



Forum

News

International Forum for Rural Transport and Development

Transport and Poverty

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Making Transport Work for the Poor

Reduction of poverty, especially in developing countries, is one of the key development objectives of the 21st century. It is therefore becoming a common practice to evaluate development policies and proposals on the basis of their potential to contribute to poverty reduction. Within the transport sector a similar trend is taking place, and the justification for public sector investments is shifting from the traditional objective of enhancing economic efficiency, to broader concerns of social impacts and equity. Traditionally, investments in transport are advanced on the basis of their contribution to improved economic growth via increased market integration and reduced costs of physical interaction.

This conventional model, whose theoretical foundations are derived from industrial societies, has demonstrated limitations when applied in the context of developing countries where subsistence and semi-subsistence forms of production dominate.

The International Forum for Rural Transport and Development (IFRTD) has, since its establishment, endeavoured to put the issue of pro-poor transport at the forefront of the development agenda. Currently many of IFRTD's affiliated national networks (aka NFGs) are involved in a variety of initiatives whose aim is to ensure that the transport needs of the poor are embodied not only in transport sector policies, but overall national policies such as National Development Plans and Poverty Reduction Papers.

This issue of Forum News brings you a number of perspectives on how transport can more effectively address itself to poverty. In presenting these perspectives, it is acknowledged that to date, there is an insufficient body of direct, empirical evidence concerning the impact of transport investments on poverty in developing countries. (This is pointed out by

the article 'Transport's Role in Achieving the Millennium Development Goals' and the Asian Development Bank's report 'Impact of Transport and Energy Infrastructure on Poverty Reduction'). The article 'Do We Value Time?' presents interesting findings upon which transport investments for the poor can be evaluated. Other articles present ongoing efforts from Indonesia, Senegal and Colombia to address poverty concerns within national policies and transport programmes.

Absence of a reliable body of conclusive evidence on how transport impacts on poverty may be perceived as evidence that there are no

links. Rather, it is symptomatic of failure in the past to design transport policies and programmes with poverty reduction as an explicit objective. Thus very few transport programmes can lend themselves to a systematic analysis of "before" and "after" data on poverty.

Many of the elements that can make transport more effective in addressing poverty are known. What remains to be done is to bring all of the

different elements together within one coherent theoretical framework. For example, it is clear that transport is a necessary input in achieving economic growth. Transport services facilitate market linkages and open new opportunities for trade and employment. Secondly, transport services facilitate development of human development and social welfare. This is through improved access to education, health and sources of information. However, for transport to have an impact on poverty there is need to have a more focused approach on interventions that increase access to economic and social development opportunities that can benefit the poor.

While access improvements have indirect impacts on the poor, direct impacts can also be achieved through employment opportunities

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Paul Stankey / IFRTD / IFRTD Secretariat

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in transport infrastructure projects, as well as the transport service industry. Delivery of infrastructure can be done in a way that optimises use of local labour and resources. Similarly, local transport services have the potential to provide employment opportunities to operators and providers of other support services. Bicycle taxis in parts of East Africa are an example of how this sector can employ local labour in large numbers.

To address the transport needs of the poor, transport policies need to go beyond the economic and engineering aspects that predominate in the sector. By looking at transport as being more than roads, bridges and conventional vehicles, the essential question of what transport is needed for becomes important. It also allows a clearer analysis of the transport problems confronting different groups of poor people in rural communities. The relevance of transport in poverty reduction is seen in the extent to which it helps improve access to goods and services that are important to poor people. Access is made possible by availability of basic services and goods, linked by reliable transport infrastructure, and affordable transport services.

Transport is necessary to achieve a wide range of objectives including economic growth, personal welfare, governance, empowerment as well as security. However the transport sector's potential for wider influence is curtailed by its poor links with other sectors, to whose objectives it contributes. The sector needs to address the following challenges. Firstly to move from a position of isolation and find clear interfaces with other sectors that are delivering on poverty reduction. This provides increased scope for more integrated methods of planning that involve optimal combinations of transport interventions and other service interventions. Secondly, to embrace an institutional and regulatory framework that embodies pro-poor principles such as; participatory approaches, the mainstreaming of social assessments, and the adoption of regulatory standards that support low-cost means of transportation and infrastructure.

Finally, the transport sector needs to increase its understanding of the links between transport and poverty and existing good practices. In this regard, there is much that can be gained by looking at the experiences of other sectors that have been working with poor people for many years. These include the sectors of agriculture, water, health and sanitation services. A common thread that runs through most of them is the institutionalisation of the principles of participation, cross-sector collaboration and partnerships, and an emphasis on balancing between hardware investments and software elements, focusing on local capacity building, local knowledge and the monitoring of impact.

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Demand for Affordable Water Transport Technologies

The floodplains of the Colombian Orinoco River and its tributaries are home to over 1,540,000 inhabitants, about 40% of whom live isolated and in extreme poverty. The pernicious cocaine economy of this region generates deep inequality exacerbated by the extremely high cost of rural river transport. These high water transport costs arise from the high price and scarcity of gasoline and the consumption patterns of those 'poor with money' who have become used to high specification fibreglass speed boats.

It is important to bring more affordable options to the isolated populations of the floodplains, for example, compensating wings and efficient propellers (both save energy), long tail boats, and the technology for elaborating aluminium boats. Awareness of alternative options, some of which existed in this region in the past, and appropriate technical knowledge inputs, could break the monopoly of externally imposed and expensive models.

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Indonesia Lays Strategic Foundation for Rural Infrastructure and Poverty

In times of both stability and crisis, infrastructure plays an important role in public investment. However as a recent World Bank study demonstrates, the provision of rural infrastructure (transportation, irrigation, energy, clean water, sanitation, telecommunications) does not receive adequate priority. Exploring the wide disparities between urban and rural infrastructure investments the study reveals that access to services in urban areas is two to five times greater than in rural areas.

In Indonesia previous rural infrastructure investments have failed to address the country's wider development objectives, particularly in the context of decentralisation and regional autonomy policies. Investments have lacked a framework for financial sustainability, and co-ordination and synchronisation at the planning, implementation and evaluation stages. Sufficient inputs have not been provided for the establishment of participatory approaches based upon the needs of rural communities, the strengthening of local institutions and organisations, and/or improvements to technical capacity.

The social impact of Indonesia's economic crisis has been serious. World Bank estimates suggest that the crisis has increased 'absolute' levels of poverty from 10% in 1997 to 14-20% in 1998. The Social Monitoring and Early Response Unit (SMERU) puts the figure at 13.8% by 1999 and other estimates have produced figures of up to 48%. The Indonesian Government's interim policy on poverty reduction has adopted 4 broad themes through which to achieve its targets; community empowerment, promoting opportunity, capacity building and social protection. Recognising the key role of rural infrastructure in poverty reduction and employment creation, and the need to address the lessons learned from the past the government has established a Co-ordination Team on Rural Infrastructure Development, assisted by ILO ASIST AP through local consultants. This team is a milestone in Indonesian infrastructure development, demonstrating the concerted efforts of various agencies and ministries to curb previous shortcomings and tackle rural infrastructure issues.

The co-ordination team will produce a series of documents culminating in an Indonesian Policy Paper on Rural Infrastructure Development. These documents will review national and international perspectives on rural infrastructure development in a wider development context, drawing upon lessons and experiences learned from previous programmes and projects. The document will serve as a foundation to pursue the Co-ordination Teams next task. The establishment of policies and strategies on rural infrastructure development and the development of an initial proposal for the pilot activities of an integrated rural infrastructure development programme.

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ADB Focus on Transport and Poverty

The Asian Development Bank (ADB), in collaboration with the World Bank, Japan Bank for International Co-operation and UK Department for International Development, has initiated a programme of regional technical assistance to assess the impact of transport and energy infrastructure on poverty reduction. The objectives of the technical assistance are to enhance current understanding of how transport and energy infrastructure and services contribute to poverty reduction, to fill gaps in empirical knowledge, and to identify lessons learnt and good practice that can be taken into account in future ADB interventions. The technical assistance will also help in the formulation of infrastructure components of national or regional poverty reduction strategies in selected developing member countries, building capacity in research institutions to design and conduct policy relevant research on poverty and infrastructure.

For more information:

Web: www.adb.org/Projects/Trans_and_Energy/default.asp
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Valuing Time

The travel time savings incurred through improved transport infrastructure and service development have a major impact on rural livelihoods in developing countries. The majority of rural travel and transport in developing countries is undertaken by poorer people walking and headloading on local roads, tracks and paths, so any improvement to local infrastructure and transport services has the potential to bring about large time savings through modal shifts. In the context of transport investments being made to reduce poverty it is essential that rural travel time savings, particularly of the poor, are valued, and factored into investment decisions.

In developed countries transport investment appraisals quantify travel time savings using standard unit values provided by an appropriate transport/highway agency, or

are estimated using an established national practice. In developing countries the practice is less well spread despite common recognition of the fundamental importance of travel time savings in economic evaluation. This is partly due to a paucity of empirical evidence to support the use of conventional models of 'value of time' in a developing country context, where work patterns, particularly of the poor are so diverse. This is particularly true of rural areas where informal employment and subsistence living predominate. Here the assumptions of the western concept; standard working hours, formal employment (wage earning) and journeys that can be differentiated as 'for work purposes' and 'for non-work purposes', are clearly invalid.

The challenge is to develop a method of valuing travel time savings for rural areas of

developing countries that takes into account the diversity of work and subsistence patterns, time use, and multi-purpose travel. Yet can yield values that are robust and simple enough for use in routine economic evaluation.

IT Transport a UK based consultancy firm, initiated a research project in Bangladesh to develop, empirically test, and disseminate, a methodology for deriving 'value of time' in least developed countries for the purposes of transport/accessibility project appraisal.

This research programme was funded by the DFID Knowledge and Research Programme. The full report is available at: www.transport-links.org

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Transport's Role in Achieving the Millennium Development Goals

At the Millennium Summit, September 2000, the states of the United Nations agreed upon the Millennium Development Goals (MDG) as a framework for measuring development progress. The goals focus the efforts of the world community on achieving significant, measurable improvements in people's lives, establishing yardsticks for measuring results, not just for developing countries but for rich countries that help to fund development programs, and for the multilateral institutions that help countries to implement them.

The MDG do not make significant reference to the role of transport in the development process, yet clearly the role of transport is not insignificant. As a service industry it contributes to the productivity and smooth running of almost every other sector and facet of life. A recent paper written by the DFID Transport Resource Centre (TRC) **'Transport's Role in Achieving the Millennium Development Goals'**

demonstrates that achieving these goals through single sector interventions is unlikely to be successful and provides clear evidence for the prioritisation of cross-sectoral transport investments.

The key purpose of the paper is to review the evidence that exists between transport and poverty, and hence to sharpen the focus of transport research on poverty reduction. Though there is no single over-riding indicator or relationship which demonstrates the link, the evidence presented endorses the fact that transport plays a very important role across all sectors and has a significant part to play in achieving each of the MDG.

It is clear that poor communities and individuals place a high priority on accessibility to services and opportunities. It is also clear that many of these services (health, education, etc) need the input of an efficient transport system to meet their own goals and targets. For example consider the challenge of gender

inequality in education as an example of a single sector intervention that would benefit from addressing the issue of transport. When the journey to school is identified as the main barrier it is clear that transport interventions can have a significant impact on achieving that goal. There are a range of issues that can be addressed, all concerned with the poverty impact of transport development. The challenge is to develop an acceptable rationale for prioritising the application of the resources that can be directed at this work.

A Policy Brief drawn from this TRC paper is under development.

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Relevant web links:

<http://www.developmentgoals.org>

<http://www.undp.org/mdg/>

Senegal's PRSP Highlights the Link Between Transport and Poverty

In its Poverty Reduction Strategy Paper (PRSP) Senegal identifies transport as a key tool for achieving development objectives over the coming decade. The poverty diagnosis carried out for the formulation of the paper demonstrated that insufficient income and access to basic services were among the defining factors of poverty. Poor people identified the difficulties that they face in accessing basic services, lack of livelihood security, and geographical isolation, as their primary problems. However recent studies have tended to focus more on the essential role of transport with regard to earning a living than on the provision of basic goods and services.

In urban areas transport related employment (eg. engineering, the sheet metal trade, spare parts, food provision, transport services) has aided poverty alleviation, in 1997 almost 10% of the modern non-financial sector was employed in transport and telecommunications. However in rural areas, home to 60% of the population and 80% of the poor, poverty is more closely linked to the level of access to basic services. Here the most common form of transport is still by foot. Health infrastructure is difficult to access, over 60% of the population live more than 15km away from any form of health care, and in the five poorest regions only 27-50% of the population has access to drinking water.

We can see that the transport sector both directly and indirectly affects the living conditions of the poor. The diverse and cross-sectoral nature of the consequences of improving transport systems may make the links between transport and poverty less obvious. However research undertaken for poverty oriented approaches such as PRSPs is highlighting the need to carefully consider how the transport sector will address the challenge of poverty reduction within its investments.

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News and Events

All about Maintenance

The Tanzania Roads Association (TARA) is a non-governmental organisation with a mission to work with and influence the government to plan and provide good roads and an effective road transport system. TARA has been organising Tanzania's Annual Roads Conventions since 1997 and these forums, which attract both national and international participants, have proved to be useful in the exchange of information and technology.

ARC 2002, the 6th Annual Roads Convention, took place on 26th and 27th November 2002 at the Karimjee Hall in Dar-es-Salaam. The Convention focused on all aspects of road maintenance; management systems, sustainable financing, capacity building, private sector participation and the relationship with poverty alleviation.

Lively discussions emanated from the papers presented. It was observed that a number of countries are now applying sound management systems in maintenance planning and have established sustainable financing mechanisms for road maintenance. It was the opinion of convention participants that more funds need to be channelled into road maintenance for the preservation of valuable and costly roads.

Recommendations/resolutions were drawn up from the Convention specific to each of the themes discussed. Participants and stakeholders were requested to consider the recommendations for implementation in their work, to ensure the sustainable maintenance of current and future road infrastructure.

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draft outline in which access as a factor in the provision of services was implicit within the text but lacked emphasis and clarification.

The draft outline also failed to differentiate between urban and rural and the consequences of these disparate situations particularly for the rural poor isolated from basic services by geography, economic constraints, poor transport infrastructure and a lack of appropriate transport services. Access constraints in rural areas lead to the exacerbation of time poverty, inequitable service distribution, compromise in the quality of service provision, and poor sustainability of established services.

Because rural access and mobility are not adequately addressed by traditional transport policies focusing primarily on large-scale infrastructure, IFRTD recommended explicit profiling of access issues within the WDR. Both as a pre-requisite for the delivery of effective services (supply) and to highlight the role of transport as a service itself (demand). The inclusion of access and mobility issues at the planning stage of service provision can provide a catalyst for influencing transport policy making, or addressing these needs through alternative channels. IFRTD recommended identifying access as an integral component of service provision and for the WDR to highlight the need for complementarity of services.

Representatives of the Bangladesh National Forum Group and The Uganda National Forum Group attended WDR consultations in their respective countries during January 2003. Look out for updates in future editions of Forum News.

For the latest information please look at the World Bank and IFRTD web-sites:

<http://www.ifrtd.gn.apc.org/proj/proj.htm>
<http://econ.worldbank.org/wdr/wdr2004>

or contact:

Kate Czuczman, IFRTD Secretariat (Contact details below)

Waterways and Livelihoods Seminar

9 - 12 April 2003

Pontianak, West Borneo, Indonesia

Does your country have areas where poor people use waterways to meet their livelihood needs during all or some parts of the year? Small rivers, lakes, canals, lagoons, or areas that are flooded for a considerable time? Have you thought about how people in these areas could improve their access and mobility? If you have grappled with these problems before or are only just beginning to think about them, then it is important that you do not miss this opportunity.

The **Waterways and Livelihoods** International Seminar, is the culmination of a research programme across 10 countries in Asia, Latin America and Africa to improve rural access and mobility through the development of rural water transport. This seminar will bring together the research and the experiences of seminar participants to produce guidelines for governments, donors and organisations working with the rural poor. Encouraging the integration of rural water transport into the planning, implementation and dissemination of their programmes to alleviate poverty and improve access and mobility.

The Waterways and Livelihoods Research Programme is funded by the UK Department for International Development's Engineering Knowledge and Research Programme. The Seminar is hosted by PUSTRAL and the Indonesia National Forum Group.

For more information and/or an application form contact the IFRTD Secretariat (See About Us box).

Making Services Work for the Poor

IFRTD aims to raise the profile of access and mobility issues across wider development debate and as part of this mandate a group of IFRTD members have been following the evolution of the World Bank's 2004 World Development Report (WDR) 'Making Services Work for Poor People'. In November 2002 the IFRTD team prepared a response statement to feed into a consultation on the draft outline of the WDR. The IFRTD response statement highlighted access as a determining factor for health, education and sanitation outcomes, and pointed out the dangers inherent in not recognising transport as a key issue until access constraints have become an impediment to effective service provision. IFRTD found the latter reflected within the WDR

More Solutions

With the last issue of Forum News you will have received a free copy of **Local Transport Solutions for Rural Development** by Paul Starkey. If you would like further copies please contact your local RTTP Co-ordinator (Africa) or Dieter Schelling at:

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About us:

The International Forum for Rural Transport and Development is a global network of individuals and organisations interested in addressing access and mobility needs as a means of eradicating poverty.

As a recipient of Forum News you are a member of the IFRTD global network, some of whom have joined together to form affiliated national networks engaged in networking, research and advocacy activities to effect change at country level.

The IFRTD Secretariat is a small de-centralised team, located in the UK, Senegal, Kenya and Perú, tasked with facilitating networking, advocacy, information and research initiatives among network members, nationally, regionally and internationally.

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Remember to take a look at the IFRTD website www.ifrtd.org

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