

# Institutional Framework and Reform

## Managing Institutional Change

A road management structure should be designed to meet the key outputs that road users consider essential and at the same time provide the efficiency that should be inherent to the private sector. The cost of poor road management and inadequate road financing are borne primarily by road users.

Structures which exist to manage roads range from traditional government public works departments through to government-owned commercial companies. The further you move toward a company structure, the greater the focus is likely to be on the efficient use of funds and customer satisfaction.



Revision of State-of-the-Art Contingent Liability Management. Almeyda and Hinojosa. 2001.



Managing Performance of a Highway System in the 21st Century, R. J. Dunlop. PIARC XXI World Road Congress (Kuala Lumpur). 1999.

The various ways of moving towards a company structure may involve contracting out implementation to the private sector, learning effective ways of contracting out, recruiting and paying capable staff, and setting up sound management structures and appropriate management information systems.

These reforms improve market discipline, give managers the freedom to operate commercially, and strengthen managerial accountability. They also encourage objectivity in setting priorities, adopting quality assurance programs, comparing in-house work to that done by contractors, and evaluating appropriate technology for road works.

It appears from the other sections of the Toolkit that many organizational structures can be developed for road management. However some aspects are paramount:

- Accountability
- Efficient use of funds
- Customer satisfaction
- Responsibility for safety and environmental concerns.



Commercial Management and Financing of Roads. I. Heggie and P. Vickers World Bank Technical Paper N°409. 1998