the rule that neither of them should finance more than 50% of a given project.

Question 10: To what extent has the implementation and delivery by the Commission of support to transport projects facilitated the achievement of objectives, and if so, how has it benefited from the available tools of a sectoral approach?

The answer to this question relies on three criteria: (i) how far EC interventions have delivered their planned outputs, (ii) whether the management tools made available to the Delegations through the Transport Sector Guidelines have been utilised, and (iii) whether EC Delegations made use of monitoring and evaluation to enhance the effectiveness of EC interventions.

Observations suggest that both transport infrastructure investment projects and technical assistance projects delivered their planned outputs. But investment projects were not immune of implementation difficulties frequently related to weaknesses in the feasibility studies. As for technical assistance projects, they are only effective at inducing positive changes in the transport sector insofar as they are clearly incorporated into a programme of reforms agreed with the government.

Delegations have internalised the principles and tools of Project Cycle Management. However, logical frameworks are sometimes designed in a formal manner without making explicit how the project contributes to a global approach to the sector.

Delegations ensure close follow-up of the implementation of investment projects, and check whether technical assistance projects deliver their expected outputs, but pay little attention to the outcomes and results of these interventions. The potential usefulness of evaluations to enhance project effectiveness is not clearly perceived by the Delegations.

Criterion 10.1 Have EC interventions delivered their planned outputs?

EC investment projects have delivered their planned outputs, but their implementation often suffered from delays while their final cost has frequently been significantly higher than initially estimated. Insufficient quality and thoroughness of engineering design and tender documentation has often been a key cause of these problems.

In most ACP, MEDA and LA countries surveyed by questionnaire, projects were not completed within the planned time schedule and suffered from delays averaging about one year. Initial cost estimates were not respected for about half of the ACP projects analysed by questionnaire. According to EC Delegations, these discrepancies between the planned and actual schedules and costs were due to weaknesses in engineering design, administrative deficiencies on both Government and EC sides, changes in scope of work, disputes with the contractors (concerning land acquisitions in particular), extension of the technical assistance's execution time limit, or to political instability.

In July 2003 the European Court of Auditors released a special report concerning the execution of infrastructure work financed by the EDF⁶². This report is based on an audit of 30 selected contracts, most for road construction or rehabilitation, concluded between 1987 and 2000. The Court's project sample did not pretend to be statistically representative. On the contrary, the Court selected projects which had experienced implementation difficulties, in order to identify the causes of the problems. In 18 contracts out of a total of 30 investigated by the Court, problems occurred that led to divergences between the original plans and the actual results of project implementation. According to the Court, these problems most frequently originated in shortcomings in the pre-feasibility and feasibility studies. The selection of consultants on criteria giving pre-eminence to the financial bid, and a lack of quality control of the consultants' work, were the main factors

⁶² European Court of Auditors, Special Report n° 8/2003. Official Journal of the European Union, C 181, 31 July 2003.

explaining this situation. This resulted in delays and additional costs due to the fact that complementary studies had to be carried out and that the final volume of work was greater than originally estimated. Even when the quality of the feasibility study was satisfactory, difficulties may have arisen because the condition of the road to be rehabilitated continued to deteriorate between completion of the study and start of implementation, which might be up to 2 years. The Court also noted abnormal delays in the settlement of claims presented by the contractors.

The evaluation team was informed of similar problems in Albania. In this country an audit mandated by the Delegation also revealed, in addition to the problems mentioned by the Court of Auditors, deviations from normal contract management procedures. The evaluation of PHARE-financed transport programmes noted that some investment projects in the region had been implemented in an emergency climate without sufficient preparatory work.

The implementation of technical assistance projects raises different problems.

When technical assistance is supportive of a reform or development project jointly agreed with government, and its terms of reference are precisely designed as a contribution to this process, it not only delivers its expected outputs, but is also highly effective at inducing positive changes in the transport sector. This was notably the case in assistance to Tanzania with the recently established Road Agency, or in Madagascar with the support for the Road Fund. But mention has already been made of cases, notably in Ethiopia and Madagascar, where experts were made available to government agencies without precise definition of the outputs to be delivered or how they would contribute to developments jointly agreed between the Government and the EC. There is also room for criticism of technical assistance projects, for example in Russia, that were not backed by policy dialogue with the Government. The relevance of such projects is dubious and their sustainability uncertain because of a lack of ownership by the beneficiary institution. In both cases, what is at stake is not the planned outputs, which are delivered, but the capacity of these outputs to produce desirable outcomes and sustainable results.

Criterion 10.2: Have the management tools made available to the Delegations through the Transport Sector Guidelines been utilised?

The Guidelines on Sustainable Transport make available to Delegations, as well as a presentation of the sectoral approach to transport and advice on how such an approach can be implemented, a detailed presentation on the successive stages of Project Cycle Management and a series of practical tools such as standard terms of reference and report formats for a sectoral policy study, a pre-feasibility study or a feasibility study.

The Guidelines, or at least the management tools which they present, are well known by the EC Delegations' transport advisers. One can even say that these tools have been internalised at the Delegations' level. Indeed, even though most transport officers who have filled the questionnaire left unanswered the question on their use of sector-based guidelines, or answered that they did not resort to guidelines, their answers to

complementary questions reveal that they indeed apply the management tools recommended by the Transport Sector Guidelines. In particular, the principles of Project Cycle Management are applied everywhere by the EC Delegations, except as regards monitoring and evaluation. In the case of investment projects, economic and financial analysis is carried out. It must be noted in this respect that these practices were under the control of EC headquarters, which still retained full decision-making capacity in the period considered by this evaluation.

However, the logframe approach is in many cases used in a somewhat formal manner. The overall project objective is frequently defined in such broad terms that it could apply to any type of project in any sector, while in contrast the specific project objective, activities, expected outputs and results are identified in too narrow terms without making explicit how the given project is to contribute to implementation of a consistent sectoral approach to transport. This may explain why the monitoring of transport infrastructure projects is generally restricted to physical achievements and does not address project outcomes and impact, that is their effects on traffic, transport cost and prices, accessibility, etc.

Stated assumptions and risks frequently refer to aspects of the policy framework that could enhance or hamper the sustainability of project outcomes. But the conditionalities attached to the Financing Agreement, which could contribute to minimising risks, more commonly relate to aspects of project implementation. Some Delegations, however - Madagascar being a good example- pay attention to the consistency of the conditionalities attached to projects and include in the Financing Agreements two complementary sets of conditionalities: a first set referring to the implementation by the Government of transport policy measures contributing to sound and sustainable development of the sector, these conditionalities being common to all Financing Agreements; and a second of conditionalities, those specific to each Financial Agreement, aim at creating conditions favourable to implementation of the given project.

In ACP countries, when technical assistance was financed from the budget of large investment projects, the TA component of the project did not have a specific logframe of its own. This may explain why the Terms of Reference of technical assistants were sometimes rather vague. This problem did not arise in the other regions where specific TA projects were identified.

Criterion 10.3: Did EC Delegations make use of monitoring and evaluation to enhance the effectiveness of EC interventions?

Among other tools, the Transport Guidelines suggest possible indicators for monitoring different types of infrastructure projects and programmes. These indicators aim at assessing the benefits delivered and sustainability of project or programme outputs and outcomes.

In practice, monitoring indicators of infrastructure projects, even when they are identified in the preparatory studies, are generally not followed. Indeed, no mechanism is in place to allow follow-up of these indicators. Transport advisers in Delegations devote all their attention to development of the construction work in order to prevent, as far as possible,

slippages in the project implementation schedule and consequent cost increases. They implicitly admit that, provided implementation runs smoothly, projects will deliver their expected results. Even when project monitoring is carried out at the initiative of EC Headquarters, the absence of performance indicators tends to restrict the scope of the monitoring exercises to practical aspects of project implementation.

The same shortcomings affect the monitoring of technical assistance projects although external monitors tend more frequently to address the issue of ownership of project outputs by the beneficiary institution.

Insofar as EC transport sector interventions aim at encompassing, in a sectoral approach, all important aspects of sector development, monitoring should not be restricted to individual projects and programmes but should aim at assessing regularly, through performance indicators, how far the overall transport policy or strategy jointly agreed by government and donors is delivering its expected results. Interesting developments have taken place in this respect in Ethiopia, where a set of monitoring indicators has been defined for the whole Road Sector Development Programme, giving rise to regular monitoring reports.

Delegations are not very keen to undertake evaluations of the projects and programmes they are implementing. The evaluation teams did not retrieve any evaluation material from the sample of projects they examined. Among the 29 projects surveyed by means of the questionnaire, three had been evaluated at mid-term, and two at the end of their completion phase, while five had undergone an *ex post* evaluation. The outcomes of talks with the Delegation transport advisers and the answers to the questionnaire – or the absence of answers - suggest that there has been very little follow-up of evaluation recommendations.

As far as investment projects are concerned, EC transport advisers usually attend as observers the monthly meetings between the contracting authority, the contractor and the supervisor. As regards technical assistance projects, their frequent contacts with government officials keep them informed of the pace of reforms and of the development of capacities in government agencies. They therefore consider that they are sufficiently informed to assess the effectiveness of the projects they are following up and, if need be, to take appropriate adjustment measures. This may explain why they do not feel the need for external evaluations.

Chapter 4 - Conclusions and recommendations

4.1 Conclusions

4.1.1 Overall approach to transport

1. **The objectives pursued by EC interventions in the transport sector, or at least the prioritisation of those objectives, differ from region to region (Evaluation Questions 3, 4, 5).**

In the ACP region and those developing countries in Latin America and Asia that have designed and are implementing a Poverty Reduction Strategy, EC interventions in the transport sector aimed primarily at supporting economic development in its role as a condition for poverty alleviation. In other countries, even where poverty is an important issue, as in Central Asia or the Western Balkans, EC interventions primarily targeted other objectives, mainly development of trade with special focus on regional trade and trade with the EU, or else development of peaceful relations between neighbouring countries.

2. **Since the early 1990s, EC interventions in the transport sector in ACP countries have made significant progress towards a sectoral approach. However, they were not framed in a true sector-wide approach to transport (Q. 1, 2, 3).**

The 1995 evaluation of EDF transport sector projects and programmes pointed out “a tendency on the part of the Commission Services and the administrations of ACP countries to treat a project as an end in itself rather than as a component of a long term sectoral policy”. This criticism cannot be made of the projects implemented in the second half of the 1990s. EC interventions in ACP countries have taken place within the framework of transport policies and strategies agreed between the government and the donor community, which supports their implementation. These policies and strategies are broadly consistent with the main features of a sectoral approach to transport as defined in the Transport Sector Guidelines of 1996 and the Communication on Promoting Sustainable Transport in Development Cooperation of 2000.

However, both government transport policies/strategies and EC interventions concentrated on the roads sub-sector, and within that sub-sector on rehabilitation, management and maintenance of the infrastructure, including the institutional, financial and regulatory framework for these activities. Less attention was devoted to transport services or to developing local capacities in engineering, construction and maintenance. Few EC interventions targeted modes other than road transport.

3. Outside the ACP region, EC interventions were not based on a sectoral approach to transport. They therefore lacked consistency (Q.2).

In countries outside the ACP region, the EC did not manage to establish with partner governments a systematic and continuous policy dialogue on transport. Interventions favoured infrastructure investments without addressing the weaknesses of the institutional framework (e.g. Western Balkans); concentrated on certain links without taking into account the development needs of the whole transport sector (e.g. Western Balkans, TACIS/TRACECA); or implemented projects identified from a “shopping list” without clear selection criteria (e.g. Russia). In the MEDA region, although the contribution effective transport systems could make to the establishment of a free-trade area was acknowledged, this issue was not addressed during the period considered by the evaluation.

4.1.2 Partnership and donor coordination

4. In ACP countries, the Commission’s establishment of a close partnership with government enhanced the relevance of interventions in the transport sector within national development objectives (Q. 1).

Its major contribution to the development of the transport sector in ACP countries makes the EC an obvious partner for government on policy issues related to the sector. But to be effective, such a dialogue implies that the Delegations should be able to rely on clear policy orientations for EC cooperation in the sector. The Transport Sector Guidelines and the Communication on Promoting Sustainable Transport in Development Cooperation have equipped Delegations with such orientations, thus contributing to the quality of policy dialogue with the Government. Multi-country initiatives such as SSATP provided useful support to this dialogue.

The policy dialogue between the EC and governments contributed to the adoption by governments of transport development strategies whose implementation was consistently supported by EC interventions. This is important progress in comparison with the situation that prevailed in the early 1990s, when the evaluation of EDF transport sector projects and programmes noted that “EDF funded transport projects and programmes are not always coordinated with national and regional plans”.

5. Noticeable but uneven progress has been registered in ACP countries as regards the commitment of partner governments to implement reforms conducive to a sustainable development of transport (Q. 2).

Developments in the transport sector of ACP countries over the last 10 years testify to the commitment of governments to implementing far-reaching institutional and financial reforms: policy and regulatory functions are separated from infrastructure management with the creation of Road Agencies; Road Funds are established and endowed with stable resources earmarked for maintenance of the road network; road maintenance is contracted out to private enterprises or carried out on a commercial basis; road transport services have been privatised; railway operations and the management of ports and airports are transferred to concessionaires; and so on.

Progress in the implementation of such reforms is, however, uneven from country to country. This may reflect a resistance to change from some parts of governments, which in some cases led the EC to activate conditionalities. It may be noted in this respect that the 1995 evaluation of EDF transport projects and programmes pointed out that in the early 1990s donors rarely applied sanctions and often provided further finance to States that did not fulfil their commitments. But failure to implement reforms may also result from capacity shortages. Low salaries in public administrations is a generic problem preventing public bodies from attracting qualified staff, negatively affecting staff motivation and creating conditions for corruption.

6. A wide measure of agreement on sectoral approach principles exists between donors intervening in the transport sector of ACP countries; this facilitates coordination of their interventions (Q. 1).

In ACP countries, donors active in the sector share common views on the reforms they should support to ensure sustainable development of transport; on separation between policy and regulatory functions on the one hand, and management of the infrastructure on the other; on privatisation/commercialisation of maintenance and of transport services; on the granting of concessions for railway operations and for major infrastructure for air and maritime transport; and on the necessity of securing maintenance of infrastructure (etc.).

As far as Sub-Saharan Africa is concerned, this agreement created the basis for, and was reciprocally reinforced by SSATP, a multi-country programme jointly supported by the EC, the World Bank and some 16 bilateral donors including 10 EU Member States. At the country level, convergence of views between donors facilitates coordination of their interventions, and makes possible complementary sharing of tasks between them.

7. Outside the ACP region, the EC's failure to enter into a systematic and continuous dialogue with partner governments on transport policy issues puts at risk the sustainability of interventions (Q. 1).

This situation reflects the difficulty of establishing a policy dialogue with partner government in countries where transport is not a focal sector of EC assistance and where EC assistance is limited in comparison to total public expenditures in the sector, as was the case during the period covered by this evaluation in most ALA countries, as well as in MEDA and TACIS countries.

In addition, the example of Russia suggests that governments of countries that are not dependent on foreign financial or technical assistance for developing their transport sector may be reluctant to enter into debate with foreign partners on their transport policy. In such a case, discussions tend to be restricted to a few technical topics on which cooperation is of mutual interest.

The absence of a policy dialogue on transport policy is less easily explicable in the case of Balkan countries in which the EC has made an important contribution to the rehabilitation and development of the transport infrastructure. Apparently both the EC and other donors

considered that in this region there was an emergency situation that justified financing investments despite an institutional and regulatory environment with known weaknesses.

As a consequence EC interventions were not accompanied by the policy reforms that would have ensured their sustainability.

As regards the Western Balkans and MEDA countries, the stabilisation and association process in the former case, and the Euro-Mediterranean free-trade area project in the latter case, should lead in coming years to growing attention to transport policy issues in policy dialogue with governments.

8. 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 (Q. 1).

Positive developments are taking place in ACP countries towards involvement of non-government stakeholders in the development and implementation of transport policy. There are examples of seminars involving government officials, donor representatives and private stakeholders in the debate on transport policy orientations. Private stakeholders participate in Road Fund Boards. Some EC Delegations develop innovative approaches to involve local populations in the design and implementation of infrastructure projects.

However seminars on transport aim mainly to make public the transport policy on which government and donors have agreed, and the respective commitments of both parties. Representatives of the private sector complain that they have no real influence on transport policy choices; and seldom have local populations been consulted for the identification and design of infrastructure projects.

The situation in this respect is quite unsatisfactory in non-ACP countries, where there was no evidence of civil society involvement in debate on transport policy issues nor, once again, of consultation of local populations on transport infrastructure projects.

9. The lack of relevant and reliable data in all regions is a serious impediment to decision-making and to monitoring of developments in the transport sector (Q. 1).

In developing and transition countries, transport sector data is commonly very deficient. Information systems developed with the assistance of donors are seldom properly maintained. There is no clear vision of which data are needed to inform decisions and monitor the implementation of policies and programmes, no inventory of data collected by various institutions, no assessment of the quality of data, and no appropriate dissemination mechanisms.

4.1.3 Outcomes of EC interventions

- 10. 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 (Q. 6).**

The 1995 evaluation of EDF transport projects and programmes underlined that sustainability of the transport sector in many Sub-Saharan African countries had to be called in question and, in particular, that some infrastructure projects financed by the EC appeared unsustainable. As underlined by the Communication on promoting sustainable transport in development co-operation - and as already covered by the 1996 transport sector guidelines - sustainability of transport has become the major concern of EC interventions in the sector.

Through projects in support of transport sector programmes, the EC contributed in many ACP countries (e.g. in Cameroon, Guinea, Mauritania, Rwanda, Senegal, Tanzania) to the formulation of transport policies and strategies consistent with a sectoral approach to transport and aiming at sustainable development of the sector. EC interventions supported implementation of these policies.

- 11. 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 (Q.6).**

Maintenance of the road network in ACP countries was addressed by the EC in a very consistent manner. The EC made establishment of Road Funds, to which are allocated stable revenues levied on road users, a key condition of its contribution to the financing of transport infrastructure. It contributed and still contributes to strengthening the Funds and provides financial support to those whose revenues do not yet match maintenance needs. In the Ministries of Works or Road Agencies, the EC gave special attention to the development of their capacities for programming maintenance. Although securing enough resources for road maintenance has not yet been achieved in many countries, the trend is clearly towards improvement in this area.

In other regions, the EC did not address the issue of maintenance, even when it was making an important contribution to rehabilitation or upgrading of the road network.

- 12. In ACP and other developing countries EC interventions in the transport sector have 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 (Q. 3).**

Since transport infrastructure in poor condition is a major obstacle to exploiting the economic potential of low income countries in the ACP and ALA regions, there is no doubt that the EC contribution in these countries to improving levels of service in the core network has had a positive impact on economic growth. In addition, investment in

transport infrastructure and maintenance of the road network are sources of employment for the local labour force.

These positive impacts could have been enhanced if actions had been undertaken to improve the efficiency of transport-related services and to support the development of local capacities in the engineering and construction industries.

13. In countries that are implementing a PRSP, EC interventions, in line with government strategies, primarily aimed at supporting economic growth as a basis for poverty reduction (Q. 4).

In countries that are implementing a PRSP, transport is commonly identified as a priority sector, but primarily for its contribution to economic growth. Priority is therefore given to rehabilitating the primary transport network. EC investments in the transport sector supported this strategy.

When mentioned in PRSPs, improved access by the poor to essential services is expected from construction or rehabilitation of rural roads. Indeed these are taken into account in the development strategy of the road network, but when the primary road network is in poor condition, rural roads logically come second to trunk roads in the scheduling of transport infrastructure investments.

14. In the ACP region, EC support to rehabilitation of the primary road network and maritime ports has had a positive impact on the development of trade and on regional economic integration (Q. 5).

National transport policies and strategies of ACP countries, although they usually mention regional integration as one of their main objectives, tend to prioritise domestic transport needs. However the poor condition of the transport network, insofar as it increases the cost of exports and imports, was a serious impediment to the full participation of ACP countries in regional and international trade. To that extent EC interventions to improve the level of service in the main transport network, including upgrading of port capacity for islands and coastal countries, has had a positive impact on trade development.

Furthermore, the EC has been and remains strongly supportive of the endeavours of regional programmes such as SSATP to promote transit and transport facilitation measures.

15. EC interventions in Western Balkan countries have created favourable conditions for development of trade within the region and between the Western Balkan countries and the EU (Q.5).

EC financing of rehabilitation and up-grading of transport infrastructure in Western Balkans countries, including border crossings, has equipped these countries with the core transport network required for the development of trade between them and for linking them to the European transport network. These investments were also meant to contribute to stabilisation in the region. While in the 1990s projects were implemented in emergency

situations, the recently completed EC-financed regional transport master plan should provide a basis for rational and comprehensive decisions on further development of the network.

16. In the TACIS region, EC interventions in the transport sector did not consistently address their stated objectives (Q. 5, 6).

The TRACECA programme aims at supporting cooperation and development of trade between countries of Central Asia and the Caucasus, and to link these regions to the European Union through a connection to the TEN. However, evaluations of the programme have called into question the concentration of the programme on a corridor disconnected from the main trade routes in the region and whose economic sustainability is not proven.

In Russia and Ukraine, EC interventions also aimed at supporting development of trade relations between these countries and the EU, but also at improving the efficiency of transport systems. In the absence of a policy dialogue with the government, projects were implemented on a piecemeal basis and local ownership of their outputs was consequently not assured.

17. Little attention has been devoted by the EC to the establishment and enforcement of a legal and regulatory framework supportive to the development of transport services (Q.6).

The legal and regulatory framework governing transport services in many partner countries, both in the ACP region and elsewhere, is underdeveloped or out-dated, and is furthermore not effectively enforced. This situation impedes sound development of transport services and of fair competition between transport modes. Few EC interventions addressed these issues.

18. 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 (Q.3).

Significant progress has been made in ACP countries towards privatisation or commercialisation of such activities as road maintenance, provision of road and railway transport services, and management of infrastructure and services for air and maritime transport. The EC supported this process on the government side. But few attempts were made to develop private sector capacity in transport-related activities. Except for road maintenance, which is normally carried out by local companies, local engineering companies and local contractors were given few opportunities to develop their business and to gain experience through EC-funded investment projects. No interventions included measures to mitigate the difficulties encountered by private enterprises, nor was support given to the professional organisations of engineers, contractors or carriers.

In former planned economies, the transition to a market economy was accompanied by privatisation or commercialisation of transport-related activities previously carried out by state-owned enterprises. Except in Russia, where a few projects targeted professional organisations of the private sector, the EC did not support these developments.

4.1.4 Cross-cutting issues

- 19. Increasing attention is being given to environmental issues, but the scope of EIAs and measures implemented in relation to environmental protection have remained limited (Q.7).**

An important step towards better integration of environmental issues in EC projects has been to make compulsory the undertaking of Environmental Impact Assessments of infrastructure projects. EIAs have indeed been carried out that led to the inclusion in the contractors' ToR of measures to protect the environment. However, EIAs and related measures only addressed the impacts of construction work, leaving aside the potential impacts of the infrastructure itself and of traffic. No *ex post* environmental assessments have been carried out. No action was undertaken either to improve the regulatory framework for the environment in relation to transport or to strengthen the capacity of the relevant government agencies to deal with environmental issues.

- 20. Safety has not been given the attention it should have in a sectoral approach to transport (Q.7).**

In the framework of transport investment projects, safety has been basically addressed through the design of roads. While positive examples of accommodating the specific needs of non-motorised transport have been recorded, safety measures were often limited to road signing and speed limits. No *ex post* safety audits were carried out.

Attempts to address transport safety at the policy level were insufficiently coherent and comprehensive and failed to raise government awareness of the importance of this issue.

- 21. Health risks associated with infrastructure projects have not been addressed as part of a sectoral approach to transport (Q.7).**

Governments of ACP countries and EC Delegations are well aware that construction work and increased mobility carry a risk of a spread of HIV/AIDS. Governments have designed policies to minimise this risk. But in practice prevention measures implemented in the framework of transport infrastructure works have generally been left to the initiative of the contractors and have been restricted to their staff.

- 22. EC interventions in the transport sector failed to integrate gender issues (Q.8).**

EC Delegations are fully aware that gender has become an important dimension of EC development policy. However, except for one innovative experience, field mission findings and questionnaire returns revealed no evidence of attempts to integrate gender issues into EC transport sector interventions.

4.1.5 Programme and project management

23. Transport infrastructure projects delivered their planned outputs, but were not immune to implementation difficulties which could have been avoided (Q.10).

With very few exceptions, for instance in Albania where a highway project had to be downgraded from four to two lanes because of cost overruns, planned outputs of transport infrastructure projects were delivered. But implementation often faced schedule slippages and cost increases. While such problems may be linked to unexpected events, they frequently originated in shortcomings in the preparatory studies, aggravated in some cases by weaknesses in the management capacity of the contracting authority.

24. The effectiveness of capacity building interventions has been uneven (Q.10).

Technical assistance provided in the framework of a coherent intervention programme, as with EC road maintenance interventions in ACP countries, was quite successful. But there are also examples where technical assistance was provided within the budget of investment projects without clear definition of its objectives and target outcomes or, as in TACIS countries, where it was not part of a reform project agreed with the government. Whereas effective assistance was given to the new institutions created by institutional reforms, notably to Road Agencies, insufficient attention was paid to the problems faced by line ministries in adjusting to the new limits of their responsibilities. Project Management Units were not effective at developing the capacity of beneficiary institutions to manage large infrastructure projects.

25. EC Delegations make use of the analytical and management tools made available to them (Q.10)

Project analytical management tools developed by the EC (PCM, ECOFIN, EIA, Guidelines) are well known to Delegation transport advisers, and are strictly applied in practice. Projects are developed in line with the stages of Project Cycle Management. Project implementation is preceded by pre-feasibility and feasibility studies. Economic and financial analysis of infrastructure projects is carried out. The observation made by the 1995 evaluation of EDF transport projects and programmes that “the processes of project identification, screening and formulation, lack the rigour which is necessary to eliminate marginal project or projects that are unduly risky” does not apply to projects implemented during the 1995-2001 period.

However some weaknesses can be noted. Technical assistance, when financed from the budget of an infrastructure project, does not always give rise to clear analysis of the relations between planned activities, expected outputs and targeted results. Project logical frameworks frequently fail to relate individual projects to the transport policy or strategy supported by the EC, or to show the links between complementary projects, or to identify the contributions expected from government at both global and project levels.

26. 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 (Q.10).

The 1995 evaluation of transport projects and programmes already noted that “economic and social effects of investments in the transport sector are frequently not measured”. This is an area in which very little progress has been made.

The monitoring of EC projects in the transport sector, whether investments or technical assistance, is commonly restricted to their outputs. Outcomes (e.g. changes that an infrastructure project induces in volume of traffic, cost and prices of transport services, journey duration, etc.) are not monitored, nor is their impact (e.g. effects on economic growth in the area served, on employment, on accessibility to essential services, etc.).

When transport is a focal sector of the EC programme in a given country, related interventions are assessed in the framework of country evaluations. But, although evaluation of large investment projects is compulsory, and a budget line included for that purpose in the Financing Agreements, relatively few transport projects have been evaluated. Evaluations that were undertaken seldom gave rise to follow-up.

4.2 Recommendations

1. Ensure capitalisation of experience and provide support to Delegations through the maintaining of a properly resourced and sustainable transport thematic network (This recommendation is related to conclusions 1, 3, 7 and 11).

Most of the principles stated in the Transport Sector Guidelines and the Communication on Promoting Sustainable Transport in Development Cooperation are relevant to regions other than ACP. In fact the Communication is assumed to apply to EC development cooperation in transport wherever it takes place. However, whereas in ACP countries very significant progress has been achieved by the EC development cooperation programme since the mid-1990s towards implementation of a sectoral approach to transport, thus contributing to sustainable development of the sector, this has not been the case in other regions.

Account must be taken of the fact that, from one region to another, EC interventions either target different objectives, or at least prioritise in a different manner the overall objectives of EC cooperation.

In countries where the EC implements transport projects but where transport is not a focal sector of EC cooperation, one cannot expect Delegations with limited human resources available for transport to develop the full range of activities involved in consistent implementation of a sectoral approach. Nevertheless, even in these countries conducting a policy dialogue with government on the transport policy or strategy, and making EC assistance conditional on effective fulfilment of government commitments, is the only way

to ensure that EC interventions in the sector are relevant to needs, produce their expected results, and that the results are sustainable.

There is therefore a case for capitalising on EC experience in the sector and for providing support to EC Delegations. This need is the more urgent as deconcentration gives Delegations full responsibility for implementation of EC development policy at country level.

The team recommends that, within the context of existing Quality Support, senior management within the RELEX family take urgent steps to reinforce and formalise the link between transport specialists at EC headquarters (DG Energy and Transport, DG Development, DG RELEX, EuropeAid) and the Delegations' relevant staff through the establishment of a properly resourced and sustainable transport thematic network.

The tasks of this network would be:

- To make available to all Delegations relevant policy documents, guidelines and practical tools such as models of ToRs or typical sets of monitoring indicators;
 - To circulate examples of good practice notably as regards the integration of cross-cutting issues in interventions in the transport sector;
 - To give infrastructure advisers in Delegations the possibility to ask for advice from transport specialists at the headquarters or in other Delegations through an electronic forum, e-mail exchanges or, when justified, through short term specialist missions;
 - To guide training curricula;
 - To organise at least once a year a seminar allowing transport specialists and relevant staff in Delegations to exchange information and experience.
- 2. In ACP countries, broaden the approach to the sector to cover all transport modes and take a comprehensive view of the whole range of activities involved in a given transport mode (Conclusions 2, 12 and 17).**

This implies:

at the programming stage:

- ✓ supporting development of sector strategies and plans which encompass all transport modes;
- ✓ for transport modes whose development is supported by the EC, carrying out a diagnostic study analysing the various factors (capacity and quality of infrastructure, capacity of the actors, competition from other modes, adequacy and degree of enforcement of the regulatory framework) that impact on the overall effectiveness of transport, differentiating domestic and international trade and, if relevant, the nature of transported goods (e.g. minerals, agricultural products, manufactured goods).

at the identification stage:

- ✓ ensuring that EC interventions in a given transport mode, whether alone or with other donors, address in a co-ordinated manner the various factors affecting the

effectiveness of transport. For that purpose, the Delegation could jointly organise with government seminars drawing together the various stakeholders (other donors, providers of transport services, transport users, engineering consultants, contractors). The object of these seminars would be to examine how far government and donor interventions address identified weaknesses in a comprehensive and coherent manner.

at the formulation stage:

- ✓ including in the terms of reference of feasibility studies (i) assessments of the potential impact of EC interventions in a given transport mode on other modes, and (ii) provision for checking the coherence of EC projects with donor interventions targeting other components of the given transport mode (regulatory framework relative to transport operations, support to providers of transport services, facilitation of customs clearance, etc.).

at the implementation stage:

- ✓ as a follow-up to the seminars held at the identification stage, organising exchanges between government agencies, donors, project teams and private stakeholders involved in the development of the different components of a given transport mode; the purpose of these seminars would be to make sure that comprehensiveness and coherence of interventions are maintained.

at the monitoring/evaluation stage:

- ✓ monitoring the impact of projects on other transport modes;
- ✓ evaluating how far EC interventions in a given transport mode (i) complement other government and donor interventions in that mode; (ii) impact on other transport modes.

3. Promote the involvement of non-government stakeholders in design and implementation of the transport policy, and also involve them in the design and implementation of EC programmes and projects (Conclusion 8).

This implies:

at the programming stage:

- ✓ encouraging and supporting the Government in organising seminars to debate transport policy, involving the whole range of transport stakeholders;
- ✓ regular talks between Delegations and non-government stakeholders (e.g. professional organisations of contractors, consultants, carriers); the seminars proposed for the identification and implementation stages under Recommendation 1 are one way for Delegations to be informed of the expectations and views of non-government stakeholders; the contacts established within this framework could give rise to bilateral exchanges with representative organisations of non-government stakeholders;

at the identification and formulation stages:

- ✓ informing and consulting all interested parties;
- ✓ in particular, for infrastructure projects, consulting local NGOs and associations representing local populations (as recommended by the guidelines for EIA) in order to identify their specific needs, and providing these NGOs and associations with financial resources for the implementation of complementing activities.

4. Support the development of the private sector in transport related activities (Conclusion 18).

This implies:

at the programming stage:

- ✓ under Recommendation 2 diagnostic studies were proposed analysing the factors that impact on transport effectiveness. Such studies should allow Delegations to assess whether activities targeting private operators of transport related activities or the regulatory environment in which they operate should be included in the national programme.

at the identification stage:

- ✓ on the basis of the diagnostic studies mentioned above, and of exchanges between the Delegation and representatives of the given professions (see recommendations 5), identifying activities (training, provision of credit, pooling of equipment, support to the establishment of professional networks at the regional level, development of the regulatory environment, etc.) that address the weaknesses of private operators.

at the formulation stage,

- ✓ formulating projects supporting private sector development in transport related activities (providers of transport services, engineering consultants, construction enterprises). If the national programme includes activities addressing private sector development, these could be tailored to meet the development needs of private operators in transport-related activities;
- ✓ designing investment projects in such a manner that they give local engineering and construction companies opportunities to develop their business and gain experience. One way to achieve this result, already recommended by the 1995 evaluation of EDF transport projects, is to divide large projects into smaller lots appropriate to the capacity of local engineers and contractors. Evaluation of bids for feasibility studies and for construction work could give a premium to consortia involving local companies.

5. Put sharper focus on the contribution of EC transport sector interventions to poverty alleviation (Conclusion 13).

Since it is provided in the form of grants, EC assistance does not add to the debt service of the partner governments. This makes it possible to give more weight, at project identification and appraisal stages, to criteria other than contribution to economic growth.

In countries that implement a PRSP, contribution to poverty alleviation should be given particular attention in the identification and design stages of EC projects. But this should also apply to countries (e.g. in Central Asia, the Caucasus, the Balkans) where poverty is a major issue, but where poverty alleviation has not up to now been an explicit objective of EC interventions in the transport sector.

This implies:

at the programming stage:

- ✓ assisting governments in designing transport policies and strategies fully consistent with the objective of poverty alleviation. As regards Sub-Saharan African countries, SSATP has undertaken to assess “how well national transport policies and strategies – both on paper and in reality - respond to the objectives and priorities of poverty reduction strategies”. Similar reviews could be carried out in other countries implementing PRSPs, and the lessons learnt from the analysis brought to the policy debate with the government.

at the identification stage:

- ✓ making contribution to poverty alleviation a key criterion in project identification; this implies taking into account in project identification how far projects for which EC financing is considered are likely to contribute to improve access of the poor to essential services.

at the formulation stage:

- ✓ assessing projects in relation to their contribution to poverty alleviation, notably through improved access of the poor to markets, job opportunities, social services;
- ✓ designing projects in such a manner that their potential contribution to poverty alleviation is fully exploited; this notably implies to consulting local populations (see Recommendation 3); whenever possible to resort to labour-intensive construction methods; to favour development of local enterprises (see recommendation 4); to include in large infrastructure projects a component of “complementary social activities” enabling local populations, especially the poor, to take advantage of the infrastructure to develop income-generating activities (small trade, restaurants, vehicle repair, handicraft, etc.).

at the monitoring-evaluation stage:

- ✓ monitoring project impact on poverty, notably as regards accessibility of essential services to the poor.

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 (Conclusion 14).

This implies:

at the programming stage:

- ✓ encouraging the Government to review transport policy/strategy to assess how far they support the objective of integration into regional and world trade.

at the identification stage:

- ✓ on the basis of the diagnosis at transport mode level (see recommendation 1), taking into account trade-related needs in project identification; this could lead to complementing transport infrastructure projects with projects targeting border-crossings, port facilities, simplification of customs procedures, etc.

At the formulation stage:

- ✓ assessing projects with respect to their contribution to trade facilitation at regional and international level. This implies in particular checking that the expected results of projects financed under regional programmes extend beyond the territorial limits of the country in which they are implemented.

At the monitoring-evaluation stage,

- ✓ monitoring project impact on the transport costs of exports and imports.

7. Give more attention to the protection of the environment (Conclusion 19).

This implies:

at the sectoral/policy level:

- ✓ enhancing the regulatory framework on environment protection in relation to infrastructure projects and traffic flows;
- ✓ supporting establishment of an autonomous agency in charge of enforcing the regulatory framework on the environment (as for example the “Office National de l’Environnement” in Madagascar);
- ✓ developing the capacity of institutions in charge of managing transport infrastructure to address environmental issues;

at the project formulation stage:

- ✓ ensuring that local populations are consulted within the EIA framework;
- ✓ including in the EIA the expected impact of traffic on the environment;
- ✓ checking that the EIA includes an Environment Management Plan, and that this is adequately reflected in the tender dossier for construction work

at the implementation stage:

- ✓ inclusion in the supervisor’s ToR of a check that the specifications for environmental protection components in the tender dossier are respected;

at the monitoring-evaluation stage:

- ✓ carrying out an *ex post* EIA encompassing the impacts of both construction work and traffic.

8. Adopt a comprehensive approach to safety in transport (Conclusion 20).

This implies:

at the policy/sectoral level:

- ✓ raising government's and the public's awareness of the importance of safety issues; an evaluation of the economic cost of road accidents could be useful in this regard;
- ✓ where such a body does not exist, assisting the Government in putting in place a Transport Safety Council, in which all stakeholders (Ministry of Works or Road Agency, Ministry of Transport, Ministry of Health, Police, Ministry of Education, providers of transport services, road users) are represented. This institution would be in charge of designing a national road safety programme and ensuring its implementation through coordinated action of the various stakeholders;

at the identification stage of infrastructure projects:

- ✓ assessing assistance needs for implementation and enforcement of the national safety policy;
- ✓ addressing the three key dimensions of safety: infrastructure (standards), vehicles, users in accordance with priorities defined in the transport safety programme;
- ✓ co-ordinating donor interventions in this area;

at the formulation stage of infrastructure projects:

- ✓ carrying out a safety audit taking account of different categories of transport infrastructure users (motorised transport, NMT, pedestrians); consultants in charge of this audit should be requested to consult local institutions and associations having a vested interest in improving safety;
- ✓ incorporating recommendations of the safety audit in the design of infrastructure projects.

at the implementation stage:

- ✓ including in the supervisor's ToR a check that the specifications of the tender dossier's safety components are respected;
- ✓ supporting implementation by local stakeholders of activities targeting safety (e.g. safety awareness campaign).

at the monitoring-evaluation stage,

- ✓ carrying out an *ex post* safety audit of infrastructure projects.

9. Give more attention to health risks in relation to infrastructure projects and the effects of increased mobility (Conclusion 21).

This implies:

at the programming stage:

- ✓ putting on the agenda of the policy debate cooperation between the Ministries of Transport and Healthcare on the issue of HIV/AIDS and communicable diseases in the context of increased mobility;

- ✓ supporting HIV/AIDS programmes focussing on major transport links (this is primarily a responsibility of the EC co-operation in the health sector, but infrastructure advisers in Delegations should be consulted) ;
- ✓ coordinating donor approaches on the prevention of HIV/AIDS and communicable diseases in relation to transport infrastructure projects and mobility;

at the formulation stage:

- ✓ including in transport infrastructure projects HIV/AIDS prevention activities (such as awareness campaigns and condom distribution) to be carried out by the contractor, local government and local NGOs.

at the implementation stage:

- ✓ including in the supervisor's ToR a check that HIV/AIDS prevention measures are implemented.

10. Mainstream gender issues in EC interventions (Conclusion 22).

Difficulties at putting into practice the commitment to integrate gender issues in the EC development co-operation are not specific to transport but, as demonstrated by the evaluation recently carried out on this theme⁶³, are met in all areas. This means that these difficulties have first to be addressed at the overall level before, if necessary, to take actions focussing on a specific sector.

Among the recommendations presented by the evaluation of the gender integration one in particular would be of particular interest for the infrastructure advisers in EC Delegations, who regret a lack of guidance on how to address gender issues in the transport sector. The evaluation recommends "the creation and maintenance of a central and visible source of "information and resources" to support gender mainstreaming in EC development co-operation". The evaluation report further notes that "a particular priority is the provision of convincing data and information, and concrete examples of practice, that demonstrate the relevance of gender to EC development co-operation as well as the contribution of EC development co-operation to improved gender equality". Transport is mentioned as one of the key sectors that should be covered by this structure.

Such a structure should maintain close links with the transport thematic network proposed above (See recommendation 1).

⁶³ European Commission, Thematic evaluation of the integration of gender in EC development co-operation with third countries, PARTICIP, March 2003.

11. Take measures to enhance the quality of the feasibility studies of investment projects (Conclusion 23).

This implies:

at the identification stage of feasibility studies:

- ✓ making sure that the budget ceiling and time frame of feasibility studies are sufficient to carry out high quality work; this might imply revising the guidelines on fees for various categories of expertise to ensure that the EC engages highly qualified specialists;

at the formulation stage of feasibility studies:

- ✓ in the consultant selection process, to give more weight to technical criteria, including the track record of consultants;
- ✓ supporting partnerships between European and local consultants.

at the implementation stage of feasibility studies:

- ✓ having the feasibility study up-dated if two years or more have elapsed between its completion and the start of construction work;
- ✓ appointing the same consultants to carry out the supervision as undertook the feasibility study (this recommendation is already recommended by EuropeAid).

12. Enhance the effectiveness of capacity building projects (Conclusion 24).

This implies:

at the programming stage:

- ✓ assessing the capacity of government agencies to adjust to the changes involved in institutional reforms and to carry out effectively the tasks entrusted to them.

at the identification stage:

- ✓ developing a fully-fledged logframe of technical assistance interventions showing how they relate to the policy objectives jointly pursued by government and the EC.

at the formulation stage:

- ✓ thoroughly discussing technical assistance ToR with the beneficiary institution in order to define precisely from the outset the various steps (planned position in the institution of the beneficiaries of formal and on-the-spot training, planned location in the structure of the tools developed by technical assistants) by which the outputs of technical assistance will be incorporated in the day-to-day activity of the beneficiary institution.

at the implementation stage:

- ✓ ensuring that technical assistance actually operates a transfer of knowledge and experience to the beneficiary institution and checking that this transfer proceeds as agreed.

at the monitoring-evaluation stage:

- ✓ monitoring capacity building projects in respect of their outcomes and impact rather than their outputs.

13. Support the development of transport data collection, processing and dissemination (Conclusion 9)

Improving the quality of decision-making in relation to transport requires in nearly all partner countries improvements in the coverage of data and their reliability. The current situation would justify specific interventions targeting this issue. They would start with an inventory of the data collected by various institutions (Statistical Office, Line ministries, Agencies), and an assessment of their reliability, before proposing measures (i) to fill the gaps, (ii) to improve when needed data reliability, and (iii) to ensure that they are catalogued and accessible to whoever may need to use them. Regional transport programmes could usefully contribute to definition of the basic datasets necessary to elaborate a transport policy and monitor its implementation, and to organise exchanges of experience between partner countries. In the policy dialogue with government attention should be given to the measures required to ensure that progress in the collection and processing of data is sustained.

14. Extend the scope of project monitoring to outcomes and impacts and make better use of evaluations (Conclusion 25).

Besides data relating to the whole sector, data collection systems should include provision of indicators for monitoring the outcomes of transport infrastructure projects (transport costs and prices, journey durations, accessibility of essential services) and their impacts at the micro level on economic growth, trade development, employment, and poverty reduction. Collection of data at project level and their analysis could be carried out by an observatory contracted to a local research institution.

Delegations and their partners in government should be invited (i) to undertake more frequently independent evaluations of the projects that they are implementing; (ii) to comment in a “fiche contradictoire” on the conclusions of monitoring and evaluation reports; (iii) to report after a given period of time, for example 6 or 12 months, on their follow-up to the recommendations of monitoring and evaluation reports.

15. Move to budgetary aid to Transport Sector Policy (Conclusions 4, 5, 6 and 10)

The Council and the European Parliament have adopted a number of resolutions aimed at re-orientation of EC aid instruments towards increased use of budget support and sector-wide approaches⁶⁴. Basically this means that EC support to a given sector is going to move progressively from the financing of specific projects to overall financial support to the government’s implementation of its policy and strategy in the given sector. Financing of

⁶⁴ See in particular, Communication from the Commission and the Council and the European Parliament: Community support for economic reform programmes and structural adjustment: review and prospects, 4 February 2000, COM(2000) 58.

Sector Policy Support Programmes (SPSPs) can take place in three different ways: (i) direct transfer to the State budget, the instrument of choice, wherever appropriate and feasible; (ii) financial contributions to Common Donor Funds which finance all or part of a Sector Programme; and (iii) specific EC procedures to finance preparatory, analytical or capacity building activities defined in the Sector Programme.

This approach aims to offset potential weaknesses of project aid, including certain risks, namely (i) that partner governments may be prevented from taking full ownership of activities that are perceived as donor-driven, (ii) that the effectiveness of public administration may be impaired through parallel management structures and off-budget spending, and (iii) that of high transaction costs through implementation requirements and conditionalities specific to each donor.

Moving from project aid to budget aid implies that some conditions are met or have to be established through the SPSP:

- A sound macroeconomic framework ensuring macroeconomic stability;
- A sector development strategy that is consistent with the national development strategy, in particular with the PRSP when there is one, and with the EC development policy;
- A Medium-Term Expenditure Framework based on realistic estimates of revenues and expenditures and a clear and consistent action plan;
- A sound public expenditure management system;
- Adequate mechanisms for donor co-ordination in relation to the management needs of the programme;
- A monitoring system allowing measurement of the outcomes of programme implementation;
- An appropriate institutional framework and adequate organisational capacity of the key stakeholders.

Since 2000, SPSPs have been implemented by the EC, frequently in association with EU Member States, in a growing number of partner countries in the ACP, ALA and MEDA regions, but more often in the education and health sectors than in transport. However SPSPs in support of transport programmes are currently under preparation within the framework of the 9th EDF in such countries as Benin, Malawi and Zambia.

The developments that have taken place in the 1990s, especially in ACP countries, in the transport sector of partner countries as well as in the EC approach to development cooperation in this sector, have created favourable conditions for moving to budget support. One can cite in this respect:

- Wide agreement between donors on the reforms they should support to ensure sustainable development of transport;
- Existence of an active policy dialogue between governments and the donor community on transport policy issues;
- Adoption and implementation by governments of transport policies/strategies that have been discussed with and are supported by the donor community;
- Implementation of institutional and financial reforms that have enhanced the governments' capacity to manage the sector effectively.