



# A Decade of Action in Transport

## An Evaluation of World Bank Assistance to the Transport Sector, 1995-2005

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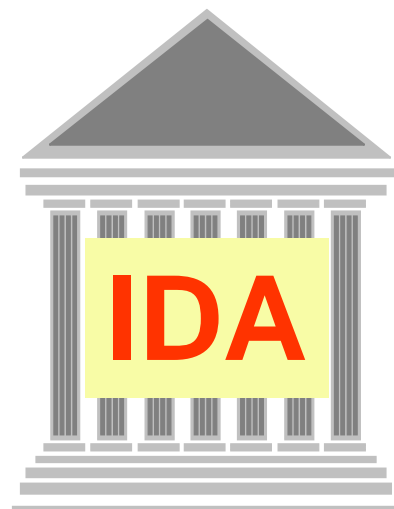
**IEG**  
INDEPENDENT EVALUATION GROUP



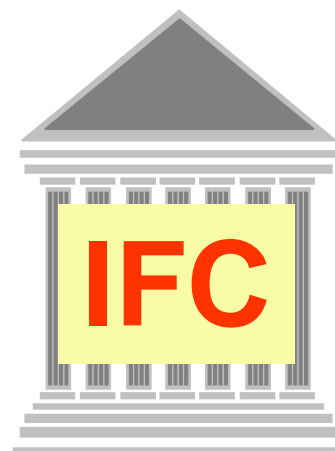
# The World Bank Group....



**1945**



**1960**



**1956**

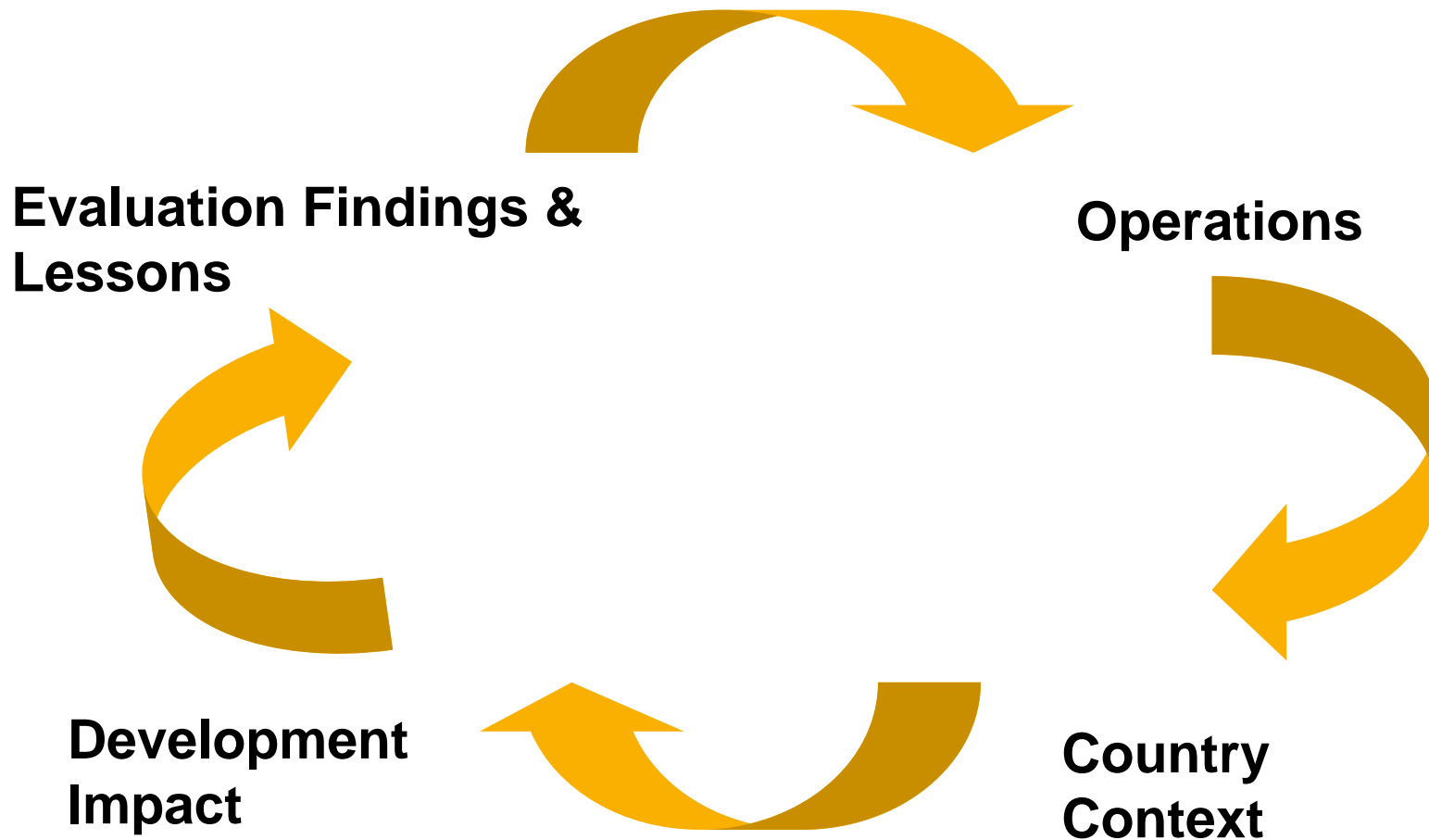


**1988**

# IEG Mandate

- **Seeks to influence development directions through independent evaluative findings**
- **Provides topical and strategic evaluations to the Board in support of its role in ensuring the WBG's effectiveness and accountability**
- **Uniquely placed to capitalize on the synergies across WB, IFC, MIGA**

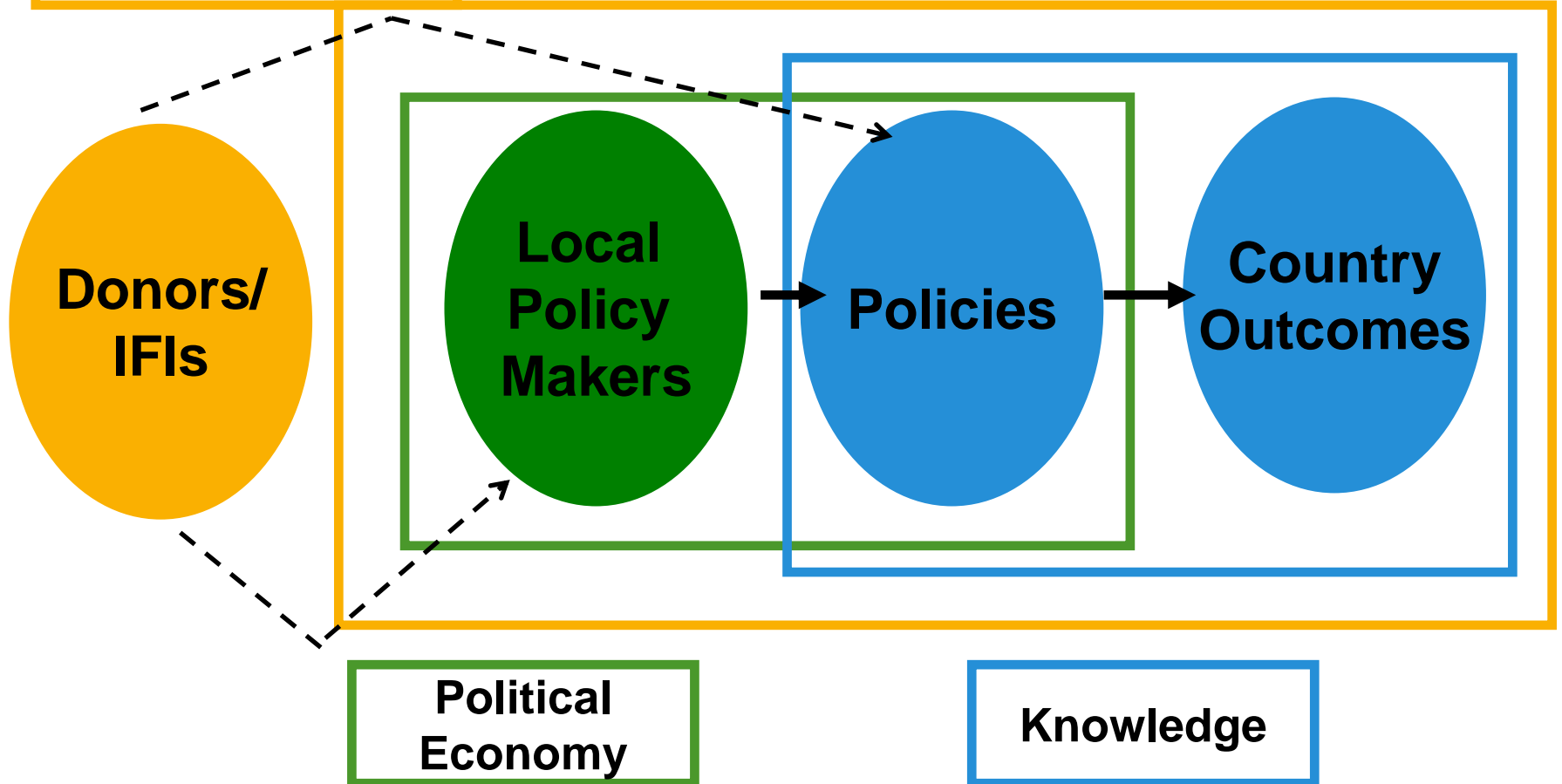
# Evaluation for Better Results



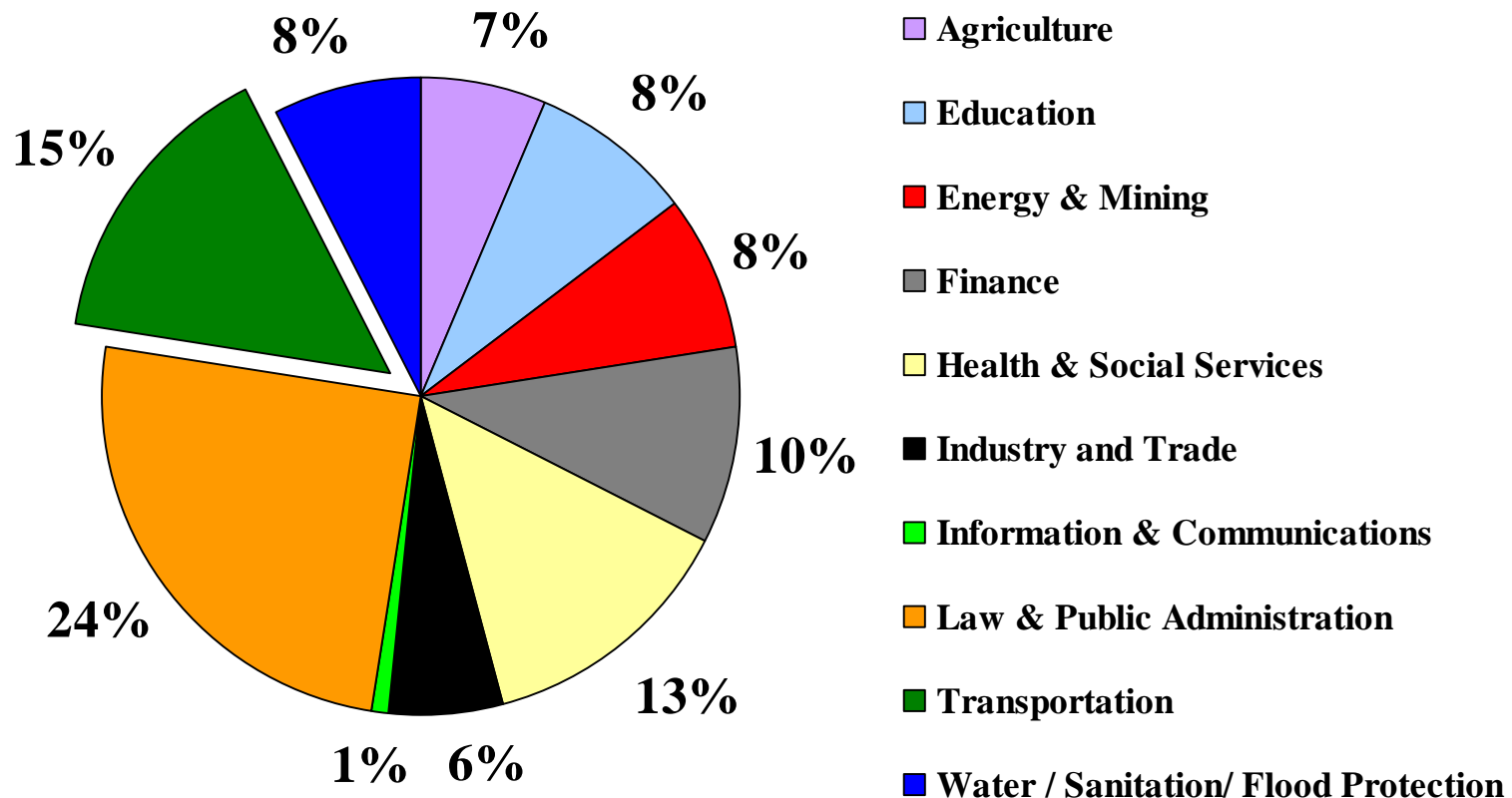
# ...that Depend on Country Policies

**Aid Effectiveness**

**Development Effectiveness**



# Annual Average Bank Lending by Major Sector FY00 to FY05



**Total Bank Commitment = US\$ 112,532 million**

**Total Number of Bank Projects = 1,436**

# Bank Group Support for Transport

- **Bank's Commitment for transport:**
  - IBRD/IDA commitments over US\$30 billion (10 years)
  - IFC commitments US\$2 billion and capital value US\$15 billion (15 years)
  - MIGA Guarantees US\$0.3 billion (5years)
- **Bank's past performance has in general been well managed and effective with outcome ratings above average**
- **It has focused on road rehabilitation and construction (nearly 80% of its business)**
- **Recent trend to more trade-related, aviation and urban projects**

# Study Objectives

To evaluate:

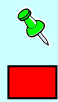
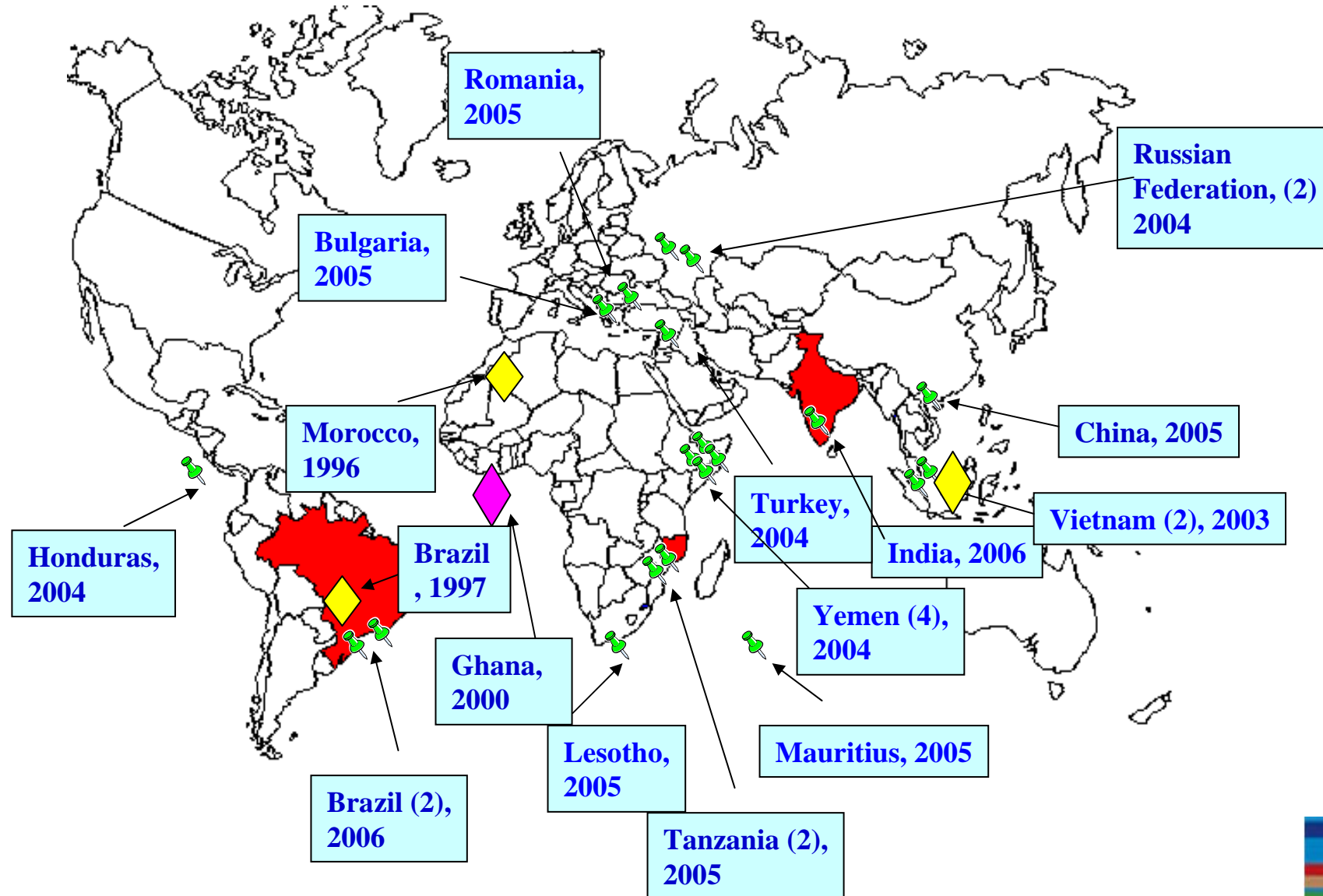
- *First*, the extent to which the Bank has encouraged the private sector in transport in developing countries.
- *Second*, the degree of sustainability of transport investments supported. How well have they been maintained?
- *Third*, the extent to which transport assistance has supported poverty alleviation.
- *Fourth*, an assessment of the Bank's readiness to respond to emerging global transport challenges.



# The Evaluation

- **Customized database:**
  - 642 projects
  - 74 detailed project performance assessments
  - 59 country assistance evaluations
- **Hundreds of other documents (project appraisal and completion reports, Country Assistance Strategies, sector reports, etc.)**
- **Three case studies/stakeholder surveys were undertaken and a staff survey was conducted**
- **Evaluation uses the IEG objectives-based methodology. Performance is measured by progress towards defined objectives**

# Country Case Studies, Project Performance Assessments, and Impact Evaluations



**Project Performance Assessment**  
**Case Study**

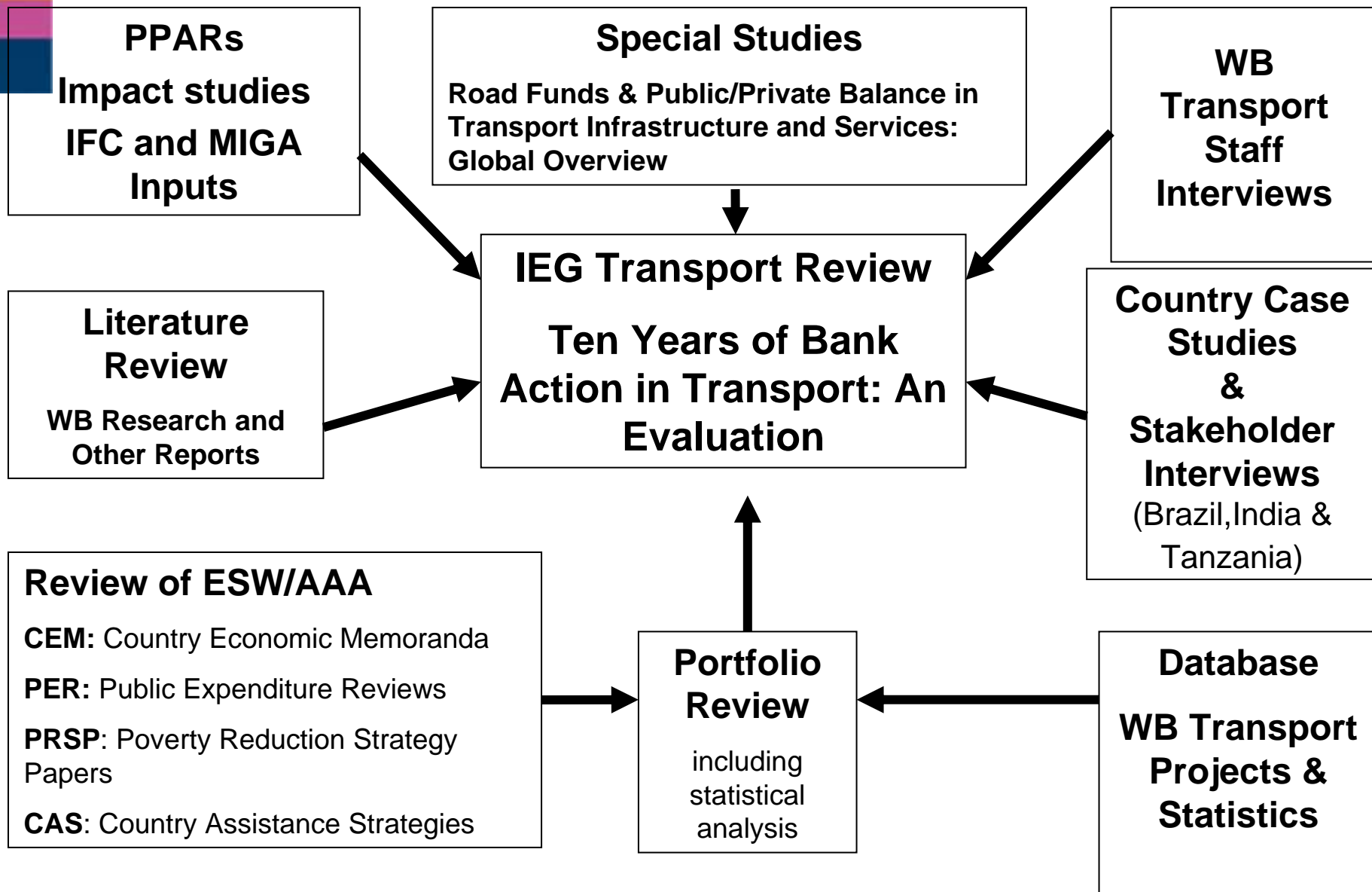


**Impact Evaluation**



**Special Study**

# IEG TRANSPORT REVIEW: Inputs to the Evaluation



# IBRD/IDA: Commitments for Transport (US\$ billion): Share of Top 5 and 10 Countries FY95-00 and Y01-06

Country	Commitments for FY1995-2000	Share of Total (%)	Country	Commitments for FY2001-2006	Share of Total (%)
China	4.2	24	India	4.2	25
Brazil	1.7	9	China	2.3	14
India	1.3	7	Brazil	1.1	7
Russian Federation	1.2	6	Indonesia	0.6	5
Argentina	1.1	6	Argentina	0.5	3
Indonesia	0.6	3	Vietnam	0.5	3
Mexico	0.6	3	Mexico	0.4	3
Bangladesh	0.5	3	Colombia	0.4	2
Vietnam	0.4	2	Congo, Democrat	0.3	2
Poland	0.4	2	Egypt, Arab Rep	0.3	2
<i>Total (All other Countries)</i>	5.9	33	<i>Total (All other Countries)</i>	6.2	34
TOTAL	17.9	100	TOTAL	16.8	100
Share of Top 5 countries		54			54
Share of Top 10 Countries		67			66

Source: World Bank Data

## IEG Ratings of Overall Project Outcome, Institutional Development and Sustainability by Exit Year FY92-06 (Transport Sector Board projects versus all other Sector Boards)

<i>IEG Rating</i>	<i>Board</i>		<i>FY</i> <i>92-94</i>	<i>FY</i> <i>95-97</i>	<i>FY</i> <i>98-00</i>	<i>FY</i> <i>01-03</i>	<i>FY</i> <i>04-06</i>
<b>Outcome:</b> Moderately Satisfactory or better (%)	Transport	All projects	69	78	84	86	89
		Excluding large borrowers*	71	70	82	74	88
	All other	64	67	68	72	79	
<b>Institutional Development:</b> Substantial or better (%)	Transport	All projects	25	37	63	68	57
		Excluding large borrowers*	27	33	57	66	50
	All other	30	32	37	45	57	
<b>Sustainability**:</b> Likely or better (%)	Transport	All projects	46	55	70	74	78
		Excluding large borrowers*	47	43	66	71	71
	All other	44	47	54	64	71	

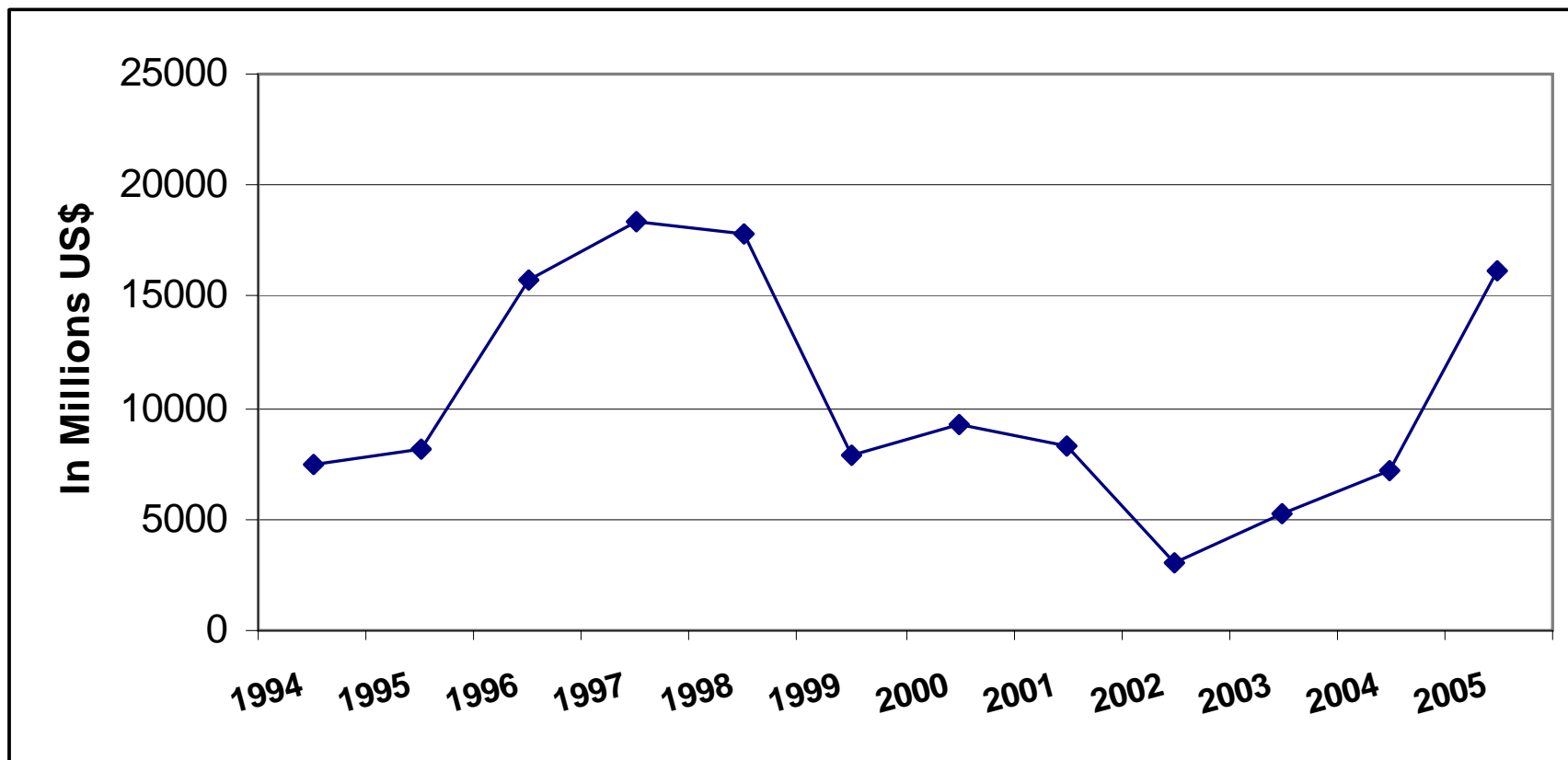
*Source:* World Bank data. See also figures in Appendix A2.

*Notes:* \*Argentina, Brazil, China, and India. \*\*Resilience to risks of future net benefit flows.

# Findings: Private Sector Development

1. Greater involvement of the private sector usually leads to improved performance and better service.
2. This includes public private partnerships (toll roads, ports, railways and airports) – mostly in middle income countries. But the impact of just one PPP project in a low income country can be very significant (e.g. Mozambique).
3. Public sector restructuring (corporatization) can also be successful, provided it is accompanied by a package of business-related reforms.
4. There must be sufficient local capacity to engage with the private sector and a supportive regulatory framework.
5. The Bank's major contribution during the decade has been to encourage the private sector in road construction and maintenance management and especially performance-based contract maintenance.

## Private Sector Investment in the Transport Sector in Developing Countries Declined in the Late 1990s, but is Now Recovering Strongly



Source: World Bank Data

# Findings: Road Maintenance and Institutional Development

- **The Bank has generally supported maintenance funding through user charges, but funds are often insufficient.**
- **Maintenance of roads is improving especially where road funds, agencies, and boards are functioning properly, but in many countries problems still persist.**
- **Institutional development performance is mixed – better in middle income countries, worst in fragile states.**
- **Performance-based road works are successful in countries with a mature contracting industry and a supporting legal framework.**
- **Maintenance activities can provide work for small enterprises and are often labor intensive.**



# Routine Maintenance by Female Workers - Vietnam



## Analysis of Performance by Institutional Development Objectives, Transport Sector Board Projects, FY 95-06

<i>Subobjective</i>	<i>No. of objectives rated by IEG</i>	<i>No. of objectives rated moderately satisfactory or better</i>	<i>Rated moderately satisfactory or better (%)</i>
Management capacity building	64	39	61
Environmental management	22	14	64
Monitoring and evaluation	8	3	38
Maintenance	47	25	53
Training	21	11	52
Planning	18	14	78
Technical issues	20	17	85
Studies & safety	19	13	68
Restructuring, decentralization & regulation	32	20	63
<b>All institutional development</b>	<b>251</b>	<b>156</b>	<b>62</b>

Source: World Bank Data

# Findings: Transport and Rural Poverty

- **Rural poverty can be alleviated when transport improves accessibility.**
- **For every \$22,000 invested in rural roads, 163 people escape poverty (Indian Study).**
- **Over 50% of rural inhabitants live more than 8km from a clinic. One-third are more than a 2 km walk from an all-season road.**
- **But the distributive impact of transport projects is under-researched; more impact studies are necessary. Most evidence is still anecdotal.**
- **Where there is low institutional capacity, staff often underestimate the time needed to make reforms, build capacity, and build institutions.**



# Transport and Urban Poverty

- **Urban growth predictions are spectacular:**
  - 358 cities with over a million people by 2015
  - Already more than half of the world population is urbanized
  - 600 million people will move from rural areas to cities in the next 10 years

# Transport and Poverty (Urban)

- **Urban growth predictions are spectacular**
  - 2.9 billion by 2015 and 358 cities with over a million people
- **The Bank's emphasis in urban transport has focused on the integration of services, appropriate subsidies, improving accessibility and supporting decentralization. Affordability remains a problem.**
- **Considering the rate of urban growth, the Bank invests too little in urban transport.**
- **Urban projects need more preparation and are more complex.**



# Traffic Congestion, Delhi





## Distribution of Urban Projects and Components Closed and Active Projects (1995-2005)

	<i>1995-2000</i>	<i>2001-2006</i>	<i>1995-2006</i>
Total Number of Urban Projects	41	37	78
Components	78	77	155
Urban Roads	27	24	51
Traffic Management & Safety	10	9	19
Institutional, Regulatory & Planning	12	19	31
Nonmotorized Transport, Urban Poor	7	7	14
Urban Environment, Air Quality	3	3	6
Public Transport	19	15	34

Source: World Bank Data

# Vehicle Emissions

- **Road transport is responsible for nearly a quarter of man-made gases**
- **650,000 people in developing countries die prematurely from urban air pollution**
- **Indian and Chinese car growth is spectacular**
- **Tata Motors will shortly release a US\$2,500 car**
- **More air quality improvement projects needed**
- **More use of new global programs**



# Road Accidents

- **Fatalities – 1.2 million annually (over 3,000/day)**
- **Injuries – 50 million annually**
- **85% deaths and 90% injuries are in developing countries (up to 2% of their GDP)**
- **By 2020 road accidents will be the third biggest cause of death**
- **In Kenya 75% of road traffic casualties are young adults**
- **In Asian and African cities 60% of travelers are pedestrians and cyclists**
- **The Bank can play a much bigger role in helping resolve these challenges.**

# Identifying Sites With Safety Problems



# The Way Forward

- **Ensure the focus of the Bank's transport operations goes beyond highways and gives more attention to:**
  1. environmental damages
  2. energy efficiency and climate change
  3. traffic congestion
  4. safety
  5. affordability
  6. Trade
  
- **An update of the transport sector strategy will be released shortly**

**Thank you for your  
attention.**

Check out our website at

<http://www.worldbank.org/ieg/transport>

