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Setting Institutional Capacity Building on the PIARC Agenda

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PIARC's focus on ICB (1)

- **Institutional Capacity Building (ICB)** – a leading issue for road development in developing countries and in countries with economies in transition.
- PIARC has decided to put ICB on the agenda in its 2004-2007 work period.
- The Technological Exchanges and Development Commission of PIARC is charged with promoting the ICB issue.



PIARC's focus on ICB (2)

- The Commission's plan of action:
 - Prepare a position paper on ICB
 - Circulate the paper within PIARC bodies to obtain feed-back
 - Present and discuss the paper at PIARC events
 - Incorporate specific initiative and actions into future technical committee work plans



The position paper on ICB

- The position paper addresses the following issues:
 - What ICB is and how it is to be understood
 - Strategies for ICB
 - Past experience with ICB
 - Challenges facing ICB
 - Actions to be pursued by PIARC to further promote ICB

Why ICB?

- ICB is important
 - to secure sustainability
 - to preserve investments and maintain road assets
 - to promote accountability

What is ICB?

- The most frequently used definition of ICB in World Bank documents is as follows:

ICB encompasses three main activities:

- Skill upgrading
- Procedural improvements, and
- Organizational strengthening

Thus, road related ICB 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 goals.



How does ICB occur?

- By acquiring a large spectrum of resources and integrating them in a way that lead to change and development:

All are equally important

- » Financial
- » Human
- » Network
- » Knowledge
- » Culture
- » Systems



Two types of capacities

- **Tangibles**: Physical assets which are easily measurable either in physical terms or indices. Includes infrastructure, machinery, training, economic resources, legal framework etc.
- **Intangibles**: Soft factors but equally important factors such as social skills, experience, creativity, social cohesion, values and motivations, habits and traditions, institutional culture etc.

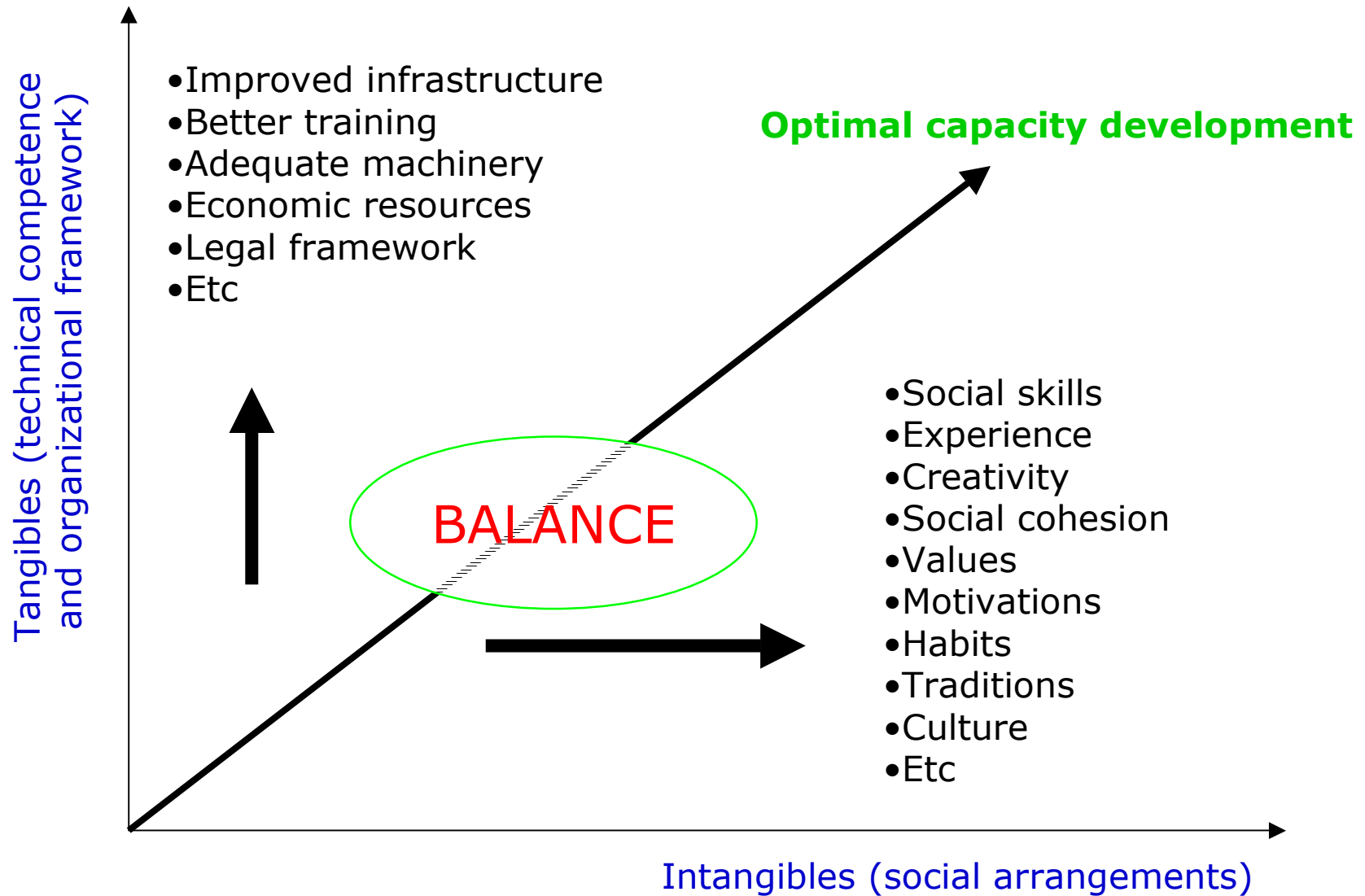


Past experience with ICB

- Traditionally, ICB projects have mainly considered the Tangibles and to a lesser extent the Intangibles.
- Many ICB projects have failed in the past probably because the Intangibles have been underestimated or left out.



Balance between Intangibles and Tangibles in ICB



ICB in countries with economies in transition (1)

- Countries with economies in transition - countries moving from a centrally-planned economy towards free market principles. The term is mostly used for former eastern European countries and some Asian countries.
- The institutional settings in countries with economies in transition are different from those in developing countries. ICB needs to be addressed in different ways.
- ICB in European transitional countries is a question of democratization and commercialization to fit market oriented economies.



ICB in countries with economies in transition (2)

- ICB to be seen in light of the requirements for joining the European Union:
 - be a stable democracy, respecting human rights, the rule of law, and the protection of minorities
 - have a functioning market economy
 - adopt common rules, standards and policies that make up the body of EU law



ICB in countries with economies in transition (3)

World Bank recommendations

- Road Administrations should:
 - transform into commercially operated management organizations
 - develop a modern road financing system
 - involve the public in planning processes
 - formulate and implement road transport plans



ICB in countries with economies in transition (4)

- Situation and challenges in transitional countries
 - good education systems and technical competence
 - the Tangibles exist to a great extent
 - however, market oriented organizations require different managerial education and skills
 - ICB to focus on the Intangibles (social arrangements) such as attitudes, traditions, values, culture etc.



Challenges for PIARC

1. Definition of ICB and what it involves
2. Strategies for achieving ICB
3. Strategy for dissemination of ICB strategies within PIARC to encourage the practice of it
4. Monitoring strategies of how those strategies have been achieved and how they can be improved



Proposed series of action by PIARC

1. Organize seminars on ICB
2. Carry out case studies on ICB in selected countries/regions
3. Publish ICB papers in the PIARC magazine Routes-Roads
4. Prepare an ICB "state-of-the art" report based on the outcome of the various papers, studies and seminars for the 2007 World Road Congress
5. Organize a conference at the 2007 Congress on ICB



Questions