

Findings

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Good Practice
Infobrief



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Ghana: Highway Sector Investment Program

The objective of the project (IDA credit of \$100 million over the period 1997–2001) was to assist the Government of Ghana to increase economic growth by (a) maintaining, rehabilitating and reconstructing roads and (b) ensuring sustained improvements in the road sector by (i) developing and implementing cost recovery policies, (ii) building indigenous capacity in the public and private sectors, and (iii) improving financial management control in the road sector.

Impact on the ground

- Socio-economic studies undertaken during the implementation period show that improved road transportation has helped to generate growth and reduce poverty by lowering transportation costs and stimulating the development of markets. This has encouraged some of the farmers located in the corridors of the rehabilitated roads to increase production and has offered them the opportunity to do so by making it easier to obtain inputs and sell outputs.
- Overall transport expenditures on the rehabilitated routes have decreased by about 10 percent; there is an estimated increase of 25 percent in farm incomes; a 16.2 percent increase has been registered in the incomes of people engaged in commercial and service activities along the routes; there has been a 12 percent increase in industrial activities with a corresponding increase of 25 percent in the incomes of people engaged in this sector along the program roads.
- There has been an increase in average daily traffic of 9 percent and reductions in travel and waiting times of 22 and 30 percent respectively.
- The percentage of paved roads in good condition improved from 28.4 to 49.2 percent during the program period.
- Improved road transportation has made it easier for children to go to school, and for people to obtain medical attention and have regular interaction with agricultural extension officers.
- Support to the local construction industry was significant; local contractors were responsible for the execution of over 1,000 km of roads awarded under National Competitive Bidding.
- Guidelines have been put in place to address environmental issues related to the design and implementation of all road sector projects.

- Compared to the appraisal estimate of 259, 951 members of the Ghana Highway Authority (GHA) were given training.
- The GHA training of local contractors was very successful—a recent joint donor evaluation considers it “best practice.”
- Revenues to the Ghana Road Fund (restructured in 1997) increased steadily and were five times higher in 2000 than in 1996.
- Local participation and stakeholder forums have become institutionalized for rehabilitation, reconstruction and development projects, and communities are welcome to present their concerns at site meetings. Both the GHA and the road Fund Board have representatives from the private sector and road users as part of their memberships.

Lessons learned

- Capturing of the obvious benefits from the provision of road infrastructure needs to be done more systematically. Linkages between the new Road Sector Program and the PRSP must be defined and monitored to enhance the RSDP’s impact.
- The project attests to the importance of the program concept, which recognizes that road networks are interdependent, and thus improvements or extensions to the network must be planned within the context as the whole. This programmatic context also makes it easier to detect deficiencies and problems that need to be addressed for the whole system to work well. It also facilitates the adoption of standardized implementation procedures, which reduces the pressure on the government’s limited institutional resources.
- The adoption of a participatory approach helps to ensure that the right things are done first and are sustained.
- GHA’s structure, with an independent Board, may have contributed to fragmentation amongst the agencies responsible for roads. Consolidating the different agencies and departments under a single Road Authority may be a solution.
- Arrears to contractors remained a problem throughout implementation, illustrating the need for comprehensive road sector management and transparent reporting. The government needs to institute a procurement policy—this will help to promote transparency in the award of road contracts and avoid the arrears problem.
- The general acceptance of the fuel levy as a road user fee rather than a tax and the transparency of discussion on its functioning in public for a have been exemplary. Benefits should be regularly communicated to the public to strengthen support for the Fund and the principle of road user fees.
- For the most efficient use of limited resources, donor coordination is essential. The possibility of moving to a sector wide (basket funding) approach should be explored. The annual development partner conference supported by the Highway Sector Investment program became a powerful instrument in this regard.
- The government needs to institute a procurement policy this will help to promote transparency in the award of road contracts and avoid the arrears problem.

This Infobrief has been excerpted from Implementation Completion Report no. 24248. For more information, e-mail taddoashong@worldbank.org

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