1. Country and Sector Background

Introduction: According to the findings of the Nigeria Rural Development Sector Strategy developed in 2001 with broad stakeholders involvement including the Bank and other development partners of the country such as the United States Agency for International Development (USAID), the British Department for International Development (DFID), the Food and Agricultural Organization (FAO), the International Food and Agricultural Development (IFAD) and the African Development Bank (AFDB) amongst others, the rural sector is central to Nigeria's development strategy. The sector employs nearly half of the country's labor force, generates one third of its Gross Domestic Product (GDP), and accounts for about five percent of its total export. Unfortunately, four decades of government interventions have not yielded desirable results leading to the existence of the following broad strategic issues: (i) about 70% of the rural population remain poor, malnutrition and infant mortality rates are high; (ii) rural incomes are lower than they were twenty years earlier; (iii) agricultural exports are almost nonexistent; (iv) human development in terms of education, health, income inequality and rural environmental quality remain largely negative; (v) rural infrastructure lag behind that of urban; (vi) capacities of local governments and rural civic organizations have lagged behind growth in population; (vii) production techniques have remained rudimentary despite significant efforts aimed at their development; and (viii) market institutions have yet to be firmly established. The document concluded that a broad based approach agricultural growth and rural development is needed to address these broad strategic issues in agriculture and rural development in other for the sector to contribute to the reduction of poverty among rural Nigerians which it characterizes as:

(a) rural mass deprivation manifested in -

- inadequate access to socioeconomic infrastructures and the basic social amenities such as feeder roads, health and education centers, sanitation facilities, water supply, electricity and markets;
- limited employment and income generating opportunities due to absence of commercial and industrial facilities or lack of necessary resources to establish them;
- inadequate access to agricultural resources especially land, credit facilities, extension services and inputs; and
• environmental and natural resources degradation such as decertification, loss of fertility, environmental pollution and over-population.

(b) individual deprivation manifested in -
• inability to sustain and house oneself in adequately, afford basic necessities to meet social and economic needs and to obtain gainful employment; and
• physical insecurity, lack of skills, inadequate assets, ignorance, and powerlessness to improve one's situation.

It is to be noted that according to the 'Poverty Profile for Nigeria, 1980-1996' carried out by the Federal Office of Statistics of Nigeria, during the sixteen year period covered by the report, the proportion of urban and rural households that are poor in 1996 stood at 59% and 70% respectively. Moreover, the proportion of core poor in Nigeria moved from 6.2% in 1980 to 29.3% in 1996 and the proportion of moderately poor rose from 21.0% in 1980 to 36.3% in 1996.

Nigerian rural areas lack the enabling infrastructure needed for both the transformation of rural space and the enhancement of productivity and welfare of their dwellers. This deficiency is one of the major constraints to rural development which contributes to significantly accelerating lack of access, reducing mobility and increasing impoverishment.

Addressing the broad rural development strategic issues: In recognition of the characteristics of its diagnosis, the Strategy adopts a holistic approach which recognizes the linkages between the social sectors, infrastructure, governance and the farm and non-farm economies based on the following five principles of (i) nonintervention - reflecting the need for new policies to have goals that are clear, publicly debated and well accepted for public sector interventions; (ii) consistency - policies to be implemented over a period of time to allow assessment of their success or failure and be sufficiently funded; (iii) participation - policies to be defined with broad public consultation and implemented with transparency and accountability unlike historic practice characterized more by authoritarianism; (iv) sustainability - responding to the need to address past absence of financial, technical and institutional sustainability in past rural development efforts; and (v) greater equity - to address historic inequalities in the allocation of resources between rural and urban and between rural dwellers requiring that efforts be focused on reducing inequalities and raising incomes. Effective application of these principles is said to require a new role for the state in rural development which sees state institutions playing a more focused and stable role with their roles clearly defined, their capacity strengthened, financing on a more stable basis and their role in service delivery and facilitation clearly defined.

Main road sector issues.

In Nigeria, a major hindrance to sustained growth and poverty reduction is the poor state of social and physical infrastructure. These facilities are inadequate and poorly maintained. In the case of roads, according to the Transport Sector Reform Implementation Committee (TSRC) 2002 Report, the 193,200 km (2000) Nigerian road network resulting into a road density of 209 km per 1000 sq km and 1.61 km per 1000 population is still below the average of 2.8 and 1.61 respectively for West Africa in 1980. The road network consists of 32,100 km (Federal Roads), 30,500 km (State Roads) and 130,600 km (Rural Roads). The total asset value is conservatively estimated to be about $20bn.

The core problem of the road sector in Nigeria is the almost complete lack of maintenance at all levels (federal, state and local government), and the absence of a rational planning and road investment system based on economic criteria. This has led, and is still leading, to a wastage of resources and to an erosion of the investments made in the road sector. This situation causes huge costs to the economy in terms of additional vehicle operating and road rehabilitation costs. Resulting total costs to the economy have been
estimated at 150 billion Naira per annum, or 3.5% of GDP.

In view of this situation, the Bank has, in the past, sponsored a road management and financing reform initiative at federal level which was to commercialize and modernize road sector management, as promoted by the Sub-Saharan African Transport Program (SSATP) in many other African countries, based on world-wide experience. A draft National Road Board (NRB) Bill was prepared and presented to government. Unfortunately, however, the Federal Ministry of Works and Housing (FMWH) had shown little interest in the reform and presented an alternative bill for the creation of Federal Road Maintenance Agency (FERMA) to parliament. Meanwhile the FERMA has been created. However, it has been left without designated funding and is therefore likely to be ineffective. Unless the FMWH adopts modern road management and financing practises, it is not advisable for the Bank to engage in the road sector at the federal level, other than maintaining the policy dialogue to build commitment to sector reform.

Under the community driven development (CDD) pillar the Bank is currently executing or preparing a number of interventions directed at local government and community levels e.g Community based Poverty Reduction Project; LEEMP, and Fadama. It is likely that a substantial share of such investments will be allocated to the rehabilitation and construction of community roads. Based on past experience in Nigeria and experience elsewhere, however, it is feared that roads constructed with the above financing instruments will not be sustainable unless at least the following conditions are fulfilled:

- A clear road sector policy and strategy is formulated defining in particular ownership and management arrangements
- Sustainable channels for central-to-local transfer of adequate funding for maintenance on a permanent basis are established
- Capacity for the management of these roads is created. Creating such capacity, however, at the decentralized levels is hardly efficient, and provision of management services through the private sector and higher level government is required

States are considered to be the appropriate level for the creation of road management capacity. Many federally organized states, such as the United States, Brazil, India, have delegated the management of all roads to the state level. While ownership of the various networks (federal, state, local government) remains with the respective governments, management of these networks (and particularly maintenance) has been delegated to high capacity state level road agencies. In the context of the former Multi-State Roads Projects in Nigeria, the State Highway Departments proved to be efficient implementing agencies, after provision of adequate training and technical assistance. Their key constraint was inadequate maintenance financing. These State Highway Departments could provide the nucleus for the capacity building effort in the proposed state based rural roads project.

*State, Local Government and community* roads traversing rural areas are crucial in the delivery of livelihood activities of rural dwellers. The *State* road network consists of major roads linking towns with the *Federal Trunk* and *Secondary* roads connecting important towns and villages with state headquarters. *Local Government* roads integrate the rural production areas with the Local Government Headquarters, markets and consumption centers. They are generally of gravel or earth road standard and are narrow and circuitous as they try to avoid steep gradients and deep valleys and are mostly only seasonally usable. The community roads are non-engineered earth roads and tracks constructed and maintained by communities. There is, however, no legal framework that clearly allocates responsibilities for these roads to the communities.

The present network of rural roads is estimated at 130,000 km, and are important for national development in general and social and agricultural development in particular, especially in the rural areas. Since 1980s, the Federal Government has financed construction and rehabilitation of rural roads through the World Bank
assisted Agricultural Development Projects; the National Food Program of the Ministry of Agriculture and Rural Development; the Directorate of Food, Roads and Rural Infrastructure (DFRRI) program; and the 1993 Petroleum Trust Fund, created to collect tax and user charges on petroleum products for improving key economic and social infrastructure. However, in planning road construction associated with these initiatives, inadequate provision was made for their maintenance. Over the years therefore, the road network has suffered from inadequate routine maintenance, neglect of periodic maintenance and the absence of emergency maintenance in areas affected by flood, storms and other natural calamities. The poor state of the roads has led to high vehicle operating costs and unreliable, unsafe and unaffordable road transport operations. By 2001, over 90,000 km of rural roads was estimated as needing rehabilitation implying an investment of US$1.8 billion at about US$20,000 per km.

There are a number of institutions involved in the management of rural roads including:

i. National Planning Commission responsible for the assessment of funding needs of all sectors and inter-sectoral resource allocation.

ii. Federal Ministry of Works and Housing responsible for road sector oversight including setting of standards and procedures.

iii. State Ministries of Works and Transport (36) responsible for planning, designing, construction and maintenance of state roads,

iv. LGAs (776) responsible for the construction and maintenance of rural roads. However, have very little capacity to do so.

The skeleton of rural transport infrastructure (RTI - this terms includes rural roads, track, paths, footbridges, landings, etc.) in the rural areas is characterized by ineffective road construction and supervision, poor road maintenance culture, traffic growth and increase in the number of overloaded vehicles, all which accelerate the rate of rural roads deterioration. Local governments own the greatest percentage (67) of rural roads but have limited human, technological, material and financial resources for the routine maintenance of such roads. Also, too much emphasis is placed on high standard design and use of capital-intensive construction technology, which escalate the cost of construction. It is important to acknowledge that there is willingness on the part of rural communities to contribute labor for infrastructure improvement and maintenance. The deficiency of rural transport infrastructure and facilities in rural areas drastically reduces the scale and diversity of livelihood of rural dwellers. Also, it seriously limits and raises the cost of their access to administrative, socioeconomic services and the outside world. In fact, the provision and improvement of roads and waterways ranks first among the felt development needs of rural community leaders. There is willingness on the part of rural communities to contribute in kind (e.g. their labor) towards improvements to and maintenance of RTI.

The riverine and the Niger Delta areas have been isolated from the rest of the country due to poor interconnectivity of transportation routes resulting in poor economic development of these areas. The water transport services too are not planned or scheduled leading to over-concentration of routes to the detriment of others. Intra-rural travels are low due to lack of speedboats. There are landing problems at the jetties and landing sites. Water safety consciousness is lacking as there are no safety regulations and life jackets are not generally used. There is poor institutional framework for management of waterways.

In summary, the key issues in rural transport are poor coordination from the center, inadequate funding and capacity to plan, design, and supervise execution of works at the state and local government levels and the inadequate inclusion of communities and civil society in decision-making. These may more specifically be formulated into the following four key strategic issues for the rural travel and transport sector: (i) how to develop adequate and sustainably maintained RTI; (ii) how to develop sustainable cost effective and efficient rural transport services (RTS); (iii) how to reduce the time and effort spent on carrying out
household activities; and (iv) how to optimize the contribution of rural transport actions to poverty reduction.

Government Strategy

The development of the Nigeria Rural Development Strategy was complemented by a similar effort to develop policies and strategies to remove constraints imposed by inadequate access and mobility in rural areas. That exercise is currently being finalized in the form of a National Rural Travel and Transport Policy and Strategy (NRTTPS) involving extensive stakeholder consultations.

To address the above issues, the federal government through MARD and with the assistance of the Rural Travel and Transport Program of the Sub-Saharan Transport Policy Program (SSATP), has developed a National Rural Travel and Transport Policy and Strategy (NRTTPS) that is consistent with the National Rural Development Policy and Strategy (NRDPS). The NRTTPS is founded on the following principles:

(i) Transport is viewed as a system, composed of different elements, but with a strong interrelationship between them; therefore, treating specific transport problems in isolation is inadequate – without paths/tracks, the community roads will bypass villages and farms; without the rural feeder roads the truck roads will bypass community/trading centers, and without the truck roads, rail lines and ports exchange of goods at the national and international level cannot take place. Thus, all levels of the transport system complement one another.

(ii) Transport is a service, a derived demand, which has to respond to the needs of the sectors that generate the need for transport. The key objective for transport is to cost-effectively help other sectors achieve their objectives. Therefore, more emphasis is required on inter-sectoral collaboration in framing interventions.

(iii) There is a need for much more realistic assessment of resources that are available and likely to be available in the foreseeable future and a greater emphasis on the need to maintain and use existing and to provide for new ones only where justifiable and to do so using appropriate selection, design and construction methods; and

(iv) Good governance is critical to effective delivery of services at the grass roots level to promote equity in the distribution of resources within society. The government therefore places a high premium on openness, transparency and accountability, probity and effective leadership in the implementation of the policy.

Guided by the above principles, the government’ stated policy objectives on rural travel and transport and strategic choices are to: (i) develop adequate and sustainably maintained RTI to provide communities with all year round basic access employing technologies that create rural employment; (ii) develop sustainable cost-effective and efficient rural transport services by promoting the use of IMTs to enhance the capacity of rural dwellers to improve their livelihood, and to effectively take advantage of available socioeconomic opportunities/ markets; (iii) address crosscutting issues such as gender, HIV/AIDS, environmental degradation (especially soil erosion and afforestation) by paying due regard to how they are impacted upon by policy actions and thus ensuring that the needs of vulnerable members of the communities are adequately addressed; and (iv) optimize the impact of direct transport interventions on improving rural livelihood by undertaking complementary non-transport interventions such as the provision of wells, grinding mills, etc. and promoting employment creation and income generation activities to the extent possible in the implementation of the policy.
2. Objectives
The overall project development objective is to assist participating states and local government councils sustainably improve access and mobility in their rural areas and thereby contribute to the improvement of their rural livelihood through: (i) ensuring project sustainability by strengthening the capacity of rural stakeholders (government, communities and private sector) to identify, design and implement interventions that contribute to improving rural livelihood in a manner that empowers rural dwellers; (ii) rehabilitation and maintenance of rural transport infrastructures to facilitate improved farm to market linkages and contribute to overall rural development efforts; (iii) diversifying the options available to rural dwellers to meet their movement needs through increased and enhanced provision of rural transport services using conventional and intermediate means of transport; (iv) promotion of non-farm employment and income generating activities that are demand driven and implemented by rural dwellers especially those related to the provision of small scale rural infrastructures which contribute to reducing the time and efforts associated with traveling; and (v) strengthening the capacity for the coordination and management of policy implementation at the federal level thereby facilitating resource mobilization and the wide-spread adoption of good practice examples.

3. Rationale for Bank’s Involvement
The Bank and the Rural Travel and Transport Program (RTTP) of the Sub Saharan Transport Policy Program (SSATP) have been assisting the government for some time to develop a sound rural transport policy. This exercise has been done with wide stakeholder consultations. The Bank therefore has a holistic knowledge of the issues that need to be addressed by the project and interacted with a broad stakeholder group. Moreover, the Bank has been involved in similar projects in other countries where it has taken the lead. In addition, the Bank is often seen by the countries and their other development partners as best positioned to assist in the broad mobilization of needed resources and provision of technical guidance during implementation. In the particular case of Nigeria, through its other projects impacting upon rural development, the Bank is able to facilitate through this project the holistic approach to rural transformation which underlies the government' rural development strategy.

4. Description
The proposed Rural Access and Mobility Project is planned as the first phase of a possible series of assistance to address the chronic constraints posed on rural development in Nigeria by the inadequacies in the level of transport access and mobility available to rural dwellers through implementation of the national rural transport policy. A number of states would be competitively selected (draft selection criteria has been agreed with the MARD), based on willingness to go ahead with up-front appropriate road sector management and financing reforms. The number of states allowed to participate initially is proposed as six. Provision is however made for the design of follow on projects in the expectation that more states will want to replicate the project' approach. Each participating state will be expected to make an upfront commitment to the financing of their road network to the required extent based on need.

Across all the components, the gender and social impact of proposed interventions will be given specific attention to ensure that the project responds to the needs of the most vulnerable. In addition, as part of the social analysis, HIV/AIDS impacts will be determined and mitigation actions incorporated into project interventions.

The project is presently seen as having six components as follows:
Capacity building and institutional reforms: In the six participating states, activities will be focused on strengthening the capacity of rural stakeholders to identify, design and implement interventions that contribute to improvements in their livelihood. It will involve (a) reform of public sector agencies responsible for management of rural transport infrastructure, provision of training and introduction of modern road planning and management systems (creation of State Highway Authorities would be encouraged); (b) development of legal and institutional arrangements that better empower the local government and communities to participate in the management and provision of rural transport infrastructure and services; and (iii) facilitating the creation of community driven approaches to the identification of needed interventions.

Rehabilitation and maintenance of rural transport infrastructures: Planned activities under this component will lead to the establishment of sustainable and permanent road maintenance funding arrangements, preferably through state based and user controlled road funds; strategic investments in the rehabilitation and maintenance of critical links of the state rural road system which would ensure access from the agricultural production zones to markets, improved access to social and economic services, and linkage of the local government and community road networks to the higher level road network. Interventions would predominantly concern local government and state roads. However, occasionally spot intervention might be required and justified on the (rural) federal road network in a state.

Rural mobility improvement: The objective of this component is the development of strategy and implementation of enhanced provision and use of public transport services including intermediate means of transport. It will involve the private sector and community based organizations and involve demonstration projects on the promotion of animal traction, two wheel vehicles and other.

Promotion of nonfarm employment and income generating activities: This component is aimed at optimizing the benefits of project activities to the rural dwellers especially the poor and vulnerable. It includes measures for the promotion of labor intensive work methods thereby creating jobs, training of local contractors using this approach thus promoting rural enterprise, and providing advice and support to local stakeholders wanting to establish SME to provide various services within the rural transport sector thus improving their livelihood.

Federal Project Coordination Unit: The project will be coordinated at the federal level through a Coordination Unit (the Rural Travel and Transport Unit in DRD has been so designated). This coordination unit will also be in charge of monitoring and evaluating the implementation of the project and draw findings to prepare the scaling up of the institutional design for the whole country. It will receive Technical assistance for this purpose.

Preparation of future phases: The principal activities under this component are: (i) preparation of rural transport development plans for six more states; (ii) gender and social assessment for the six states for which rural transport development plans have been prepared; (iii) creation and operationalization of a national database on rural travel and transport; (iv) consultancy to undertake a progress review of the implementation of the national rural travel and transport policy; (v) consultancies and technical assistance for linking implementation of the NRTTPS to the road sector as a whole and thus facilitating the adoption of lessons of experience from RAMP into transport sector policy and implementation activities; and (vi) technical assistance to facilitate wider transport sector reform in response to progress in dialogue in this regard at the federal level.
5. Financing

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<th>Source (Total ( US$m))</th>
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<td>FOREIGN SOURCES (UNIDENTIFIED)</td>
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<tr>
<td><strong>Total Project Cost</strong></td>
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6. Implementation

The project will be implemented over a period of five years from October 2005 to September 2010.

Overall project coordination and oversight will be by the Department of Rural Development principally through its Rural Travel and Transport Unit (RTTU) which will have day to day responsibility for the coordination and management of the project. The Unit will also establish and maintain the monitoring and evaluation system for the project by which the DRD will report on project progress and impact to a National Steering Committee on Rural Travel and Transport Program (NSCRTTP) at their twice yearly meeting. The DRD will serve as the secretariat of the NSCRTTP as it has done during the preparation of the RTT policy and strategy. The principal role of the NSCRTTP are to (i) generally, monitor implementation of the NRTTPS; (ii) see how lessons emerging from RAMP can be taken into account in the general implementation of the NRTTPS; and (iii) resource mobilization for national implementation of the NRTTPS, especially with regard to the aligning of government and donor resources to be consistent with the provisions of the NRTTPS.

The project will be implemented by the state agency responsible for roads under the oversight of a State Project Monitoring Committee (SPMC) which will comprise representatives of relevant state level agencies such as those responsible for rural development and agriculture, finance and economic planning and their local government counterpart and some representatives of civic organizations and NGOs. The principal role of the SPMC is to ensure that RAMP is being well implemented and to assist in resource mobilization for executing rural travel and transport interventions consistent with the NRTTPS. It is expected that the SPMC will meet on a quarterly basis and provide a report on its deliberations directly to the DRD. A representative of the DRD shall attend meetings of the SPMC.

States will be encouraged to set up State Road Authorities (SRA) and where this is the case, this agency will be the principal implementer of the project responsible for the overall management and coordination of project activities within the state (technical guidance, financial management and reporting, procurement and financial management) and work supervision on state and local government roads. It will provide technical support to local governments in their road network development and planning functions. At the local government level, the responsible for the project activities will be the relevant planning agency, the objective being to ensure that proposed interventions are positioned within the framework of overall planning for the development of the recipient local government area (LGA) and or community. This agency will work with other agencies of the local government as necessary to ensure effective coordination and implementation of project activities at the local government and community levels. It will provide the interface for communities and civic organizations participating in the project.
The DRD will have overall responsibility for project monitoring and evaluation through the RTTU. It will be supported in this regard by each of the state level agency responsible for the project who will be required to establish monitoring and evaluation frameworks at the state, local and community levels consistent with the overall design provided by the DRD.

7. Sustainability
The key to the sustainability of this project is the adoption and effective implementation of road sector reforms along world good practice. Only states willing to undertake this reform will participate in the project. Consultants experienced in the design and implementation of similar reforms will be engaged to assist these states undertake the detailed design of the reforms. Only competent staff will be recruited into these agencies and these will be given further training as needed. The key test of success of the reform, as in many other countries, is the timely availability of sufficient funding for required road maintenance and none diversion of funds allocated for such works to new road construction or rehabilitation.

8. Lessons learned from past operations in the country/sector
The key lessons learned from past operations in the sector within the Africa Region and world-wide and reflected in the proposed project are as follows: (i) public sector agencies are not the most efficient deliverer of services and private sector involvement in road sector management and financing (through the type of reforms proposed under the project) lead to more transparent, cost effective and sustainable approaches to the mangement of a road network; (ii) a transport network acts as a system in contributing to the achievement of stated development objectives and a holistic approach therefore is required to its definition, planning, provisioning and maintenance. This requires that the needs of its different elements (trunk roads, rural feeder roads, community roads, etc) be considered in determining needed interventions; (iv) in the rural areas, building roads is not enough. Attention also is needed on the way the road is built such as to optimize its contribution to the development of the rural economy and the way it is used in other to improve rural mobility. This requires that opportunities for use of labor intensive road works methods be optimized and enhanced use of alternative transport means be promoted; (v) use of an inclusive approach to the identification of project interventions promotes their acceptance and their sustainability; and (vi) the contribution of the transport sector to poverty reduction needs to be clearly seen especially in rural areas where access and mobility constraints plays such an important part in creating isolation and thus denial of access to the rural population of opportunities for their betterment.

9. Environment Aspects (including any public consultation)
   Issues : The issues will be determined during project preparation. They will in nature be significantly influenced by the geographic location of the participating states and local government areas. Generally, these may relate to proneness of some areas to erosion, and the possible effect of deforestation. However, it is expected that all major works will be within existing road right of ways. It is planned to prepare an environmental assessment of the project including mitigation measures as part of project preparation. It is planned that during project preparation, the Ministry of Agriculture and Rural Development and participating states will be assisted to strengthen their institutional capacity to discharge their due diligence responsibilities with regard to environmental and social issues. The key stakeholders expected to be involved in dialogue on environmental issues are the state, local governments and communities in the project areas. The Federal Ministry of Environment will also need to be involved as the agency responsible for approving EA Reports within the country.

10. List of factual technical documents:

11. Contact Point:

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12. For information on other project related documents contact:
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   Fax: (202) 522-1500
   Web: http://www.worldbank.org/infoshop

Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.