

Position paper:

Institutional Capacity Building¹

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Executive summary

This position paper sets the issue of Institutional Capacity Building (ICB) on the PIARC agenda. It raises the question on what ICB really is and how it should be understood, strategies that can be used to achieve it, past experiences with trying to achieve it and outlines some challenges that face PIARC with respect to ICB in the road sector.

We find that ICB should be appropriately defined to include both the tangibles such as technical and administrative training, and also an understanding of the intangibles such as the inter-personal relations, cultural relations etc. Further, we find that institutional capacity building has not worked well because it has not been appropriately put on the agenda to include both the tangibles and the intangibles. This argument is supported by a literature review. Further, we point out that there should be differences in area of emphasis in ICB between developing countries and countries in transition.

We propose that PIARC puts more emphasis on this issue which require more work, specifically a clear definition of Institutional Capacity Building and disseminating and implementing its ideas throughout the organization so that it is taken more seriously into account.

Finally, this paper proposes that further work with ICB involves all technical committees and in particular, committee 1.3 – Performance of Road Administrations. The most precarious topics for further work in PIARC are as follows:

1. Definition of ICB and what it involves
2. Conditions necessary for ICB to work
3. Formulation of clear strategies for achieving ICB
4. Clear strategy for dissemination of ICB strategies within PIARC to encourage the practice of it.
5. Clear monitoring strategies of how those strategies have been achieved and how they can be improved.

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In addition to the five points above a set of possible actions that should be pursued further by PIARC to promote ICB are presented. Ultimately these actions involve arranging ICB seminars internationally and regionally involving parties concerned and include participation from international bodies such as the World Bank and UNDP. The first immediate result is that a short version of this position paper should be published in the PIARC magazine Routes-Roads. The medium-term results are that a “State-of-the Art” report originating from seminars and work within Technical Committees should be published in PIARC report series and made available before the World Road Congress in 2007.

1. Background

In the recent years, Institutional Capacity Building (ICB) as means of improving road conditions and thereby help in alleviating poverty has preoccupied PIARC. According to Resolution Council/03/8 for the 2004 - 2007 work cycle, the Technological Exchanges and Development Commission opted to cover a plan of action with several topics pertaining to road transport including ICB. In its topic 7, the Commission has the objective to promote the systematic identification, analysis and review of key issues for road development in developing countries and countries with economies in transition. As a first step to achieve this objective, the Commission's strategy and line of action has been: (1) to prepare an introductory position paper on institutional capacity building, (2) circulate the paper to obtain feedback from technical committees and other PIARC bodies, (3) in coordination with technical committees, develop seminars to discuss the topics addressed by the paper and (4) incorporate specific initiatives and concerns for future technical committee work plans.

This paper is the introductory position paper on ICB named above. It has the following objectives: (i) to describe what ICB is and how it should be understood, (ii) describe some strategies for ICB that have been used in the past, (iii) survey previous aid programmes on roads so as to identify the extent to which the goal of ICB has or has not been achieved and (iv) draw some challenges that face ICB in the road sector.

2. What is Road Transport Related Capacity Building?

is currently one of the leading issues in the development community including the supply of road infrastructure in developing countries. Developing countries declare that they need it, donor countries are keen at delivering it and the executing agencies are being held accountable for delivering or not delivering it. Yet the concept of ICB remains complex and difficult to grasp and operationalize in the design, execution and evaluation of development projects. There is thus a need for PIARC to have a joint understanding of the concept and how to incorporate it more systematically in its work.

This brings the discussion on what *capacity* and *capacity building* is all about.

ICB encompasses three main activities²: (i) skill upgrading, (ii) procedural improvements, and organizational strengthening. Thus, road transport related institutional capacity building refers to investment in people, institutions and practices that will enable developing countries and countries with economies in transition to achieve their road transport development objectives.

Defined in this way, ICB occurs by acquiring resources (human, financial, networks, knowledge, systems and culture) and integrating them in a way that leads to change in individual behaviour and ultimately to more efficient and effective operations of institutions and organizations.

However, ICB also has to do with two types of capacity that are emphasised; *tangibles* and the *non-tangibles*. The tangibles include physical assets such as infrastructure, machinery, natural resources, health of the population and education. Organizational

² This is the most frequent definition found in the World Bank documents

structure and systems, legal frameworks and policies are also included in this category. We can refer to the tangibles as *hard capabilities*.

These are factors that generally are amenable in either physical term or in terms of indices.

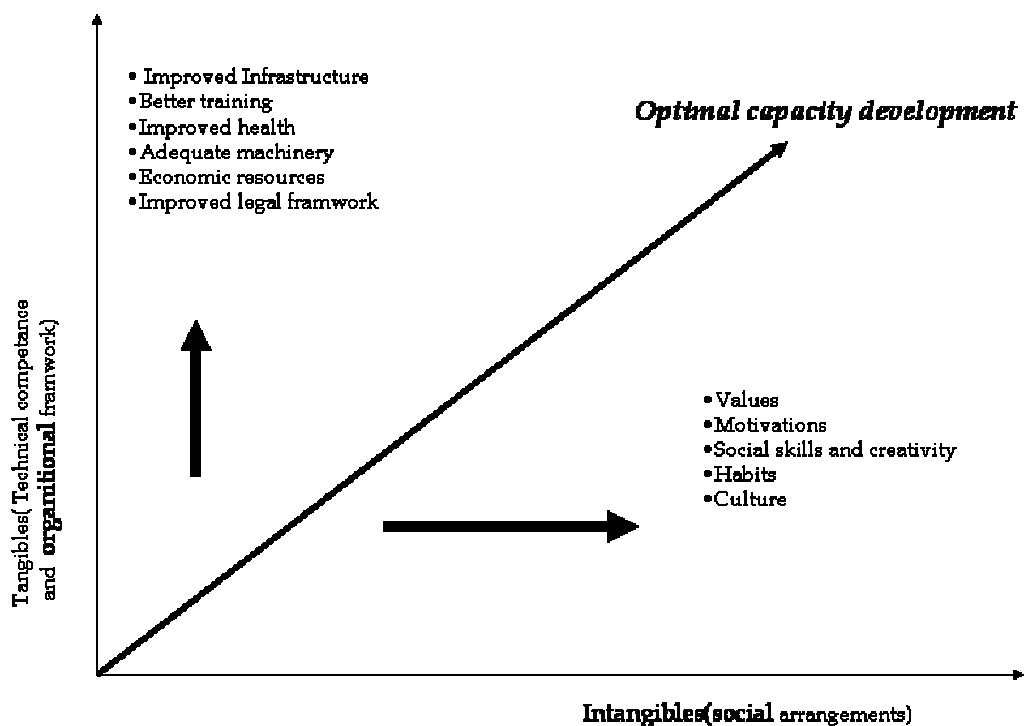
The intangibles on the other hand has to do with social skills, experience and creativity; social cohesion and social capital; values and motivation; habits and traditions; institutional culture etc., and hence may be referred to as *soft capabilities*. These are normally difficult to quantify. Others may term these capabilities as “core” capabilities as they refer to the creativity, resourcefulness and capacity to learn and adapt of individuals and social entities.

In ICB, the intangible capabilities are as important as the tangibles because they determine how well a given society use the other resources at its disposal. They are what allow them to realize their human and social potential to the highest possible level.

To achieve a proper and balanced ICB a balance is required between the tangible and intangible capabilities. This is illustrated in figure 1.

What the figure illustrates is that, institutional development is more likely to succeed if they promote both the tangibles (technical competencies and organisational framework) and intangibles (social arrangements).

Figure 1: Balance between intangibles and tangibles factors in capacity building



Thus for PIARC, any work directed towards ICB should acknowledge and take account of the two dimensions of ICB; tangibles and intangibles to achieve success. ICB is not only building competence but involves a proper understanding of the social arrangements and incorporating it to allow it to work well. In figure 2 a fictive, but illustrate example is given on why taking account of the intangibles is important in capacity building.

Figure 2: An intuitive but fictive example of why the intangibles are important in capacity building

A road project is planned built in a remote area in a developing country X. A donor has been identified to finance the project where one of the goals is to promote capacity building. The donor includes technical upgrading of local staff so that when the donor completes the project, the local staff will be able to maintain the road segment. Further, the machinery required for the purpose will be financed by the donor and the legal framework in country X is in order.

Soon the road is built, local staff upgraded and the maintenance machinery in place. Five years later, the donor comes to evaluate its achievements. The results are devastating. The road segment is almost no longer there; maintenance has not been done, the technical personnel are no longer there and the machines are rusty because their maintenances has not been carried out.

The donor conducts an in-depth study to find the major cause of capacity building failure. The results are even more devastating; the technical personnel have never intended to live in this remote area; furthermore they belong to another culturally different tribe to which they more or less adhere and opportunities elsewhere is more favourable.

This example illustrates what is important in capacity building. Both the tangibles and intangibles should be taken into account for capacity development to function in order to gain success in development. Taking account of the intangibles is paramount for success, given that taking account of the tangibles which are equally important is now in the order of the day.

Thus capacity building at whatever level it is at, needs a clear focus *a priori* on the desired outcome.

To underline what has been illustrated in figure 2 is that ICB at what level it takes place, needs to take account of both the tangibles and intangibles within the institutional context considered – it should always be driven by a clear focus on the desired outcome which should consider the two axes in figure 1.

Given the definitions and illustrations above, there are reasons to believe that ICB within the road sector has in the past had success problems primarily because only one of the axes and not both have been emphasised. This claim is verified by looking back at what in the last three decades has been the focus for capacity building in the road sector.

1. The 70s.

The focus was developing the individual through scholarships. Further, external and “on-the-job-training” were provided for people in key positions, and equipments were provided. Serious failures have been witnessed in this

approach as institutional capacity building is concerned. Many of those who received scholarship never returned back and those who returned got much better job opportunities quite different from their training giving better payments etc. In addition the equipments provided were never maintained and eventually became more or less useless in the long run. Individual training alone never prospered capacity development.

2. The 80s

Focus was on auditing because of the prevalent on embezzlements. The donors were pre-occupied with re-structuring and re-design of the organisations to avoid the major threats embezzlements. Organisational audits and external supports were used to develop clear cut financial supports for institutions. The idea was that money went to what they were intended for. Still, things never went well as far as institutional building in the road sector is concerned as the focus was one-sided; only the management of accredited funds.

3. The 90s.

An increased understanding of the wider institutional framework emerged and the need to focus on outcomes. The World Bank for instance, introduced the concept of monitoring performance and that capacity building must be an important objective of development aid. The idea has been followed by many donor countries or organisations. Yet, throughout the 90s, ICB was still a secondary objective of many aid programmes with no clear-cut definitions and ways of achieving it.

4. 2000 +

New global factors - such as globalization, the information revolution, the tremendous growth in international markets and the acceleration in the democratisation and decentralisation of national authority - are causing international organisations such as the World Bank, UNDP and almost all other international development organisations to reassess their roles and competencies in offering development aid. Sustainable Human Development - a cross-sectoral strategy for poverty eradication, sustainable livelihoods, environmental regeneration and gender mainstreaming - is now being considered the best way of achieving long term sustainable development. It is now more and more recognised that achieving it requires processes based on partnerships with both government and civil society including the inter-relationships between individuals. These processes are being designed through facilitative and participatory approaches, and should be responsive and accountable to national priorities and objectives. These characteristics are not only the core principles of good governance in society; they also renew the main goals of development cooperation: long-term sustainability and an enabling environment that facilitates human development. One of its cores is ICB. Recent aid programmes are concerned with how to facilitate ICB. Yet the concept of ICB still remains difficult to grasp and that is where we stand to day and that is why the definitions of the two axes defined above are important to pursue it.

2.1 Special attention to Countries in Transition (CIT).

The preceding discussions on capacity building apply to both developing and countries in transition alike. However, generalization about a process like capacity building can be dangerous. The institutional settings in countries in transition are different from those of the developing countries and obviously the focus of ICB in these countries should be different.

Transitional economies is a term used to describe countries that are in the process of moving from a centrally-planned economy towards free market principles. This term is used mostly for former eastern European countries but may include other Asian countries too. The major problem that has faced most of these countries is that unprecedented political, economic and social changes after the break of the Soviet Union. Challenges included deep economic distortions, major trade disruptions and the absence of market oriented institutions.

Institutional Capacity Building for the European transitional economies must be seen in the light of the requirements for joining the European Union according to which a prospective members or members must:

1. be a stable democracy, respecting human rights, the rule of law, and the protection of minorities;
2. have a functioning market economy
3. adopt common rules, standards and policies that make up the body of EU law

It is precisely in these areas that ICB for CIT within PIARC needs to be concentrated. ICB in these countries is all a question of democratization and commercialization to fit the developing market oriented economies. In the road sector this process translates into, among other (see for instance World Banks plans for the CITs:

1. Transforming the road administrations into commercially operated management organizations
2. Formulations and implementation of road plans
3. Development of modern road financing systems
4. Involvement of the public in planning processes to gain credibility

The characteristics of these countries are that socialism provided a very good education system, however managerial education did not provide the cognitive skills to navigate organisations in uncertain conditions. According to our framework depicted Figure 1, it is the intangibles such as attitudes and culture, that should be emphasised more than the tangibles which exist to a great extent.

3. Strategies for Institutional Capacity Building

Given the discussions in section 2, we set out some of the ICB strategies that have been used in the past and we discuss their shortcomings in the light of warn the two axes mentioned above.

3.1 Financial assistance and supplying physical resources.

In this strategy simple lack of resources, either financial or physical assets are seen as the major lack of institutional capacity. This strategy is prevalent among many aid agencies throughout the world. The rationale with this strategy is that the concerned institution lacks adequate supplies or finances to achieve its efficiency. The strategy for the donors is then to provide more equipment, more funds for operating costs e.g. salary payments, more buildings, trained staff – so as to improve the conditions for capacity development.

This strategy has in the past dominated development aid. It has the advantage that, for donors it is relatively easy to implement and, furthermore does not intrude much into the affairs of participants. In several circumstances, the provision of funds, training and machinery have helped institutions develop and in particular get through critical periods. However, this strategy may not function well. There is the risk that the resources supplied may be appropriated by officials in the institution for their own personal benefits. In other circumstances, the supply of resources may make the institution donor dependent also in the long run. The supply of resources becomes payoffs rather than incentives, and does not lead to a sustained development of the institutions. Returning to the illustration in figure 1, this strategy definitely improves only one of the axes; the tangibles, and therefore will not promote ICB appropriately.

3.2 Improving the organizational and technical capabilities of institutions

This strategy has the aim of improving the personal, technical and organizational capabilities of the institution so that it better performs what is already being attempted. It is thus a variant or a subset of the strategy above with the difference that it is motivated by lack of technical capabilities and proper institutional structure rather than resources. In the road sector in particular, this strategy has become common and it is the one mostly considered as capacity building approach. Activities included are such as: (i) Technical assistance in terms of personnel, (ii) Technical training of local personnel either locally or in form of scholarships abroad, (iii) Improvement of management systems e.g. better financial and management systems and, (iv) improved working conditions.

This strategy has definitely improved technical capabilities of many institutions, at least in the short term. The value of training and skill improvement are undoubtedly important for capacity development and should be encouraged. It also remains true that many developing countries and countries in transition suffer from poorly performing organizations and lack of trained staff and proper management systems.

Again and however, this strategy may be inefficient in promoting institutional development. Many institutions are under constraints far beyond what so far has been termed tangibles and what technical support is not about. Such constraints may include politics, motivation, culture etc., which may prevent an institution and

individuals from performing regardless of their technical skill levels. The current situation, after so many years of emphasis on education and training as a means of developing capacity, reveals that skills and training has become less of a constraint in many countries than was the case 15-20 years ago. What should matter now is the utilization and retention of the already available capacities. That can only be achieved if the intangibles discussed above are considered seriously. Again it is the mix of the “two axes” in figure 1 that can lead to optimal capacity development.

3.3 Setting strategic goals for an institution

This strategy is on the “on-march”. Donors are now willing, given that developing countries and countries in transitions have no clear answers to the question of “what are capacity and institution are for”. The problem is that institutions do not have clear directions or cannot define a consistent direction. Take the case of a road traffic directorate. Should the capacity building be traffic safety, increased supply of road, environmental improvement in cities, economic development or all? And further, pressure from the different groups may be enormous, each wishing to achieve their own goals. Or, there may be no consensus in the political system about the purpose of the institution.

The aim with the strategy is to help induce a policy or a general direction that can guide actions and the development of capacity in the long term. The advantage with this strategy is that it is simple. Ideas developed can be compared to experiences elsewhere. The problem, however, is whether the intangibles really are taken into account in an appropriate otherwise it will most likely result into a failure before long.

3.4 Strengthening the larger system, networks or organizational framework

This strategy aims to help a group of institutions to work together to carry complex tasks e.g. national budgeting, national health plans or even national transport plans. The system lacks the organisation or its sub-units to perform these functions. Or the interrelationship between actors in the sector/system needs reshaping to in to perform their functions. For this strategy to work well, focus must be both on the interrelations between the organisations and individuals and groups of individual. Again as before the two axes explained above are important. Perhaps this strategy is the most complex one for aid organisations to accomplish.

4. Past experience – how has capacity building projects in the roads sector worked in the past?

From the late 80s onwards capacity building has been seen as an integral part of development aid by almost all countries. However, not until recently has the development tried to define it and give it a clear meaning. Thus, it is not surprising that PIARC now wishes to explore its meaning, how it has worked and how it can be improved. In this chapter, we examine how capacity building oriented road projects has worked in previous projects world wide.

4.1. The data source

The data we report on are obtained from various international and governmental institutions involved with development aid. These include among others, The World Bank, Swedish International Development Agency (SIDA), Norwegian Development Cooperation Agency (NORAD), Canadian Aid, and the Australian Aid Agency. The data are derived from various evaluation reports, developed according to the guidelines of World Bank's Operation Evaluation Department (OED). OED assesses what works, and what does not; how a borrower plans to run and maintain a project; and the lasting contribution of the Bank to a country's overall development. The goals of evaluation are to learn from experience, to provide an objective basis for assessing the results of the Bank's work, and to provide accountability in the achievement of its objectives. It also improves Bank work by identifying and disseminating the lessons learned from experience and by framing recommendations drawn from evaluation findings. The goals of OED seem to have been adopted by many governmental organisations involved with development aid.

From this extensive literature we have chosen only a few that have involved infrastructure development aid, particularly roads. Further we concentrate specifically on issues that have dealt with capacity building. A warning is however in order. In the last decade many development aid projects have been multipurpose projects involving infrastructure in the wider sense e.g. a combination of water supply, roads and environmental improvements. Thus what is reported here may not only reveal the success or failure of capacity building in the road sector alone, but other sectors as well.

The literature we have studied uses the OED rating system for performance. OED ratings of outcomes by consider the following factors:

- *Relevance* of the intervention's objectives in relation to country needs and institutional priorities;
- *Efficacy*, i.e. the extent to which the developmental objectives have been (or are expected to be) achieved; and
- *Efficiency*, i.e. the extent to which the objectives have been (or are expected to be) achieved without using more resources than necessary.
- *Institutional development impact (capacity building)*: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial and natural resources.

The ratings of these outcomes are ranked from highest to low along the following subjective scale: ***High, Substantial, Modest, and Negligible***

4.2 Results

The results of the literature we have studied are reported in table 1 (Annex 1). These results are striking, and offers lessons to be learnt and that PIARC through its engagement in the transport sector can put into play. Note that, although many project objectives do not mention infrastructure explicitly, infrastructure is included one or another in the project programme.

To begin with, the vast majority of projects are those that are funded by World Bank. This is not surprising as the World Bank is the largest actor in development aid. World Bank is also representative in the sense that it is multinational, operates in all corners of the world and probably has the greatest expertise in the area of development.

The first thing to note in table 1 is the satisfactory outcome of all projects. Outcome is the overall evaluation of the extent to which the objectives of the projects were achieved. It can be stated that after so many years with experiences on how to achieve overall objectives, many development agencies are clearly successful in achieving their overall objectives. Note that this is not tantamount to saying the agencies have been successful in achieving the objectives of ICB.

The objectives of sustainability also seems to relatively promising as most projects score likely due to the reason that sustainability is viewed as a long term effect. However, we observe that one project scores; uncertain. Given that evaluations are carried out a short period after project completion, the scores on sustainability seems fair and, can be considered a success. Two other objectives; borrower and lender performances, are also satisfactory to great extent. This is probably due to experiences and commitments from parties involved.

We now turn to the objective of capacity building. Capacity building often is a secondary objective of most projects. Thus, meeting the objectives such as building a new road link may be satisfactory while capacity building is not. Looking now at the column for institutional development and which tells something about capacity building, the results are variable. In fact the scores vary from negligible to substantial. What this reveal is that capacity building is rarely a main objective and that in most cases, it is not appropriately defined and understood as compared to the main objectives of realising projects. What we learn from this is that capacity building needs to be brought to the forefront of aid programs.

4.3 Learning from past performance

From the reports cited in table 1, several reasons for low institutional building performance could be identified. These were as follows:

1. Donors are not clear on what may be meant by ICB, thus efforts to achieve it are equally unclear
2. Low or inefficient attention to consensus building
3. Excessive use of extreme conditions to achieve the overall goal; realising projects and less on institutional building
4. Weak development of partnership between the donor and important stakeholders
5. Little understanding of the cultural and political conditions necessary for institutional building to prosper. For example, projects situated in war tone zones.

Thus, what is to be learnt from these studies is that focus on aid development should shift in emphasis from construction of physical assets only, to partnership that favours institutional capacity development.

5. Challenges facing institutional development in the future within PIARC

We can begin by asking the question – what are we to make of this activity called institutional capacity building so that we can achieve it in the future?

From our discussions above it is clear that almost every capacity issue is a very complex situation, that needs to be specifically defined and understood because it involves individual, group, organizational and institutional behaviours in many different ways, different levels over both the short and the long-term.

To set into focus the fact that ICB is complex, it has been a long-standing aim of PIARC and yet today, PIARC itself has no proper definition of it, does not monitor it in any particular way and therefore is not able to assess how it has functioned or worked in the past.

PIARC therefore needs to face the challenge of promoting ICB as means of achieving sustainable development. To this end suggestions can be offered which divides into two: PIARC's internal strategy and project specific strategies.

5.1 PIARC internal strategy for institutional capacity building

The most important issue to address is a clear definition of what ICB is and ways of achieving it. In this note we have tried to set focus on what ICB is all about and how it has worked elsewhere. PIARC needs to go a step further in the following way:

1. Clear definition of ICB and what it involves
2. Clear strategies for achieving ICB
3. Clear strategy for dissemination of ICB strategies within PIARC to encourage the practice of it.
4. Clear monitoring strategies of how those strategies have been achieved and how they can be improved.

All these strategies require that PIARC committees work to be done, given the importance that ICB represents for achieving sustainable development.

5.2 Strategies at the project level

While developing strategies for ICB is a complex task at the project level and requires much more work, our short study of past experiences offers a few points which are worth considering for future development of strategies. These are as follows:

1. Efforts at ICB at the project level have to be placed at the strategic level

2. A clarification of the donors role and its relationship with the governments to shift emphasis from the construction of physical assets to partnership that favours ICB
3. Development of stronger partnership between sectoral institutions and important stakeholders.
4. An understanding of the inter-individual relationships within institutions including culture, motivation and prospects prior to project initiation.

In general the aim of the project should not only consider the tangibles, but also the intangibles.

6. Concluding Remarks

This introductory position paper on Institutional Capacity Building (ICB) offers some insight on the complexities surrounding ICB and offers a starting point for further work by PIARC. We have identified that: (i) that there is a need for a proper definition of this complex situation and that the definition should be broad to include both the tangibles and the intangibles; only then can we hope to understand ICB, (ii) that there are multitudes of strategies that can be used, and have been used in the past to tackle ICB, (iii) that previous experiences with ICB have been less of a success and that it failures attributes to no proper definitions and strategies and, (iv) that the critical challenges facing PIARC with respect to ICB concerns, among others, a clear definitions of ICB and disseminating and implementing that idea throughout the organization so that it is taken seriously into account. Further, given the importance of ICB, PIARC needs to immediately commission further work in the area of ICB.

Notwithstanding, several problems have been identified which if solved may catalyse the achievement of ICB. These are as follows:

1. *Formulation of clear goals of ICB.* ICB needs to be brought on the forefront as a primary goal for development aid. Consequently, its meaning and ways of achieving must clear be described. Otherwise will imply less focus on it and the precarious aim of long term sustainable development will be hard to realize.
2. *Time scale for achieving ICB.* Institutions or organisations develop slowly and only fully in the very long term. ICB therefore require time. Both the World Bank and international development organisations, in the past, have had a tendency to underestimate the time required for the development and realization of ICB, most likely because other goals have been the primary objectives. For ICB to work, aid agencies need to take into account more seriously the fact that ICB is only achievable in the long term.
3. *Continuity of systems and organisations.* ICB requires continuity in organisations with respect to personnel, factors of production, systems, routines social and cultural traditions etc. Aid organisations need to ensure that conditions for continuity exist or are made favourable.
4. *Aid competition.* In many circumstances there are many donors supporting one organisation, but with different objectives, strategies and not the least,

conditions for support. This may delay or detract ICB. In such a circumstance cooperation is highly required. Past history shows that achieving full cooperation is difficult. Thus for the sake of ICB, new ways of achieving cooperation needs to be discovered.

In concluding, we propose the following for PIARCs further work with ICB.

The task of Technological Exchanges and Development Commission (TEDC) now is to play a key role in ICB by involving developing countries and countries with economies in transition much more in PIARC's work. The Commission should advice the Executive Committee on the strategies for achieving ICB. The work itself should take place within the different technical committees. ICB concerns all committees but falls naturally within committee 1.3 – Performance of Road Administrations. The technical committees should henceforth be advised to cooperate with other organisations. For ICB in particular, the World Bank in particular and other aid organisations should be considered partners. Forms of cooperation should be explored soonest possible. The most precarious topics for further work in PIARC are as follows:

1. Definition of ICB and what it involves
2. Conditions necessary for ICB to work
3. Formulation of clear strategies for achieving ICB
4. Clear strategy for dissemination of ICB strategies within PIARC to encourage the practice of it.
5. Clear monitoring strategies of how those strategies have been achieved and how they can be improved.

There are several ways in which PIARC can work further with this interesting topic. Given that ICB is complex, multidisciplinary and of interest to all countries, a starting point for addressing ICB should be through well formulated series of action, e.g arranging seminars and debating the ICB issues. Below we present some of the possible actions that should pursued further by PIARC to promote ICB.

Possible actions:

- The Technological Exchanges and Development Commission (TEDC) should soonest possible publish a short version of this position papers in the PIARC magazine Routes-Roads. Doing so will create publicity for ICB and the need to take it seriously.
- PIARCs Technical Committee 1.3 – Performance of Road Administrations should immediately include ICB in its work programme of the 2004-2007 work cycle.
- Technical Committee 1.3 to organise a seminar on ICB within the PIARC Programme of International Seminars 2004-2007 and in cooperation with other organizations like the World Bank, UNDP and EU. Ideally, the seminar should also involve:

- Other Technical Committees within PIARC to ensure that the entire takes ICB seriously.
- Developing countries and countries with economies in transition represented primarily by their technical committee members.
- The international development communities, both the multinational and national agencies.

The discussion of the first seminar should focus on the five topics listed above. Further given that ICB is an issue that involves improving the conditions for developing countries and countries in transition, local and/or regional seminars should be seriously considered. This will ensure a larger participation from those primarily involved and the end result would be a better understanding of factors, intangibles in particular, that can made ICB work.

- Technical Committee 1.3 should join or take part in seminars and conferences organized by other organizations than PIARC where the topic of ICB is involved.
- PIARC should encourage in-depth case studies to be carried out by research institutions. PIARC's policy is to cooperate with research institutions but not to finance/sponsor research work. The financing of case studies needs to come from member countries. Strategies to accomplish this should be designed soonest possible.
- TECD and TC 1.3 to organize a conference on ICB at the World Road Congress in 2007. Case studies and presentations from developing countries and countries in transition should be highly recommended. The design of that seminar should start now.
- Finally, PIARC should prepare an "ICB State-of-the Art" based on the outcomes of the various papers, studies, seminars, conferences etc. Ideally, the ICB State-of- the Art document or publication is a prolongation of this position paper. The ICB State-of- the Art document should be published and made available before the World Road Congress in 2007 or to be distributed there.

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Europe's Forum for International Cooperation (EUROFORIC)
<http://www.euforic.org/>

United Nations Development Programme (UNDP)
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ANNEX 1 - Table 1: Literature review of ICB performance - Table 1(cont.)

	Project name	Country	Project objective	Sponsor	Total costs project in US\$ million	Completion date	Outcome	Project rating		Reference
								Sustainability	Institutional development	
	1 Third Roads Projects	Sri Lanka	Improve the operation of exiting roadways around Colombo and in the south and west of the country through support for road rehabilitation and improved planing oversight	World Bank	63.6	12/31/1998	Satisfactory	Uncertain	Partial	World Report no: 26138
	2 Colombo Urban Transport project	Sri Lanka	To improve the urban transport in Colombo by removing physical bottlenecks and through urban transportation planning and institutional strengthening	World Bank	18.2	06/30/1999	Satisfactory	Likely	Partial	World Report no: 26139
	3 Local Government development project	Ghana	(1)Improve basic infrastructure and urban services in secondary cities, especially services benefitting lower income people, (2) support Governments decentralisation program to promote accountability and efficiency in the provision of infrastructure	World Bank	52.28	03/31/2003	Satisfactory	Likely	Modest	The World bank Report no: 27064
	4 Reducing Flood Hazards and Traffic Congestion	Tunisia	Minimize the damage of potential of future flooding in the city of Sfax; reduce loss of life, provide a greater sense of security, curtail economic losses and ensure permanent and efficient maintenance of flood protection infrastructure	World Bank	22.3		Satisfactory	Likely	Modest	Précis no. 157
	5 The opening of the two Road Corridors in Angola	Angola	Rehabilitation of two road corridors for the delivery of humanitarian assistance i.e., enable the World Food Program(WFP) emergency convoy to reach targeted beneficiaries in remote areas and simoultaneously reduce dependency on air transport. The corridors were Luanda - Malange and Benguela-Huambo-Kuito	SIDA(Swedish Intemational Development Cooperation Agency)	4,8; co-financed with Japan 2,4 and Norway 0.17	1995/1996	Satisfactory	N/A	Negligible	SIDA evaluation 96/37
PIAR 20-22	6 Feeder Road program, Mozambique	Mozambique	Implement a nation-wide Feeder road Roads Programme by the local authorities with financial assistance from a number of international agencies(SIDA, UNDP and ILO)	UNDP, SIDA and ILO	6087.4	2000	Substantial	Unlikely	Modest	SIDA evaluation 00/25

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Project name	Country	Project objective	Sponsor	Total costs project in US\$ million	Completion date	Outcome	Project rating			Reference
							Sustainability	Institutional development		
7 Third Social Investment Fund Project	Nicaragua	Provide small scale infrastructure including Education, health, Water supply and sewerage/sanitation	World Bank	157.84	1997	Satisfactory	Likely	Substantial	World Bank Report 27375	
8 Social Priorities Program	Morocco	Social policy to cover: (1) extending basic social services to the poor, (1) increasing participation in economically productive activities and, (2) efficiently allocating scarce resources and (3) efficiently allocating scarce resources and(4)monitoring and evaluation of social actions	World Bank	49.28	2003	Satisfactory	Likely	Modest	World Bank Report 28058-MOR	
9 NWFP community infrastructure and NHA strengthening project	Pakistan	Increase productivity and well being of low-income group in North Western Frontier Province(NWFP) through improving their living conditions by provision of basic infrastructure and community development including water, sanitation, flood protection, roads and highways, central government administration and other social services	World Bank	46.6	2003	Satisfactory	Likely	Substantial	World Bank Report 27496	
10 Road Rehabilitation project	Panama	Increase competition in the road transport industry and provide the foundation for future regulatory reform, Improve management of the transport through coordination of investment, and strengthen the administration and maintenance of roads, through support to the ministry of Public Works	World Bank	476	2003	Satisfactory	Likely	Modest	World Bank Report 28372	

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Project name	Country	Project objective	Sponsor	Total costs project in US\$ million	Completion date	Outcome	Project rating			Reference
							Sustainability	Institutional development		
11 Agrarian Reform communities development project	Philippines	Assist the Government of Philippines in strengthening farmers' organizations in Agrarian Reform Communities (ARCs) by: (a) providing access to productive resources and social and physical infrastructure and, (b) mobilize and provide support for ARCs form agencies. Roads and Highways formed about 35% of the assistance	World Bank	105.4	2003	Satisfactory	Likely	Modest	World Bank Report 29370-PH	
12 Highway sector	Indonesia	Improve Road use policies, strengthen sector institutions and improve the quality of the road network by focusing on maintenance, rehabilitation, and betterment of works	World Bank	350		Satisfactory	Likely	Substantial	Précis no. 22992 OED	
13 Review of the Tanzania Road Sector Programme	Tanzania	A review of road aid programmes given to Tannazian road sector by NORAD since 1998. The aid programme has aimed at institutional strengthening and cooperation	NORAD		2002	Satisfactory		Substantial	Institute of Transport Economics, Norway Report no 571/2002	
14 Regional Cities Urban Transport	Indonesia	Improve the cities (Surabaya, Medan, Semarang and Bandung) transport infrastructure, enhance their capabilities to implement and maintain transport facilities and services, and develop their institutional and policy framework for urban transport planning.	World Bank	51		Satisfactory	Likely	Modest	Précis no. 22992 OED	

Table 1(cont.)