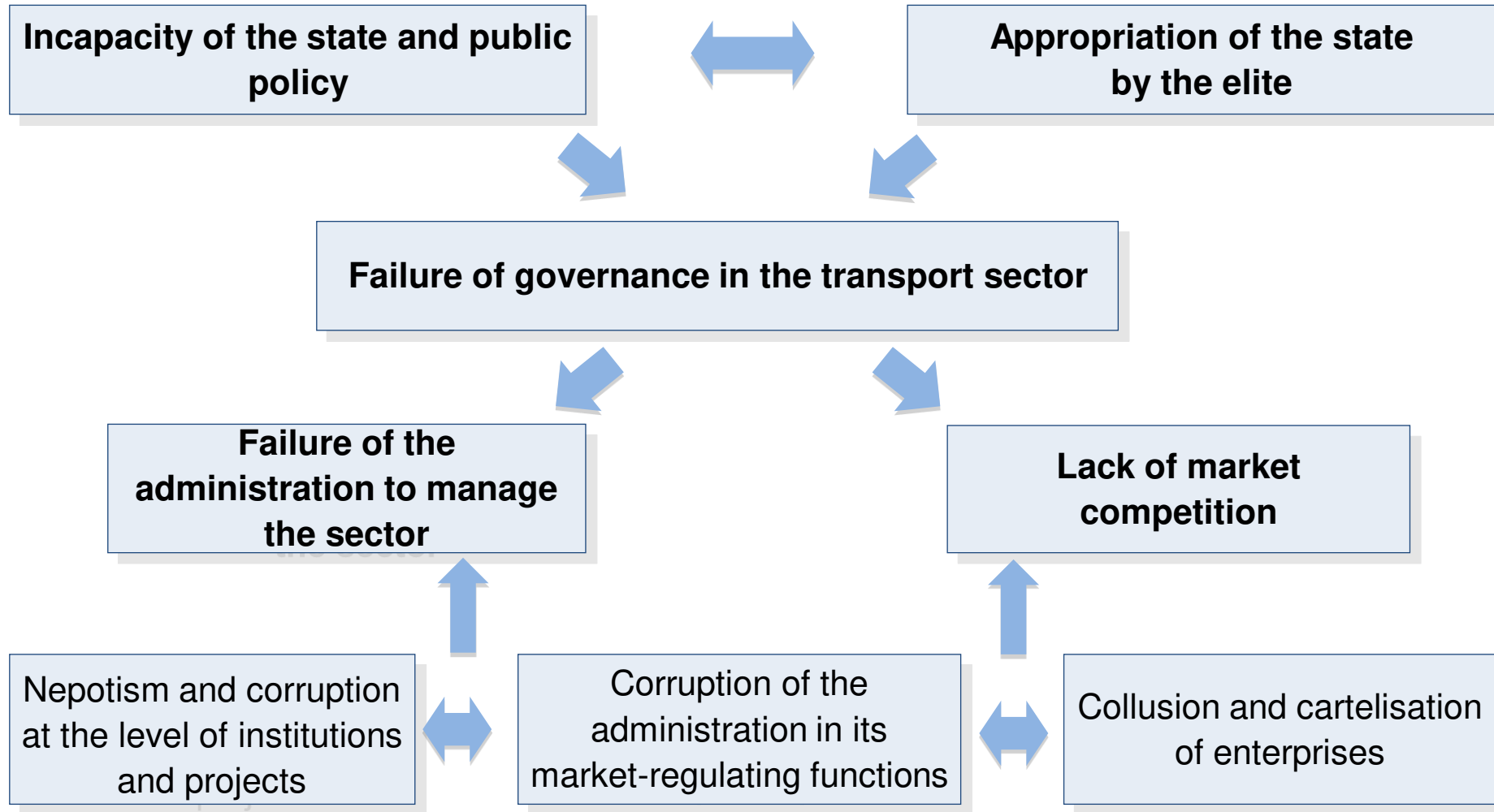




Method for Integrating Governance in Reforming Road Sector

Max Hennion, Transport Economist

<http://capacity4dev.ec.europa.eu/public-group-transport/blog/governance-transport-sector-methodology-and-tools-integrating-governance-support-transport-sect>





Incapacitation of the state and public policy

- Unclear roles and responsibilities of sectoral departments, with duplications and contradictions both at central and decentralised level
- Arbitrariness in the allocation of resources for investment and infrastructure maintenance
- Unprotected road fund revenues
- Weakness of legislative control
- Lack of judicial independence
- Lack of audit capability
- Lack of independence and effectiveness of the media



Capture of the state by the elite

- Manipulation of budget allocations
- Purchase of electoral promises or candidates by commercial interests
- Capture of the leadership of institutions by the political system
- Budgetary allocations for transport subject to political imperatives
- Capture of main projects, at design or implementation level
- Road fund revenues misappropriated or misused
- Agreements in exchange for monopoly access
- Transport reference price fixing



Failure of the administration to manage the sector

- Rudimentary programming methods, subject to political influences
- Convoluted procurement procedures
- Inoperative monitoring of expenses and projects, open to manipulation and abuse
- Under-use of IT to avoid controls
- Nepotism and clientelism in assignments to positions of responsibility
- Insufficient salary and professional incentives
- Ineffective audit and evaluation system
- Lack of anti-corruption policy or impunity of its non-application



Distortions of competition on markets

- High prices, poor price/quality ratio
- Organised shortages
- “First come, first served” arrangements widespread
- Proliferation of intermediaries
- Bloated informal sector
- Lack of access to bank credit at normal rates
- Development of own account trading in transport



Failure of project management

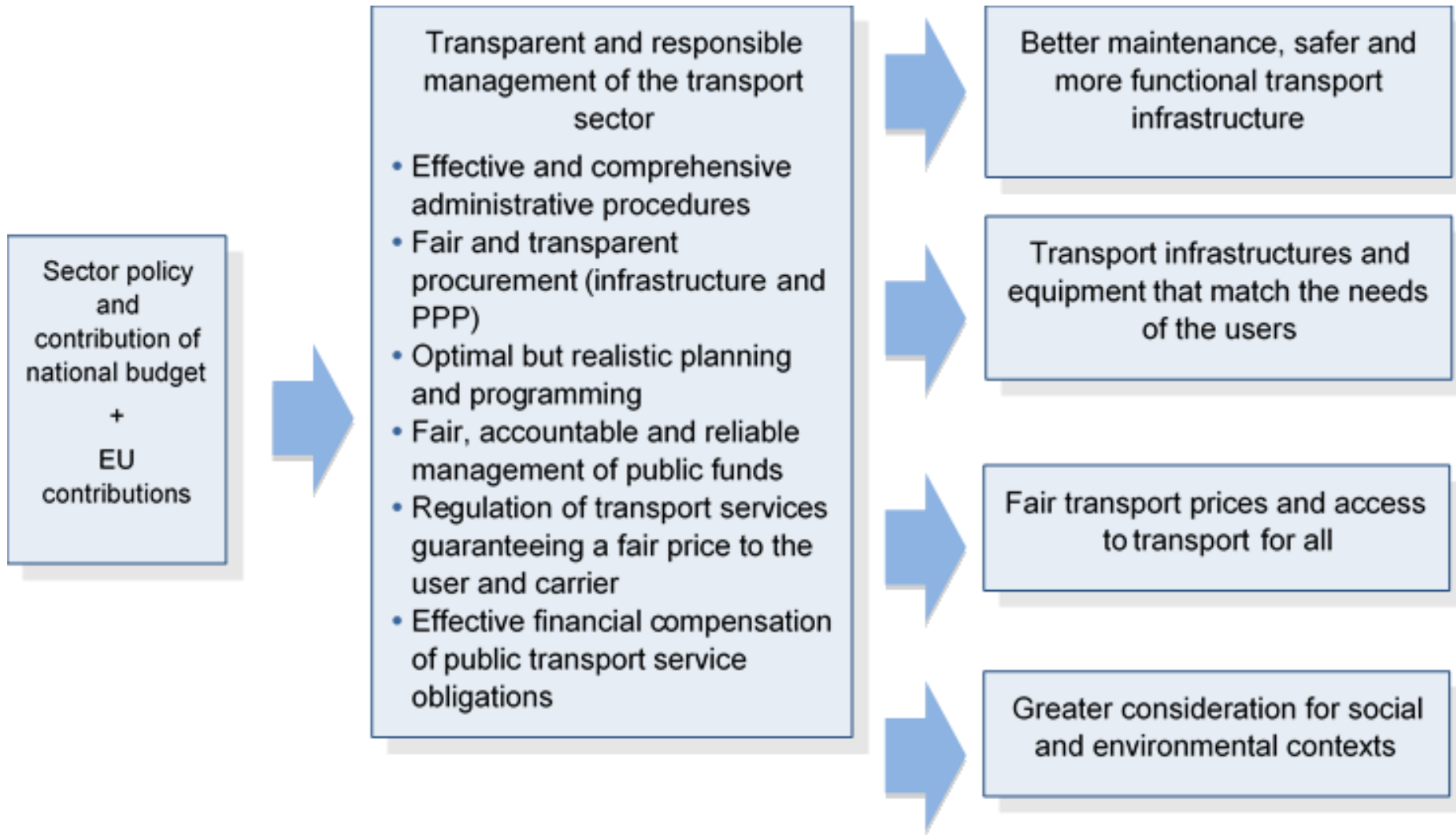
- Manipulation of design or financial estimates
- Manipulation of procurement rules
- Collusion and bribes during and after award
- Favourable treatment
- Charges for releasing payment etc.

Failure of rules and market regulation

- Artificial segmentation of the market
- Manipulation of access to transport professions
- Informal charges at all stages of certification and control
- Bribes to avoid controls or the application of penalties
- Graft at ports, at borders, on the roads

Collusion & cartelisation of enterprises

- First come, first served arrangements imposed by corporations
- Collusion of shippers or carriers on reference prices
- Cartelisation of public works enterprises, agreements and first come, first served
- Cartelisation of niche transport markets (fuel, exports, university transport, etc.)





<p>Strategy 1 (S1), or Direct support to sector governance</p>	<p>Strategy 2 (S2), or Integration of sector governance</p>	<p>Strategy 3 (S3), or a Plea for sector governance</p>
<p>Support for governance is prioritised on the basis of the technical and institutional imperatives of the sector and forms part of a global vertical approach.</p>	<p>The technical and institutional imperatives of the sector are supplemented by the introduction of an improvement in governance, viewed as a cross-sectional component.</p>	<p>Interventions targeted on an organisation are occasionally used to highlight the issues of good governance.</p>




FWC BENEFICIARIES 2009 - LOT 2: Transport and Infrastructure
EuropeAid/127054/C/SER/multi

“GOVERNANCE IN THE TRANSPORT SECTOR”

Contract No 2012298465

Methodology and tools for integrating governance into support for the transport sector in Sub-Saharan Africa

VOLUME 1 – CONCEPTS AND METHODOLOGY



The project is funded by the European Commission

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Phase 1

*Choose the entry point
(P1, P2, P3 or P4)*

Phase 2

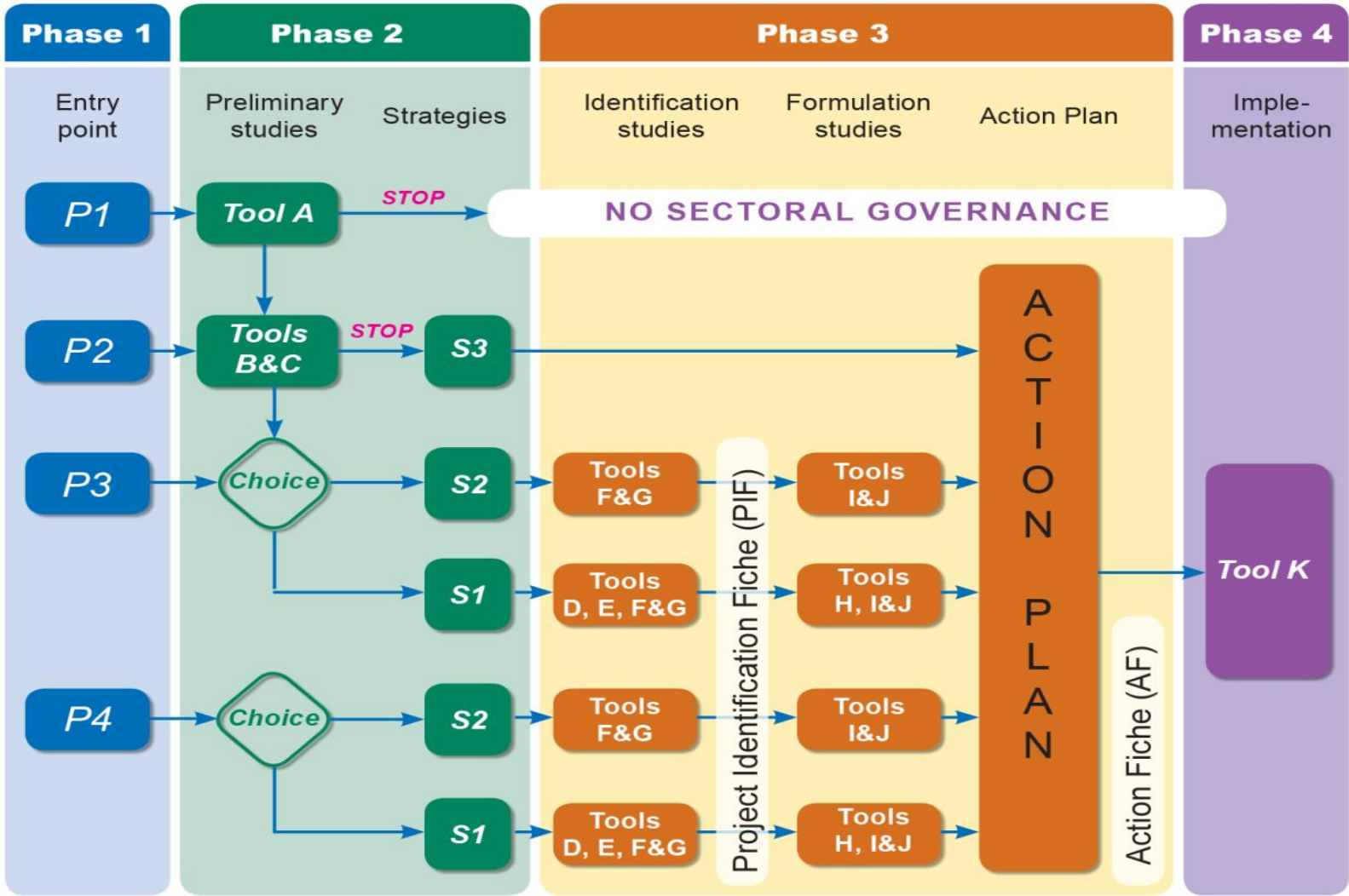
*Define the strategy
(S1, S2 or S3)*

Phase 3

*Draft the Action Plan according to the strategy
(PIF and Action Fiche)*

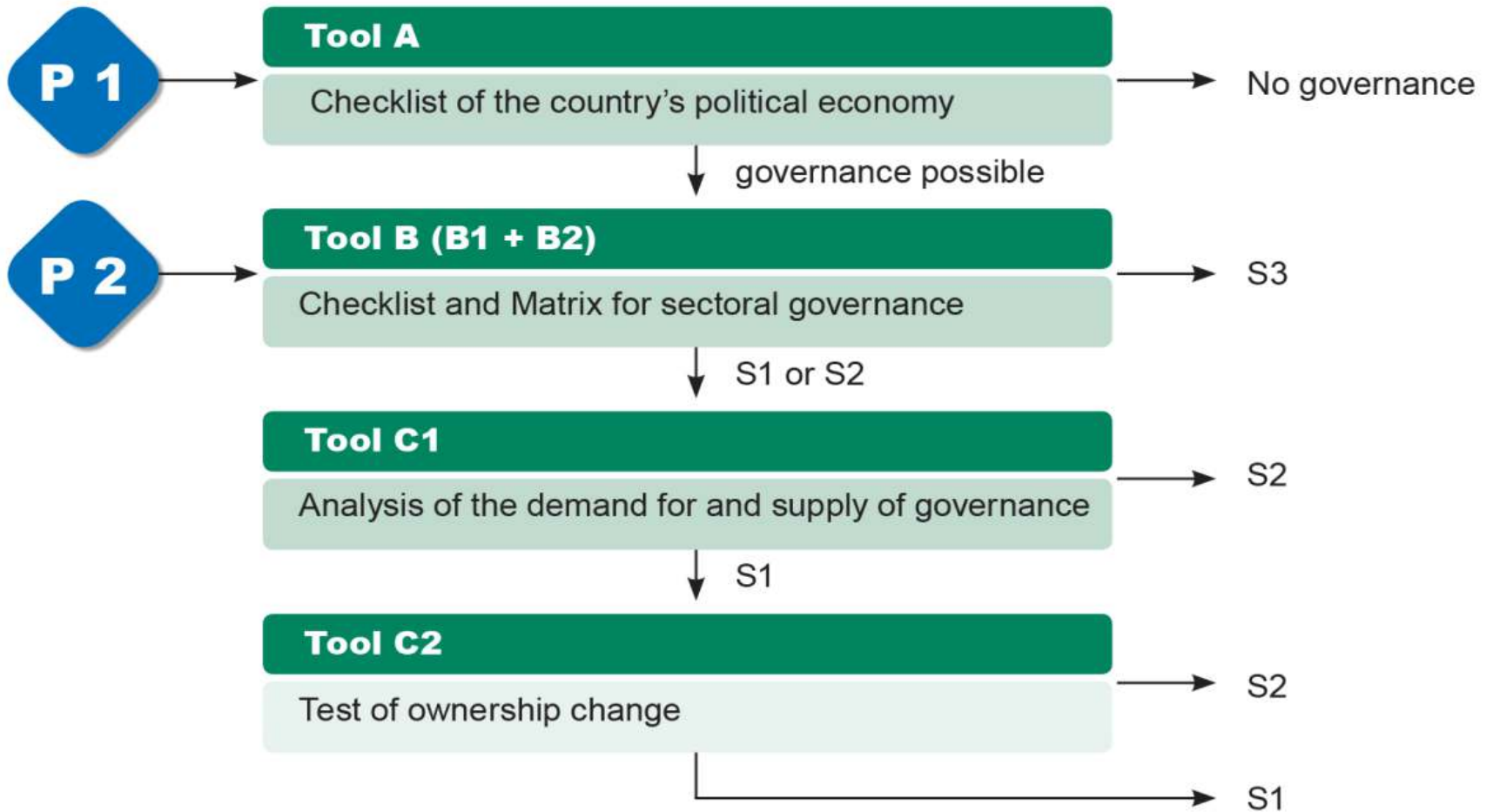
Phase 4

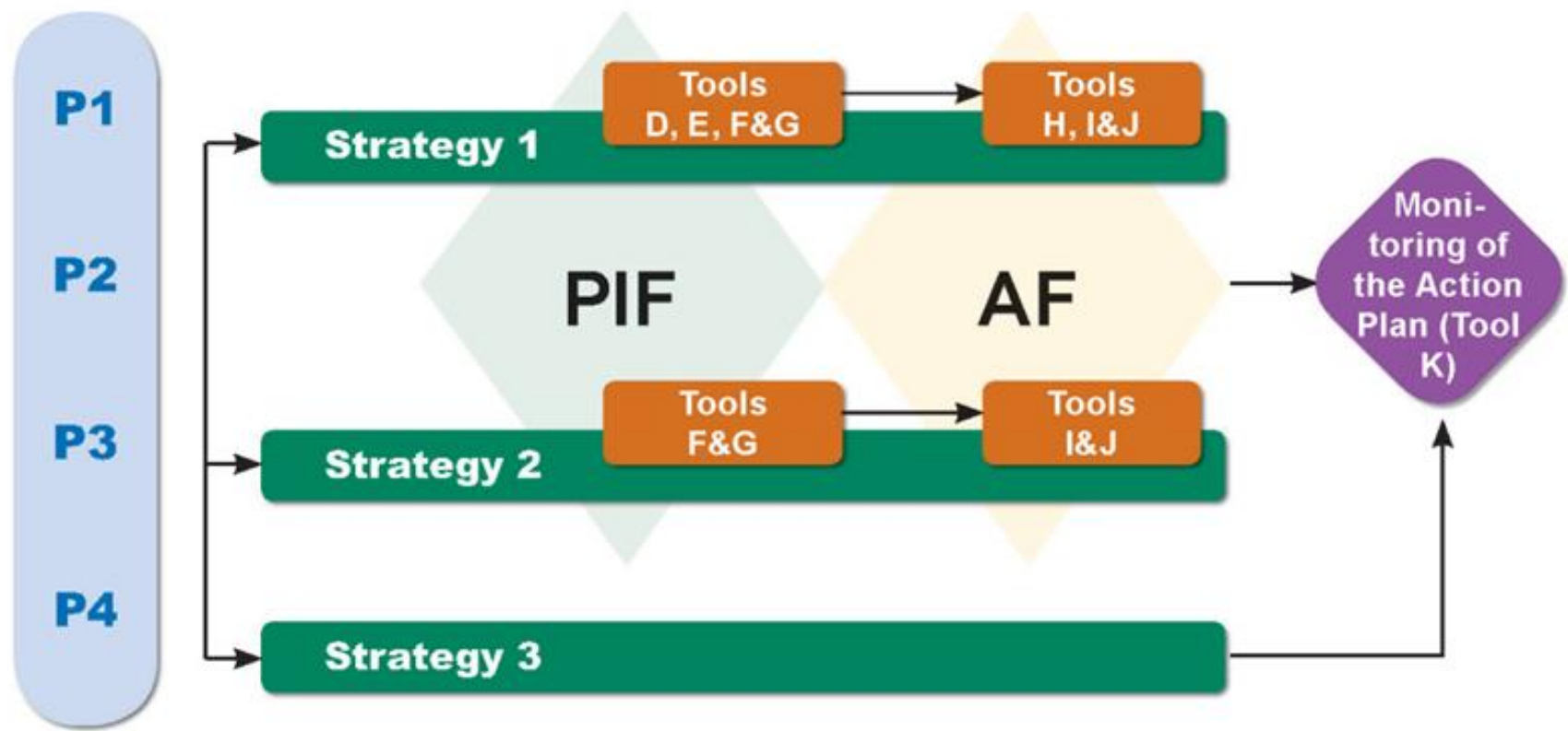
Support the Action Plan





	Internal criteria			
	Level of experience is:		The project is:	
The government is:	Low	High	Ambitious	Unambitious
A driving force	P3	P4	P3	P4
Not a driving force	P1	P2	P1	P2







Diagnosis of governance in transport

Action Fiche of support for sectoral governance

