

MANAGING ROADS FOR THE CUSTOMER

Friday 24 October 2003 (1.30 – 5.00 p.m.)

SESSION AGENDA & INTRODUCTORY REPORT

22.51.E

Session Agenda

Introduction

Prof. Ian G. HEGGIE (University of Birmingham/UK)

SESSION 1: Mature Road Agency Experience

1. New Public-Private Partnerships: Coping with the Changing Needs of the Customer

Mr. Takeo NAKAJIMA (Ministry of Land, Infrastructure and Transport/JAPAN)

2. Moving Towards Greater Involvement of the Customer: UK Highways Agency Experience

Mr. Andrew JONES (Highways Agency/UK)

3. History of the South African Roads Board: Bringing Road Users into the Decision-Making Process

Mr. Nazir ALLI (South African National Roads Agency Ltd./SOUTH AFRICA)

4. Facilitated Discussion and Lessons Learned

SESSION 2: Developing & Transition Country Experience

1. Involving Road Users in Management of Roads: the Zambian Experience

Mr. Henry CHIPEWO (Zambia National Roads Board/ZAMBIA)

2. Benchmarking State-Level Road Agencies and Measuring Customer Satisfaction in India

Mr. Guang Z. CHEN (The World Bank/USA)

3. Winning the Support of Road Users: The Case of Kenya

Dr. Frank NYANGAGA (Kenya Road Fund Board/KENYA)

4. Facilitated Discussion and Lessons Learned

Closure

Prof. Ian G. HEGGIE (University of Birmingham/UK)

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INTRODUCTION

This two-part session, organized by the International Road Federation (IRF), looks at the way road agencies around the world have been responding to the need to become more commercial and customer-oriented. In other words, how they have been responding to the need to “manage roads like a business, not like a bureaucracy.” In this connection, the term “customer” is taken to be synonymous with stakeholders, or with road users and the wider business community. For purposes of the discussion, the road agencies have been divided up into two groups:

- (i) those that are mature with a long tradition of consulting the public; and
- (ii) a selection of developing and transition countries that are aggressively working in partnership with their customers to improve road sector performance.

Each of the two sessions includes three formal presentations, followed by an animated discussion designed to draw out the “lessons learned.” The hope is that the lessons learned will provide guidance to other road agencies considering some form of restructuring to make them more responsive to customer needs and demands.

SESSION I: MATURE ROAD AGENCIES

The first session includes formal presentations on Japan, the UK and South Africa.

The Japanese presentation will be delivered by Mr. **Takeo Nakajima**, Director of the Road Bureau's National Highway and Risk Management Division. Between 1950 and 1980 -- the era of high economic growth -- Japan needed to expand the paved road network to deal with the rapid growth in traffic. The two legal systems, the Toll Road system and the Earmarked Tax system for Road Projects, met the crucial financial needs of road development. The partnership among politicians, the business community, trade unions, academia, road users, local governments and road lobbying parties effectively functioned, as the objective of road administration was straightforward: to cope with the rapid motorization. The Road Council, an advisory panel to the Minister of Construction, consisted of representatives of those stakeholders, and played a key role in formulating the five-year road improvement program, which has been the basis for post-war road development. As a result of intensive investments in road development, the road network has attained the minimum requirements quantitatively. However, taxpayers are not fully satisfied with the road administration, for it has failed to meet adequately the changing needs of the customer for a better traffic environment: safety, trafficability, amenity, reliability and roadside environment. It has also been found that the road administration, from planning through to management, should be a more transparent process with greater involvement of the public. The government, in addition to the conventional partnerships, needs to forge new partnerships to cope with the changing needs of the customer. There is growing collaboration with NGOs and volunteers in effective road development and management. More dialogue with stakeholders is required in formulating the road improvement program. The new partnership will play a key role in pursuing more efficient and effective road administration based on the changes and variety of the customer's needs. Mr. Nakajima will review these activities and report on their effectiveness.

The UK presentation will be delivered by Mr. **Andrew Jones** from the UK Highways Agency. The Highways Agency was established in 1994 as an executive agency of the Department responsible for transport. The establishment of the Agency separated the strategic policy role of government from the operational role of managing and maintaining the national road network, and delivering the government's road improvement program. Although the Agency has an Advisory Board, which includes three external members, that advises the Permanent Secretary on various matters related to the performance of the road sector, the main instruments for consulting and involving the customer take the form of road user's committees and a bi-annual report of the road user satisfaction survey. The main Road User's Committee was established in 1994 as a forum for discussing substantive operational matters. It consists of representatives of all main road user groups, with representatives of pedestrians and public transport. In 1998 regional Road User's Committees were established to undertake consultations at the local level. Finally, the Agency undertakes an extensive Road User Satisfaction Survey about every two years. The key objective of the survey is to evaluate the Agency's performance, to test the set of service standards included in the "Road User's Charter" and to compare how attitudes have changed over time. Mr. Jones will review experience with these structures for consulting/involving the customer and will comment on their effectiveness.

The South African presentation will be delivered by **Nazir Alli**, Chief Executive of the National Roads Agency, who will summarise the lessons learned from the South African roads boards over the years. The first Roads Board was established in 1935. It started off with six members, four representing the provinces and two appointed by the Minister of the Interior. Although it was assumed that provincial members would act “in the national interest”, the board quickly became ineffective, because the provinces expected their representatives only to promote their own local interest – not those of the road users as a whole. In 1948 the board was therefore replaced by another entity, the National Transport Commission, that consisted of seven members of which not more than three members could be public servants and the rest being appointed by the then Governor General on grounds of their experience in transport. However, all the employees of the NTC was serviced employees of the Ministry of the Interior. In 1971, with the promulgation of the National Roads Act, 1971 (Act 54 of 1971), the board was given the status of a body corporate and the members enlarged to eleven of which not more than four could be persons from the public service and the remaining being appointed by the State President. Although this board worked better than the previous board, it led to a large and controversial freeway program and to a large surplus in the road fund. With the fuel crisis in the 70’s, a slump in sales occurred which led to a decrease of some 65% (in 1973 Rand-real terms) of the income derived from the fuel levy which ultimately led to the abolishing of the fuel fund in 1988. In 1988 the Commission was replaced by a statutory body, namely the South African Roads Board consisting of 8 members which included members representing local government, the engineering profession, road users, industry and commerce. This board functioned surprisingly well and it was the private sector members – with their knowledge of business – who helped initiate South Africa’s successful toll road program using funds raised on the domestic capital market. In fact, the public-private board worked so well that in 1995 membership was further widened to 12 members to include more private sector representatives and a representative from academia.

In April 1998, the SARB was replaced by the Roads Agency, a Limited Liability Company under the Companies Act governed by a Board of Directors consisting of eight members, six representing the private sector, one being the CEO of the Agency and one representing the Department of Finance. Mr Alli will describe the evolution of their board, the role of the private sector members and the way their board has transformed the Agency’s customer focus over the years.

The discussion session following these presentations will focus on:

- (i) why do mature road agencies – South Africa excepted – show such reluctance to actively involve road users in decisions about road sector plans and priorities;
- (ii) do they believe that consultation is a genuine substitute for a Roads Board with executive powers;
- (iii) why is it that industrialised countries – including some that almost “invented” privatisation – show such reluctance to manage their roads like a business; and
- (iv) what is likely to happen in future in the context of so many other countries involving the customer through Roads Boards and Road Fund Boards with some executive powers?

SESSION II: DEVELOPING AND TRANSITION COUNTRIES

The second group includes formal presentations on Zambia, India and Cambodia.

The Zambian presentation will be delivered by Mr. **Henry Chipewo**, Chairman of the National Roads Board (NRB), who will describe the origins of the NRB and the various ways in which it attempts to involve the public in decisions about the level of road spending and the setting of priorities. The NRB is a remarkable institution and, in FY2000, was one of six individuals and organisations nominated by the World Bank for the prestigious IRF “Man-of-the-Year Award”. The citation read, *“For their fortitude in keeping going and building on incremental improvements in a difficult economic setting and in being an effective interlocutor between sector stakeholders and the government to keep the reform process moving forward.”* The NRB came into being after a workshop organised under the Africa Road Maintenance Initiative where road users stated that, “we are willing to pay for roads, provided the money is spent on roads, the work is done efficiently and we have some say in the setting of priorities.” As a bold leap of faith, the government went ahead and established the NRB to manage the road fund. However, this role quickly expanded the role of the NRB which became the main agency for planning, financing and implementing road works. Most members of the board are nominated by road users and the business community, they elect their own chairman and the private sector members are the only ones entitled to vote. Consultation and participation have been at the heart of the NRB’s agenda right from the start. They publish regular Newsletters, support a weekly radio program “Our Roads,” publish their accounts in the press and work closely with stakeholders on all matters related to roads. Mr. Chipewo will provide a brief overview of the board and its work.

The presentation on India will be delivered by Mr. **Alok Bansal** from the World Bank Office in Delhi. India has chosen a somewhat different approach to stakeholder consultation and participation. They have decided to benchmark the performance of State level road agencies, using a model similar to that used in Australia by AustRoads. Under this program, road agencies in States like Andhra Pradesh, Gujarat, Karnataka, Kerala, Mizoram, Uttar Pradesh and Tamil Nadu are all starting to publish performance measures related to the adequacy of maintenance, maintenance cost per km, etc. However, the real innovation relates to inclusion of an index of road user satisfaction in these performance measures -- how satisfied are the road users at the service they are receiving and does road spending offer value-for-money. Mr. Bansal’s presentation will deal in some detail with the first comprehensive survey of Road User Satisfaction in Karnataka. The survey included structured interviews, qualitative in-depth interviews and focus group discussions. The target groups for the survey included road users, households, business and trade associations, opinion leaders and – because of the dominant nature of agriculture – farmers. The survey focussed on safety issues, factors causing irritation, the quality of road side amenities, signage, overall satisfaction levels, awareness of what was being done in the road sector and evaluation of the road agency’s performance.

The presentation on Cambodia will be delivered by Professor **Tetsuo Yai**, a member of PIARC's Committee C2 and former chairman of JICA's advisory committee. He assisted a JICA study team working with the municipality of Phnom Penh. The presentation will focus on the way public relations and public involvement were used during preparation of the transport master plan for Phnom Penh metropolitan region in Cambodia. It will provide an overview of the master plan and stress the importance of several joint activities such as traffic safety campaign including TV film commercials and a children's drawing contest to raise awareness of road safety issues, a two-month bus demonstration project to make the public understand the usefulness of public transit and to collect operational and passenger data to help plan future bus services, and spontaneous cooperative road improvements designed in consultation with local communities. The importance of the master planning process was communicated to the public through public relations and public involvement. The master plan was approved as the official plan of the municipality and some of the projects identified in the plan have already been implemented.

The discussion session following these presentations will focus on:

- (i) why do developing and transition countries feel it necessary to involve stakeholders in decisions about the road sector;
- (ii) what tangible benefits has this involvement brought about;
- (iii) is direct involvement in a decision-making board preferable to arms-length consultations and participation;
- (iv) are the stakeholders constructive or destructive partners in the road sector; and
- (v) what would these countries advise other countries considering a more active role for stakeholders in managing and financing the road sector.

PROGRAMME

Chairman: Professor Ian G. Heggie, University of Birmingham, UK

Session I: Mature Road Agency Experience

13.30 – 13.50	New Public-Private Partnerships: Coping with the Changing Needs of the Customer, Mr. Takeo Nakajima, Director of National Highway Risk Management Division, Japan Road Bureau
13.50 – 14.10	Moving Towards Greater Involvement of the Customer: UK Highways Agency Experience, Mr. Andrew Jones, UK Highways Agency
14.10 – 14.30	History of the South African Roads Board: Bringing Road Users into the Decision-Making Process, Mr. Nazir Alli, Chief Executive, South African National Roads Agency
14.30 – 15.00	Facilitated Discussion and Lessons Learned

Break for Tea/Coffee

Session II: Developing & Transition Country Experience

15.30 – 15.50	Involving Road Users in Management of Roads: the Zambian Experience, Mr. Henry Chipewo, Chairman, Zambia National Roads Board
15.50 – 16.10	Benchmarking State-Level Road Agencies and Measuring Customer Satisfaction in India, Mr. Alok Bansal, World Bank Resident Office, New Delhi
16.10 – 16.30	Public Relations and Public Involvement in Preparation of the Phnom Penh Metropolitan Transport Master Plan, Professor Tetsuo Yai, Tokyo Institute of Technology, Tokyo
16.30 – 17.00	Facilitated Discussion and Lessons Learned