

3 Fully Rewarding Service Delivery : Integrated Approach

Problems of Uncoordinated Implementation of Individual Projects

It has been pointed out often enough that individual infrastructure projects were appraised and designed independently from one another and that the resultant delivery of infra services was lacking in coordination and thus inefficient and unsustainable. The lack of coordination is most serious regarding project priority. Individual projects and individual project executing agencies employ divergent criteria for prioritization. Sectorwide (or multi-sector) master plans that would apply a common set of priority criteria and coordinate between project executing agencies have been either absent, or the existence of such plans has been mostly ignored for various reasons. One of the major causes of uncoordinated project implementation has to do with the problem of governance in the developing world: arbitrary and unjustifiable selection of project sites, frequent interference by political bigwigs, loss of interest in specific projects after every change of government, the growth bias among policy makers against poverty reduction and environmental conservation and so forth. The donor countries and institutions also contributed to the lack of coordination by their divergent strategies of development assistance, their overlapping project proposals, and their different ways of processing the project cycle which often take long paper pushing time.

A Case of Inefficiency Caused by Inadequate Coordination

• *Sewerage Development in Baguio, the Philippines (1984)*

A sewerage plant was constructed but its annual operating rate remained low, because the city government failed to rehabilitate the underground sewers as initially stipulated. The government was too financially strapped, partly because of the expenditure required to cope with the typhoon dama

- *We need technical cooperation on the methodology of integrated planning for river basin development and railway system integration linking different railways. (Answer to the interview in Malaysia)*
- *We need technical cooperation to develop the capability for managing the wider dimension of project implementation, such as wider-region distribution of freight and person trips as related to the construction of a port. (Answer to the interview in the Philippines)*
- *We gained project management capability as well through the OJT training in civil engineering technology. (Answer to the interviews in Thailand and the Philippines)*

Toward Consistency in Comprehensiveness

Efficient and effective attainment of the ultimate goals of infrastructure development requires consistency in the approach to individual project preparation and implementation. This becomes possible when the priority among project proposals is determined by a common set of criteria derived from the envisioned goals for infrastructure development. The consistent prioritization of projects can be compiled as a sectorwide (or multi-sector) master plan, thus enabling to schedule the optimum

allocation of scarce funds and other resources. Admittedly, a considerable number of sectorwide (or multi-sector) programs have been formulated, but most of them failed to play out their intended role to full extent. One of the reasons was the inadequate institutional arrangement for coordinating related government departments and ministries in developing countries. Another was the equally inadequate coordination arrangement between donors. In order to have infrastructure projects play their role as efficient and effective foundation for achieving pro-people development goals, it is necessary, more than ever, to make the convincing case to the policy makers of developing countries over the crucial importance of consistent program approach.

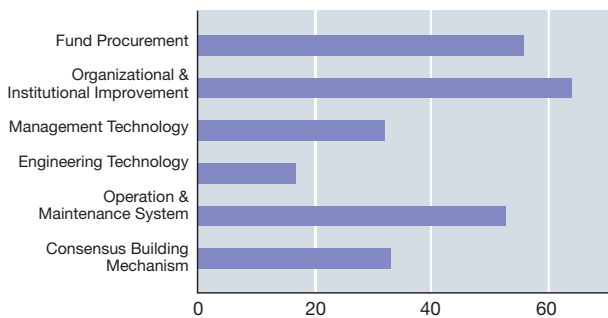
Integrated Approach to Infrastructure Development

The integrated approach is definable as a statement of commitment where the development goals proposed by the government of a given developing country are translated into a consistently prioritized bundle of relevant project proposals, related institutional supports and policy instruments, with clearly stipulated agenda of project implementation schedule by designated executing agencies or organizations. The approach is not new, but given the redefinition of pro-people infrastructure, the scope of work for the approach must be expanded and scaled up. To improve the efficiency of infra service delivery, it is necessary to intensify the efforts to build institutional, human and policy-making capabilities. The integrated approach should be applied not only to a single sector but across multi sectors. This calls for the high-level policy commitment to the program components, designated executing and related agencies, issues to be addressed, and the sectorwide or multi-sector strategies on priority. To make this kind of policy commitment truly effective, it will be necessary to provide intellectual supports to high-level policy decisions in addition to the existing programs of JICA technical cooperation and grant aid.

Proposals on Integrated Approach

The interest in the integrated approach has been regaining intensity in recent years, but the proposed approaches vary in specific components and emphasis. The World Bank offers the Comprehensive Development Framework (CDF), emphasizing that wider ownership and participation of each recipient country should play the central role in the development framework. Regarding sectoral development, there is a growing interest in the so-called sectorwide approach (SWAs), wherein the donors and the policy makers of a recipient country select a single sector and formulate a consistent program of projects and policy instruments for subsequent implementation (Japanese Ministry of Foreign Affairs, Q&A on Economic Cooperation, pamphlet).

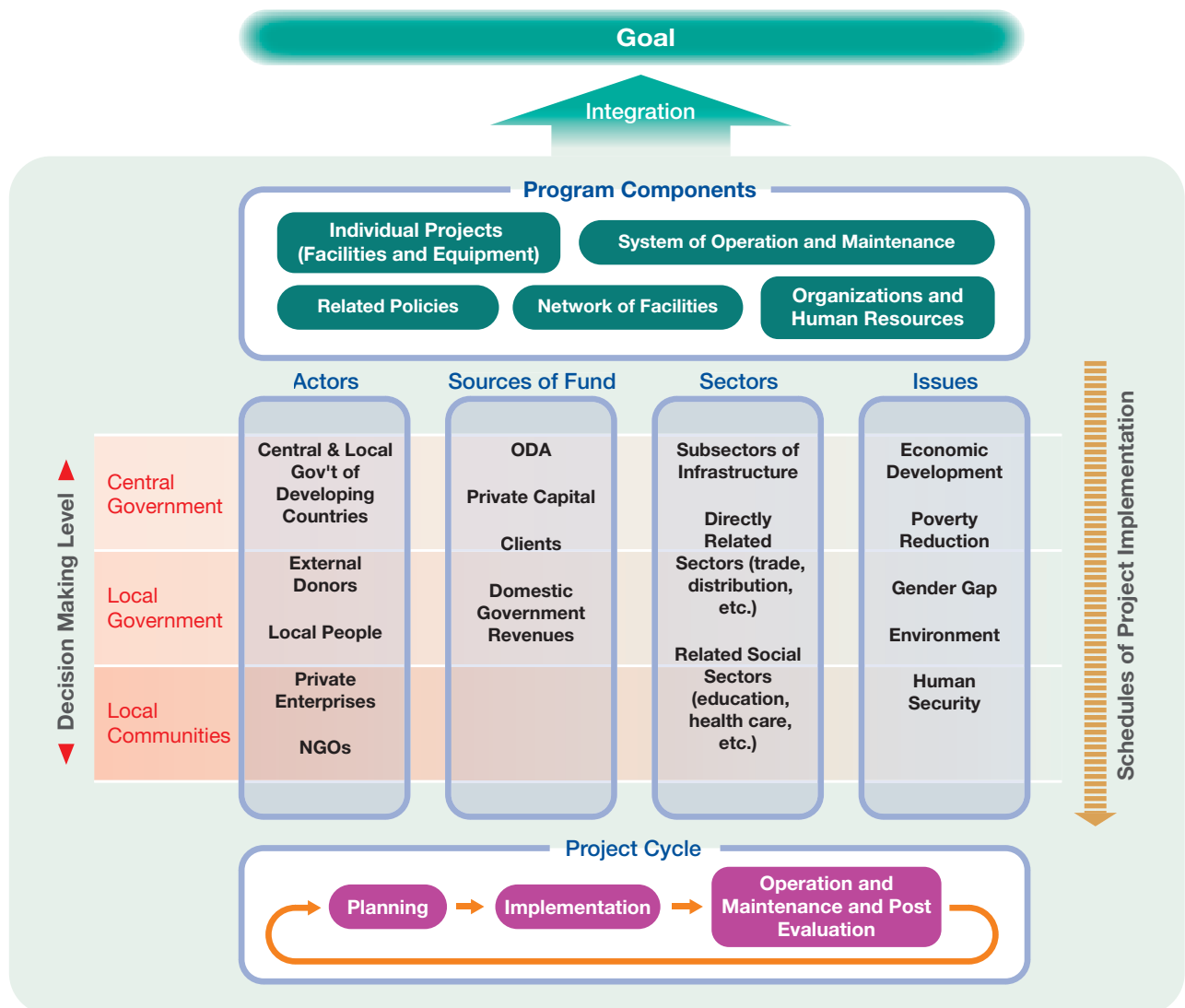
Necessary Conditions to Improve Infra-Services : Findings from the 2003 Questionnaire in Thailand (number of answers)



Examples of supportive policy instruments to improve the efficiency of infra-services

- Customs office provided at international terminals
- Participatory operation and maintenance of irrigation systems; organization of water users' cooperatives
- Drinking water supply with appropriate charge scales and charge collecting system
- Intra urban road development with traffic demand management system
- Industrial estates with institutionalized incentives for private investors

Framework of Integrated Approach



Criteria for Priority Evaluation: Increase and Integration

Efficiency in reaching a given goal can be best assured by assigning the order of priority among necessary actions. For efficient infrastructural development, it is necessary to define a set of criteria to determine priority among projects.

• *Increased Range of Criteria*

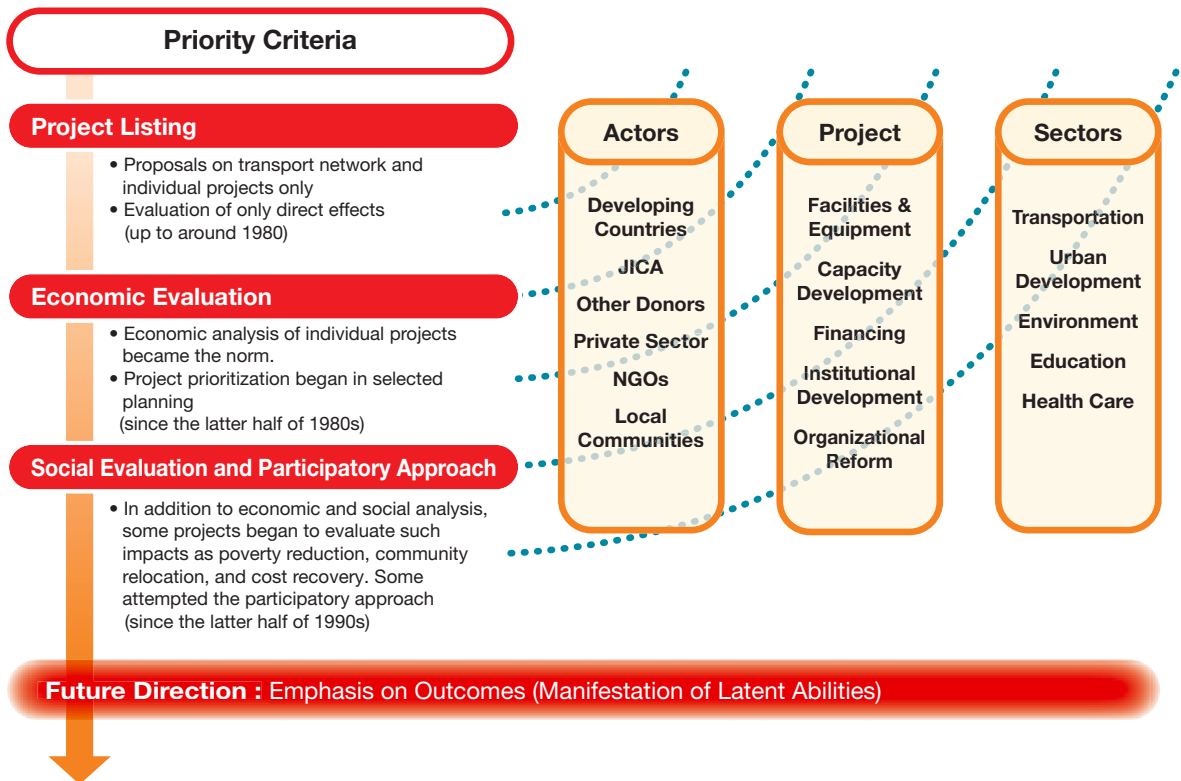
The initially used criteria for project priority were few, limited to the facility scale and the output of a project. The range of criteria was then expanded to include economic, environmental and social impacts. It has been easier, or at least less difficult, to define the criteria for economic and environmental impacts that are more objectively and scientifically quantifiable. A variety of criteria devised for the social impact are yet far from being established, partly because it is much harder to have indices for evaluation widely agreed upon. An expansion in the range of criteria is now called for to evaluate the redefined pro-people infrastructure. But this increase creates the almost intractable difficulty of weighing and establishing the relative importance among criteria for all to agree. The common practice to cope with this mire of disagreement has been to let someone's subjective and/or political judgment have the last say. For the pro-people infrastructural development, it is necessary to introduce the participatory dimension to this subjective and political judgment phase. The relevancy of such judgment must be ensured by keeping the transparency of decision making. JICA and many other donor organizations have prepared the guidelines for environmental and social consideration required of development projects, and in-

cluded therein the procedure of public consultation or similarly participatory process. In order to make this process truly work, it is essential to explain clearly the tradeoffs among criteria. The expanded range of criteria is closely interrelated with the scope of projects and impacts that are envisioned for a given goal. Along with the expanded range of criteria, actors and sectors covered by project evaluation grow in number: executing and supporting agencies, directly or indirectly linked sectors, and a diversity of stakeholders in the infra service delivery of a given goal

• *Selective Integration of Criteria*

The evaluation of an infrastructure project will soon extend to the outcome of infra service delivery, i.e. what types of actors would acquire manifest capabilities, how far and when their capabilities would build up through the service delivery by the proposed project. This may make it possible to selectively integrate the increased criteria for prioritization. At the present moment, no uniformly established methodology or technique is available to categorize and evaluate the "outcome". However, major donors have begun to support field-level initiatives in which various attempts are being made to clarify the components of "outcome" and to find suitable ways to measure some explicit aspects of these components. In other words, the intellectual support of this type will make important contribution to the policy-level decisions and eventually help establish some appropriate methodology for evaluating project outcomes, including the selective integration of criteria for prioritization.

Criteria for Project Priority and the Scope for Project Evaluation



Programs for Poverty Reduction

To accelerate economic growth and thereby realize the sustained improvement of people's standards of living, infrastructure development is, of course, necessary. But this often entails the widening of poverty gap, between regions and between the rich and the poor in the developing world. In order to lessen such consequences and redistribute the benefits of economic growth to the poor, the integrated approach must include the pro-poor consideration. It is also important to make explicit policy commitment to the issue of poverty reduction. Technical cooperation on the integrated approach to development must include the intellectual support for capacity development needed to make relevant policy decisions on different levels and spheres of activity.

• National and Regional Levels

The integrated approach should target those regions where the bulk of population is poor. The integrated programming of project proposals should focus not only on poorest areas but on their accessibility to other areas, envisioning the increased commerce and other spheres of interaction. As mentioned earlier, infrastructure tends to widen regional disparities, but this can be understood to mean that infrastructure development has the power to make poor areas less poor and narrow down regional disparities. In other words, infrastructure development is the effective policy option for national and regional or local governments to counteract distributive disparities. As will be discussed later, the integrated programming must consider the appropriate balancing between core infrastructure and secondary or feeder infrastructure.

• Sectors

The issue of poverty reduction is too intractable for a single-sector approach to suffice. It is essential to adopt the integrated approach with strong and effective pro-poor commitment. In the sphere of agricultural and rural development, for example, direct investment in irrigation facilities need be combined with the promotion of non-agricultural productive activities to increase the household income of the rural poor, and further complemented by the investment in rural roads and water supply facilities to improve their living standard. To this must be added the investment to improve the disaster preparedness, because the rural poor are extremely vulnerable to natural disasters.

• Executing Agencies and Other Actors in Infra Service Delivery

The investment in infrastructure is normally very expensive. It is extremely difficult to collect user charges sufficiently to pay for the running costs, let alone the recovery of investment costs. It is often unrealistic, to say the least, to make all potential users pay high service charges. It is necessary to provide the access for the poor by subsidizing a special service delivery arrangement. Regarding the operation and maintenance,

certain types of infra services can be best left to the participatory operation and maintenance by local communities. In this respect, it is necessary to provide appropriate training programs for community leaders and members.

Tailoring Technical Cooperation for Different Levels of Decision Makers

Crucial decisions have to be made on different levels of government and society. Regarding the integrated approach, the high level decisions must be made, first of all, on national policy commitment to such an approach and then on the common criteria for evaluating the priority of project proposals. Especially crucial is the decision on how to treat distributive issues, such as regional disparities, poverty traps and gender gaps, in the integrated approach to infrastructure development. These decisions require the impartial and high-level capacity to grasp the real issues, envision the goals in the long-term future and rationally find ways and means toward the goals. Intellectual supports for building such decision making capabilities will play a pivotal role in the technical cooperation programs of the future.

The intellectual supports are basically meant for decision makers in important official positions. Specific contents of intellectual supports must be determined in relation to the tiers of official positions which entail different authorized ranges of decisions, and also in relation to the nature of a given development issue. On the level of central government, national and sector development planning and programming offer a variety of decision making focuses for intellectual supports. On the regional or municipal government level, regional or urban development planning will do the same for possible intellectual supports. Regarding the level of communities, the participatory approach will require technical cooperation to build decision making capabilities of actors participating in the process.



Cyclo waiting for fares (Ho Chi Minh City, Vietnam)

Integrated Approach and Technical Cooperation by Level of Decision Making: An Example

Decision Making Level	Major Issues	Areas for Intellectual Supports
Central Government	<ul style="list-style-type: none"> • Conservation of National Land Area • Better International Relations • Reduction of Regional Disparities • Economic Growth • Poverty Reduction • Sectorwide Strategy • Environmental Conservation etc. 	<ul style="list-style-type: none"> • Program preparation (selection of program components, coordination between executing agencies, etc): Formulation of national development plan, supportive legal enactment or revision, fiscal and public finance reform, critical appraisal of development assistance offers • Major program components: supportive legal enactment or revision, capacity building (policy making capability, etc.), effective negotiation with donors, revision on standards for project design, etc. • Priority decisions: priorities among sectors, regions and major development issues • Pro-poor consideration: Policy revisions for income redistribution, designation of priority regions, and revision of subsidies, participatory approach to encourage local environmental conservation, formulation of guidelines on economic, social and environmental requirements of project preparation and implementation, etc.
Regional & Municipal Government	<ul style="list-style-type: none"> • Social Welfare (Education and Health) • Poverty Reduction • Supports to the Handicapped • Environmental Conservation • Coordination with Other Municipalities etc. 	<ul style="list-style-type: none"> • Program preparation (selection of program components, etc): Formulation of urban or regional development plan, supportive enactment or revision of municipal ordinances, decision on municipal tax , etc. • Major program components: supportive enactment or revision of municipal ordinances, capacity building (technical and managing personnel), effective coordination with other municipalities (on infra services across municipal boundaries), direct consultation with local communities, training of community leaders, cost-sharing with service users to ensure sustainability, etc. • Priority decisions: priorities among sectors and among classes of potential beneficiaries • Pro-poor consideration: formulation and execution of major policy tools, appropriate subsidization, formulation of guidelines on community-based participatory operation and maintenance, etc.
Local Communities	<ul style="list-style-type: none"> • Local heritage and culture • Poverty Reduction etc. 	<ul style="list-style-type: none"> • Program preparation: participation in municipal policy making process • Major program components: operation and maintenance of community-level infrastructure, participation in policy making process (e.g., on relocation of local inhabitants), capability development of community leaders, etc. • Priority decisions: Participation in decision making on timing of project implementation • Pro-poor consideration: collection of water charges and profit sharing or redistribution, community-based participatory operation and maintenance, etc.

Actions by JICA

JICA has been strengthening its issue-specific and region-specific capabilities as well as upgrading the functions of its overseas offices, with clear commitment to the promotion of the integrated approach in infrastructure development in its technical cooperation agenda. Primary focus will be on the organizational, institutional and human dimensions of development needed for the integrated approach. In view of the growing trend of globalization, JICA recognizes the mounting importance of infrastructure development across borders and will support the formulation of cross-border transport development strategy in Africa, Middle East and Eastern Europe. Regarding the urban sector where the complex problems of land use, transportation, water supply and sewerage, housing and so on are closely interlocked, it is considered necessary to pursue the integrated approach.

JICA has been supporting integrated rural development projects in many parts of the developing world, and plans to fine-tune its technical contribution by devising methods to improve the sustainability of rural projects. Concomitantly, intellectual supports will be expanded and strengthened for building decision making capabilities of key actors in rural development.



Inter-Island Causeway (Maldives)

4 Concepts for Designing Empowerment : Pro-Poor Project Designs

Requirements for Pro-Poor Designs

Regarding specific project proposals selected and prioritized in the integrated approach, the engineering aspect of project design poses no problem. However, the pro-poor aspect of project design is a new challenge, because the past experience is very limited. The pro-poor consideration can be put into practice on two levels in the infrastructure sector.

One level is to design an entire project by directly targeting the poor. The other level is to design a supplementary project in such a way that the poor can access the core economic infrastructure (e.g. major transport facilities). Projects of the former type require an integrated approach based on the understanding of needs and social characteristics of local poor beneficiaries. Projects of the other type are necessary vis-à-vis many existing physical assets that fail the poor, and also need to be included in new investments. There is much to be studied on the exact mechanism wherein an investment in core economic infrastructure evolves to generate a favorable outcome of poverty reduction and other social development. There is no systematic knowledge of how the details of design might affect a given project's impact on poverty reduction. It will be important for the time being to study the outcome of various projects and accumulate relevant information.



A Bridge to the Next Village (Fiji)

Four A's for Pro-Poor Designs

Availability : Presence or absence of basic infrastructure services

- Provision of access roads to connect poor disfranchised communities to the urban road network (complementary pro-poor projects)
- Construction of communal facilities (e.g. water pumps) in poor localities (direct pro-poor projects)

Accessibility : Removal of physical and social barriers

- Construction of feeder roads to connect to the arterial road; various measures to offset the negative impact of a new arterial road which cuts across local lanes and alleys (complementary pro-poor projects)
- Construction of rural roads to connect to the arterial road; improvement of farm-to-market roads (direct pro-poor projects)
- Provision of a pier for small boats at a major port (complementary pro-poor projects)

Affordability : Pro-poor pricing of basic infra-services

- Preferential measures for public transportation means vis-à-vis private automobile ownership (complementary pro-poor projects)
- Low-cost house connection to water, electricity and gas for the poor; subsidized service delivery for the poor (direct pro-poor projects)

Acceptability : Tailoring of services to suit local culture and customs

- Participatory development of tertiary irrigation channels and farm roads, as exemplified by Food for Work programs (direct pro-poor projects)
- Organization of water users cooperatives (complementary pro-poor projects)
- Provision of public transportation service acceptable to women (complementary pro-poor projects)

Actions by JICA

Pro-poor projects are not very many in the infrastructure sector. They are mostly small projects. Because nothing much is known and recorded about the possible poverty reduction impacts of large-scale economic infrastructure projects, JICA has begun to collect relevant information to understand the mechanism of poverty reduction, and is also making joint preparation with other organizations to study design details of large infrastructure projects implemented by concessionary loans.