

# Sector Development

## Transport Sector Organization

At the central government level, the road and highway administration is one of a number of modal administrations contained within or, preferably, located at “arm’s length” from the ministry of transport.

Other modal administrations or offices commonly include aviation, railroads, maritime, and public transport. The ministry itself has crosscutting offices on topics such as policy and planning, safety, and research. Two points are important regarding relationships with the central transport administrations: first, that transport planning is conducted within broad policy objectives and budget allocation (or income source) set by the central government and the ministry of transport; and second, that coordination between transport administrations is required on intermodal planning issues.

## Road and Highway Sector Organization

Within the road and highway sector, two general models exist for the division of responsibilities at different geographic levels and among departments at each level. First, within a national or regional administration, responsibilities are commonly divided functionally. Functional divisions frequently include construction, maintenance, planning and design, technical assistance, administration, and finance. A set of geographic offices may also be designated (regions within a country, or districts within a region) to implement some construction and maintenance activities locally. The current trend is toward decentralization of responsibilities.

In most situations, the broad intersectoral coordination, policy-making and resource allocation occurs, or should occur, politically at the highest level. Once this is done, the transport sector is managed vertically. Multi-sector projects are voluntary local activities rather than results from the design of sector organization. With this broad principle, which is violated in some countries, there is a rich array of institutional configurations. The emerging trend is clear: decentralization, greater private sector and user participation, and predictable financing mechanisms.

In some federally organized countries, the federal government not only funds the (trunk) roads but also is the owner, planner and manager. The functions of this central organization are changing rapidly. The (federal) Ministry, as the representative of the general-purpose government, is responsible for the mission, policies, goals, funding mechanisms and sector oversight, but it has no road management functions.

The trunk road system is delegated to the States or provinces so that there basically are two or three road owners: the State (part of a federal organization or unitary), the local governments, including the municipalities, and private entities or road cooperatives. In some countries there is an intermediate level of (elected) government (such as the county in the US), but this is not common or it is declining in importance.

There will continue to be, of course, national or federal roads. For these roads the federal government sets the design standards and the process of giving exceptions to them, and arranges the funding mechanism (road fund, general fund, etc.). The public authorities are responsible for managing the national network, and may receive national/federal aid to do so.

There is oversight. Part of that oversight, and a condition for receiving the federal funding, could be maintaining those roads in a certain condition and updating the road data bank, including road condition surveys (this is indispensable for money allocation). Other conditionalities for receiving funding could also be set e.g. traffic safety activities.

### Road Ownership and Management

Principally, the government is the owner of the national roads and other levels the owners of the local roads. Private roads (sometimes called community roads) are increasingly owned and managed by the beneficiaries. These principal road owners establish Highway or Road Authorities or a similar name. In the Toolkit we standardize with Highway Authority as meaning an agency of government responsible for managing the highway system as delegated by the concerned Ministry. The Highway Authority that makes the long range and short range plans for the owners' road networks, ensures continuity with them and each other, and manages them.

Within the government, road management functions can be further decentralized--this is the trend--to the regional offices of the national Highway Authority. Local governments also have their Highway Authorities, which may be departments within a larger public works organization, or they contract these functions with the local, regional or State Highway Authority or a private entity. In large metropolitan areas there can be multimodal and multijurisdictional coordinating and planning agencies. Increasingly, there is competition in service delivery. Private sector producers design, build and maintain the roads. Competition will take care of regional differences in geology, geography, etc. and will make the allocation of resources between regions more transparent. For numerous reasons, many States and local governments maintain a direct labor force for road maintenance and operations. However, the trend is toward private sector service delivery of these activities.

### Highway Authority Emerging Trends

Two issues, financing and the responsibilities of the Highway Authority, are undergoing rapid change. In financing, the principle of cost recovery is beginning to enjoy broad acceptance. Regional differences, past policies or future goals and, importantly, if the tariff on vehicle fuel is the user charge mechanism, require that a representative body composed of the road owners and the road users do the allocation of funds between the road networks. This is often called the "Road Board/Road Fund Board".

The Highway Authority also requires a clear method for dividing its budget between its regional offices. In some countries, there is no "Road Board" but the Ministry of Transport (or several Ministries) carries out that function. The Ministry defines the budget for the

Highway Authority and may or may not provide budget monies for the local governments' and private owners' roads.

The Highway Authority is the agent of the road owner and manages the road network. It must have the skills to communicate with a large number people--people affected by the network — to translate the broad road sector goals into a road network plan, and the technical ability to implement the plan.

In order to do this satisfactorily the Highway Authority must undertake numerous activities: track and learn from the past, gather intelligence to understand the present, predict or project the future, plan and coordinate with other relevant actors, sponsor research or experiment with new technologies, and supervise the physical plan implementation process.

### Functional Classification

Functional and administrative classification of roads is fundamental to road management both in urban and interurban areas. Functional classification has a variety of uses including assigning jurisdictional responsibility, system planning, distribution of funds, evaluation of road space needs, access management, design standards, and data collection, to name a few important activities in a Highway Authority.

According to their function, four different levels of networks are identified: national (primary or main trunk) networks, regional networks (also known as secondary, departmental or state networks), rural networks (including community roads, tracks and trails), and urban networks (in turn functionally classified). For sector authorities to be able to establish accountability for the conditions of the road networks, each of these network levels must be placed under a clear management structure and legal ownership.

Functional classification should be based on data on population and employment centers and traffic volumes, from which an appropriate hierarchy of travel routes can be identified. The density of the road network by functional class is also an important consideration, and should be consistent with the region's level of income and economic activity; a rural area with low incomes cannot support a dense network of high-class or even low-class roads. Once a functional classification system for the road network has been established, administrative responsibilities can then be assigned to national or local agencies as appropriate. See the following report for additional guidance on functional classification:



World Bank Transport Sector: Roads and Highways knowledge base on Institutional and Management Structures for Roads  
<http://www.worldbank.org/transport/roads/inst&sm.htm>