



Statement of the External Advisory Panel

The members of the external advisory panel appreciate the effort of the Independent Evaluation Group in preparing this report. Not surprisingly, the report emphasizes that the transport sector is one of the most important sectors serving national and international development, accounting for 5 percent to 6 percent of global gross domestic product (GDP). No single United Nations entity deals solely with transport because of its supportive role to all sectors, so the Bank has assumed a crucial responsibility toward its member states and has largely met their expectations.

Over the past decade, well over 15 percent of Bank lending has been allocated to 642 transport projects or projects, with transport elements exceeding \$30 billion in total lending. Bank commitments for transport and transport-related projects rank third in importance after the law, justice, and public administration sector and the social sector.

The report provides a wealth of concise global information, well-chosen examples, and useful case studies, thereby providing firsthand background for understanding the Bank's operations and the effort and views of its transport sector staff. The findings are transparently provided, conclusions are well documented, and the recommendations are soundly formulated. The report, therefore, provides a solid foundation for Bank management to develop and adopt new strategies and measures aimed at achieving present and future global ob-

jectives. It is also of a great value to beneficiary and donor countries and other stakeholders.

It is regrettable that this is the first evaluation of the transport sector operations since the Bank evaluation group was founded in 1973. It would be appropriate to introduce an intermediate, less-extensive 5-year follow-up evaluation that can, together with the individual evaluations of projects, complement the decade-based studies enabling monitoring of Bank operational trends and outcomes versus the Bank's medium- and long-term strategies.

The evaluation adopts a well-structured methodology of successive, interactive, and carefully designed and implemented steps. These cover a literature review, an analysis of the previously mentioned 642 projects, solicitation of special thematic studies on road maintenance and road

funds, a global overview of public-private partnerships (PPPs) in transport, a review of a special transport policy programme in Africa, and information extracted from existing impact studies in Brazil and Morocco and a multilateral study in Ghana. In addition, interviews were conducted with Bank transport staff and with stakeholders (government officials, transport service providers, and interested parties), and detailed country case studies were undertaken in Brazil, India, and Tanzania. Therefore, an admirable geographical balance between developing countries and continents has been achieved. Furthermore, the deliberations and viewpoints of the external advisory panel that arose during the progress of the evaluation have been duly reflected in the report.

The report concludes with recommendations derived logically from the findings and the results of the analysis. The panel supports these recommendations. In addition, however, we would like to emphasize important issues of particular concern. Some of these are already dealt with in the report; others are complementary.

- The failure of some projects to fulfill their objectives and to achieve their institutional and financial targets during the planned time period is discouraging and should be avoided. Realistic and attainable project objectives are necessary, regardless of country or Bank aspirations.
 - The report shows that monitoring and evaluation are rated “least satisfactory” among the subobjectives, in the analyses of the outcomes of the objectives. The panel therefore believes that it is of vital importance for the Bank and the transport sector staff to adopt appropriate strategies and to investigate better methods, indicators, and tools (for example, log-frames and target performance indicators) that are suitable for undertaking “results-based” monitoring and evaluation of projects. These should be defined during the project preparation phase.
 - Bank technical assistance is often unsustainable in recipient countries; therefore, the related strategies need to be reassessed and improved.
- Country-driven ownership is important to attain and is preferable to the imposition and enforcement of “pre-agreement conditions.”
- In some cases hired foreign consultants and Bank staff are unaware of country conditions, national obligations, and needs. Consequently, Bank missions can recommend actions or projects that do not respond to local concerns, priorities, or immediate requirements. If decision makers of the recipient country are unaware of such shortcomings, poorly conceived projects can get started and move forward, wasting time and resources. Bank management should carefully consider the selection of mission team members. Local consultants and academic transport specialists from the recipient country should be professionally contracted, not simply interviewed, as is the current practice.
 - Similarly, Bank training sometimes neglects local context, needs, capabilities, and realities. It should fully exploit local transport education expertise in the recipient country wherever available. If that is not possible, expertise from neighboring countries or those experiencing similar conditions should be utilized. Thus, the provision of realistic initiation, planning, design, and implementation of training would be ensured.
 - The panel strongly supports the reported findings on encouraging the Bank to go for riskier multi-institutional and/or multisectoral projects in developing countries, including road safety, urban transport, and rural transport projects:
 - (a) More than 3,000 deaths result daily from road accidents. Low- and middle-income countries account for 85 percent of such deaths and 90 percent of injuries (1 percent to 2 percent of GDP), and Bank projects with road safety components show mixed results to date, with outcomes often unsustainable. Hence, we call for a more thorough assessment of these projects, analyzing shortcomings, investigating the best methodology, and adopting a new

strategy, including the more cohesive multi-disciplinary approach mentioned in the report.

- (b) Given that the number of cities with a population of more than 1 million in developing countries is expected to increase from 268 to 358 between 2000 and 2015, we encourage more urban transport projects with a strong emphasis on the alleviation of the causes of the transport problem rather than just combating the symptoms, as has been the case in many previous projects. City governance under conditions of urban sprawl might be addressed to improve institutions and reform regulations; loans can be used to leverage these changes.
- (c) Many citizens of developing countries are rural poor, often with low or almost no access to transport; transport of agricultural products to markets is extremely difficult. Poverty alleviation, a key objective of the development agenda, can only be achieved if rural poverty is reduced, transport being an important catalyst. We therefore back more emphasis on sustainable rural transport projects.
- With the reported massive lending for intercity highways infrastructure in the past decade (73 percent of Bank commitments to transport) and in appreciation of the report's clear recommendation to shift the focus of transport operations toward environmental and safety concerns, the panel supports more lending in the next decade for projects that tackle global warming and rising energy costs (for example, land use/transport planning, restraining car use and reducing distance traveled, encouraging modal shifts to environmentally friendly modes, and so forth). This is in addition to including environmental concern in all projects; capabilities and obligations of developing countries should not be ignored.
- In several places the report refers to nonmotorized transport (NMT), pointing out its im-

portance to the poor in urban and rural areas of developing countries and its considerable share of total daily movements. It also emphasizes the inferior conditions of NMT facilities in many countries and the few Bank-related projects. We appreciate this finding and urge that the Bank fund more NMT projects, pointing out the problem of lack of sponsors to finance "outside the government budget" because of the lack of or very low revenue-generation nature of such projects. However, pedestrians and cyclists are also taxpayers. The Bank and its clients should identify new supportive instruments and develop more sustainable NMT strategies, capitalizing on its environmentally friendly nature and its sound economic and health effects on individuals and families, compared with the motorized modes. Support of concerned international agencies (for example, Global Environment Facility, the United Nations Environment Programme, and so forth) should be sought.

- We clearly back the report's strategic call for adequate staffing of the transport sector; the panel certainly supports including more members with long experience as well as young professionals. This ensures a smooth transition of experience, sustainable quality (innovation) and quantity of projects, and knowledge dissemination to clients' staff during implementation of projects; lack of the latter is a shortcoming of inadequate staffing indicated in the transport sector staff interviews.
- It is disappointing for the panel and the world transport community, particularly but not limited to researchers, to see few publications and research done on Bank project outcomes, data, and knowledge-base. Compared with the huge extent of Bank lending and the number of projects in the past decade, the share of transport sector research papers, reports, and publications is just 4.3 percent of the Bank total. It is self-evident that the world will expect much more in the coming decade.
- A country-specific approach to projects is important, because not all conditions prevail and

not all rules are applicable in all countries. This is vital for success and for reaching practical results. For example, metros should only be applicable for megacities, all-weather rural roads only in countries with variable climates, and installation of certain types of information technology services linked to country technological capabilities only to ensure sustainability (maintenance and/or upgrade). History; size; prevailing circumstances and problems; past and expected future development stages; economic, social, and political obligations; the level and nature of bureaucracy; current applied regulations; and institutional performance and the national culture of the public administration all dictate this approach.

- We strongly support the Bank's approach to encouraging private participation and removing obstacles to achieve successful PPPs in the transport sector in developing countries and transition economies. This is particularly important for roads and road maintenance, ports, and airports. It can also be applied in some elements of railways (train operations, track, and maintenance) and particularly encouraged in inland navigation, urban public transport, and some traffic management projects. The lessons of the success of road funds and previous global experience with PPPs in transport are excellently discussed and analyzed in the report and very much appreciated by the panel. We urge member countries and Bank staff to benefit from the useful lessons presented, taking the local context of each country into account with emphases on the required prerequisites for the success of PPPs.
- As reported, when road infrastructure is poorly maintained, the public pays heavily through higher vehicle-operating costs, accidents, loss of travel time, and reduced accessibility to jobs, among other results. However, decision makers in developing countries do not necessarily think in terms of long-term economic benefits. They are rather often engaged in

emergency financing, and the governments frequently lack liquidity for other urgent services. The Bank certainly realizes this fact, and we encourage new endeavors to promote participation of the private sector in maintaining roads and other transport assets. This similarly applies to the operation and maintenance of urban public transport.

- The fight against corruption is also very important. We admire the Bank's continuous effort and invite even greater accomplishments in this respect in the future.
- The panel supports sustaining previous attempts to achieve a balanced allocation of Bank lending by mode, country, and Region, thereby serving the balanced development cause.
- The panel acknowledges the Bank's effort to cooperate with other international funding agencies, as reported, and calls for making such connections closer and more pragmatic and widening them, moreover, to include regional agencies and transport professional institutions.
- Finally, we add to the existing report recommendations directed to Bank management a further two-tier recommendation directed to beneficiary countries—they should benefit from the report contents and findings and also upgrade the know-how and communication skills of their executive and technical staff for better utilization of the capabilities and knowledge of the Bank's missions. This will encourage negotiating sound and successful projects with attainable objectives and sustainable outcomes. Local universities' transport academics and the World Bank Institute have a key joint role to play.

We acknowledge that we have been associated with this valuable study and appreciate learning much from our participation.

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