

**Summary:**

# **Review of the Tanzania Road Sector Programme TAN 045**

## **Final Report**

The agreement on the NORAD supported Road Sector Programme states that an independent end-review of the programme will be carried out. The objective of the review is two-fold. Firstly to assess achievements of the programme compared to objectives and assess sustainability of programme activities, basically as an update of the mid-term review findings. Secondly, the review shall provide recommendations as to future Norwegian support to the roads sector in line with Tanzanian transport sector policies and the Integrated Roads Programme in particular.

NORAD entered into a contract with the Institute of Transport Economics – Norwegian Centre for Transport Research (TØI) for the purpose of the review. The main input to the review was collected during a mission to Tanzania March 2002. The results of the review are summarised below.

### **The Road Sector Programme**

The TAN 045 Road Sector Programme agreement was signed in February 1998. The programme is focused on institutional strengthening and co-operation and the purpose is to increase competence and efficiency in road administration in Tanzania.

The programme comprises 10 components: Management and Organisational Development, Financial Management System, Maintenance Management, Road Safety and Axle Load Control, Bridge Management, Central Material Laboratory, Equipment Management, Appropriate Technology Advisory and Training Project, Miscellaneous Support, and finally, Program Administration.

### **The Road Sector Reform Process**

The institutional reform process in the road sector in Tanzania has come a long way, even in an international perspective. Substantial progress has been made in the course of the programme period, particularly the last two years.

The Tanzania National Roads Agency (TanRoads) was established in July 2000. The new agency effectively started operating in October 2000 and, after 16 months of transition, TanRoads is now fully operational. With the establishment

of TanRoads, the Ministry of Works (MoW) will be relieved from the implementation functions and the Ministry's role will be concentrated to core functions such as policy development, strategic planning, regulatory functions and strategic management of executive agencies.

## **Programme Achievements, Effectiveness and Impacts**

The programme has generally been running well. Considerable achievements have been made, although they fall short of initial expectations. One of the technical components, Equipment Management, can be considered having achieved full effectiveness. The objectives of Component 1 Organisational and Management Development have largely been achieved in respect of establishing TanRoads, although the programme's input to this process was only one of the contributory causes. Component 4 Road Safety and Axle Load Control, Component 5 Bridge Management, Component 6 Central Materials Laboratory, and to a lesser degree Component 8 Appropriate Technology are partially effective. Components 2 Financial Management and 3 Maintenance Management have hardly had any activity but the objectives have been achieved by funding from other sources. Component 9 Miscellaneous Support has been inactive and Component 10 Programme Management, which was purely administrative, has contributed to effective operation of the programme.

In conclusion, six of the nine technical components have achieved the objectives fully or partially. For the remaining three, hardly any activity has taken place but funding from other sources has been used for two of them, which both have achieved the objectives defined in the programme document. The purpose of the programme has therefore largely been achieved. The six technical components have contributed to increasing the competence and efficiency of road administration. Their impacts have started to show and it is likely that they will be significant in the near future.

## **Expenditure and Financial Management**

Total disbursement is some 20 per cent lower than planned due to a reduction of the contribution of the Government of Tanzania. The actual activity relative to the budget differs considerably among the various components.

Financial management was an important issue for the mid-term review, which recommended that financial management procedures as then applied be continued with minor modifications and simplifications of reporting and administrative routines. It appears that the system since then has been modified and that it subsequently has been functioning well.

## **Programme Efficiency and Sustainability**

The results vary from component to component. Six technical components have achieved full or partial effectiveness. The NORAD resources spent for the programme are NOK 35 million as planned. The Tanzanian resources spent amount to TSh 4,856 million or 31 per cent less than budgeted. Considerably larger amounts than budgeted were allocated for Component 1 Organisational and

Management Development, Component 4 Road Safety and Axle Load Control, Component 6 Central Materials Laboratory and Component 7 Equipment Management. There is some covariance between the percentage of budget spent and the results achieved for the various components.

There is no standard for determining whether the amounts spent are reasonable for this kind of programme. However, substantial results have been achieved and limited continued support will most likely lead to full achievement of the objectives for those components which results are only partially achieved by now. Results that are not fully up to expectations can partly be explained by that total resource input has been less than budgeted. Further, the initial programme objectives may have been unrealistically ambitious. There are no indications to the effect that efficiency has been out of tune with what normally could be expected for this kind of programme.

Sustainability cannot be considered achieved as yet for the overall programme, but some components are sustainable by the end of the programme and others are moving towards sustainability. Generally, the components linked to TanRoads appear to be sustainable or moving fairly rapidly towards sustainability. With further limited support, all these components would reach sustainability in the near future. It appears highly likely that Tanzania will continue to pursue the purpose of the programme in this respect after NORAD has terminated its assistance.

### **Institutional Co-operation**

The institutional co-operation between MoW and the Norwegian Public Roads Administration (NPRA) has been useful in building up the capacity of the ministry in road safety and axle load control, bridge management, Central Materials Laboratory, and equipment management. The relationship between the advisers and MoW staff has been amicable and beneficial to both parties.

Institutional co-operation between MoW and ILO was limited to one component, the Appropriate Technology Advisory and Training Project. Both parties expressed satisfaction at the level of co-operation.

### **The Need for Continuation of Current Support**

The establishment of the new roads agency TanRoads has been a major step towards a more efficient organisation of road management in Tanzania and it has already had a positive impact. The gains need to be consolidated by addressing all loose ends that hamper effective management of the sector. The reforms need to be supported to their logical conclusion in TanRoads as well as in the sector Ministry. Hence, there is need for further support to the road sector, not only to TanRoads, but also to the Ministry of Works.

### **The Rural Roads Issue**

Generally, rural roads constitute a complex issue with many actors and several parallel funding mechanisms. It appears that none of the actors has a

comprehensive overview of the situation and co-ordination seems to be almost non-existent. There is, consequently, a risk for duplication of efforts.

The urgent need for improving rural roads is agreed by all parties. The overall framework for development is, however, not yet clear. There is an urgent need for policy development and framework creation, and a national strategy for rural roads development is required. There are several parallel and un-coordinated funding mechanisms for rural roads, notably the overall government budget, the Roads Fund, the Tanzania Social Action Fund and various donors, and no organisation has a full overview of current spending. A comprehensive review of actual expenditure for rural roads is required and streamlining of funding mechanisms should be considered. Although rural roads fall under local government, there is a need for a national master plan to follow up the strategy. Such a plan should identify the need for funding of rural roads, the funds available for this purpose and co-ordinate and prioritise interventions and funding from the various sources.

The current organisations dealing with rural roads at the central and local levels all have serious capacity problems. The private sector capacity is also limited, mainly due to a shortage of small contractors capable of handling rural roads projects. There is, consequently, a substantial need for organisational and management development and capacity strengthening at all levels.

Rural roads may be seen as the unfinished part of the road sector reform. To rectify this situation, the reform process should now be re-focused to secure the gains made and further strengthen TanRoads and, additionally, to address the special problems related to rural roads.

### **Relevant Areas for further Co-operation**

The review of the current road sector programme has shown a need for continuation and completion of several components beyond the programme period. There is need for further support to the road sector, not only to TanRoads, but also to the Ministry of Works (MoW).

The rural roads review has shown that rural roads constitute a complex but highly important area for development. There is an urgent need for policy development and framework creation, and a national strategy for rural roads development is required. There is also need for a national master plan with an implementation programme to follow-up the strategy and to set priorities. The current organisations dealing with rural roads at the central and local levels all have serious capacity problems. The private sector capacity is also limited, mainly due to a shortage of small contractors capable of handling rural roads projects. There is, consequently, a substantial need for organisational and management development and capacity strengthening at all levels.

### **Outline of a New Road sector Programme**

It is recommended that the three areas for further roads sector co-operation as identified constitute the main components of a new sector-wide programme for institutional development of the sector. They are:

### ***1 Management and Organisational Development of Ministry of Works***

There are two major tasks ahead for the Ministry of Works. The first is to redefine and develop its role in accordance with the civil service reform programme taking into account also the local government reform. The second task is to secure effective and speedy implementation of the transformation process. There is a clear need for institutional development support to these tasks and both should form parts of the first main component of the new programme

### ***2 Management and Organisational Development of TanRoads***

Institutional development support to TanRoads will be linked to the ongoing process of consolidating and strengthening of the agency. Such support will to a large extent be a continuation of components under the current programme and should include organisational and management development with emphasis on capacity building, continued support to axle load control with emphasis on capacity building and replacement of old weighbridges, road safety with emphasis on demonstration projects, continued support to bridge management with emphasis on residual capacity rating and continued support to Central Materials Laboratory with particular emphasis on commercialisation.

### ***3 Rural Roads Organisational and Management Development***

Institutional development in respect of rural roads is particularly challenging and much support is needed. Overall sector framework development appears a priority in the short and medium term perspective. This is linked to clarification and operationalising of institutional arrangements and responsibilities.

Three activities are urgently required. They are a review of current institutional setting and policies on rural roads, rural roads public expenditure review and preparation of a detailed action plan for framework development. These activities would prepare the ground for a number of other activities needed for development of a national framework for rural roads. The most important in a medium term perspective are a national strategy for rural roads development, a national master plan for rural roads with an implementation programme and human resource development and capacity building at national and local level

### **Organisation of further Co-operation**

The recommended three main components of the new road sector programme relate to three different organisations at the central level. The first two are clearly linked to Ministry of Works and TanRoads respectively. The third main component is primarily linked to the President's Office - Regional Administration and Local Government. Due to practical reasons, it is recommended organising all three main components separately. Implementation should to the extent possible be based on the model for institutional co-operation applied successfully in the current programme.