



1. Project Data:		Date Posted : 03/01/2004	
PROJ ID: P038091		Appraisal	Actual
Project Name: Road Improvement and Traffic Safety Project	Project Costs (US\$M)	389.30	308.37
Country: Turkey	Loan/Credit (US\$M)	250.20	202.32
Sector(s): Board: TR - Roads and highways (94%), Central government administration (5%), Health (1%)	Cofinancing (US\$M)		
L/C Number: L4048; L4049			
	Board Approval (FY)		
Partners involved :	Closing Date	03/31/2003	03/31/2003

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2. Project Objectives and Components

a. Objectives

- i) The reduction of road transport costs through infrastructure improvements and the protection of past investments through rehabilitation and strengthening of paved highways .
- ii) The improvement of traffic safety in state and provincial roads .
- iii) The improvement of the operational efficiency of the General Directorate of highways (KGM) through the implementation of management systems and computerization .
- iv) An improvement in the consideration of environmental factors in project selection and design

b. Components

- i) A Road Improvement Program, comprising the strengthening or upgrading of about 600 km of high priority state roads and about 300 km of rural (provincial) roads and town passages
- ii) A Road Safety Traffic Program that included : improvement of road sections identified as black spots, provision of road safety materials for improved traffic management, provision of equipment for law enforcement, medical equipment to improve emergency response, educational equipment and literature for carrying out road safety campaigns in selected schools, creation of an Accident Data Bank and technical assistance and training for agencies involved in traffic safety .
- iii) An Institutional Development Program consisting of the introduction of various management systems and computerization for KGM.

c. Comments on Project Cost, Financing and Dates

Following an earthquake in Marmara, the Government of Turkey (GOT) requested that \$24 million of project funds be diverted for the repair of the Istanbul-Ankara expressway and this amendment was approved adding an additional objective. However, KGM subsequently decided to finance the works from domestic resources because it wanted to expedite the repairs by following procurement methods that were contrary to the Bank's procurement guidelines . The GOT then formally requested that the new objective be dropped and the Bank approved this request .

Because of experience on past projects with KGM, the Bank decided that it would not finance cost overruns due to continuous changes in design and that it expected compliance with procurement guidelines, including not awarding contracts where inadequate counterpart funding was available resulting in long delays before project finalization . Bank staff were not successful in convincing KGM to reverse this practice in this project, however . The Bank subsequently decided not to extend the original closing date and this led to the cancellation of 21 million Euros of loan funds and lack of time for the Borrower to complete the procurement of several contracts .

3. Achievement of Relevant Objectives:

As a result of the decision not to extend the project closing date, only 356 km (60%) of high priority state roads were upgraded against an expectation of nearly 600 km. Three sections of road were unfinished at project closure and had

to be funded and completed by KGM. Some 300 km of rural road upgrading was to have been financed by KGM, but this component was massively down-scaled as KGM gave priority to the safety improvement program. Only 5% of the amount originally allocated by KGM for this item was actually spent. The rehabilitation of town passages was not so severely affected, but even so just under half of the US\$ 21.55m indicated at appraisal was expended.

The Traffic Safety Program, which had a very high priority, was less severely affected and 70% of the funds planned for the improvement of accident black spots and 94% for the procurement of traffic safety equipment and materials were utilized. This component had sufficient critical mass to be deemed a success and resulted in a measurable reduction in traffic accidents and fatalities.

The improvement of the operational efficiency objective was for the most part not achieved. KGM wanted to expand the scope of the proposed pavement management system to include a comprehensive highway information system, which proved too complex to bring to fruition under this credit. No progress was made in convincing KGM to change its inefficient methods of contracting major works, despite ongoing discussions on this matter between the Bank and KGM. The only positive factors were a small amount of training completed and KGM's continuance to reduce its total workforce size.

The reason for the inclusion of the environmental objective appears to have been a need to emphasize the importance of environmental concerns in this project. Since there was no environmental management plan, the achievement was limited to assuring that environmental factors were taken into account during the design of the components financed by the Bank.

4. Significant Outcomes/Impacts:

Road safety was profiled as a serious and important issue. 317 accident black spots were improved which led to a reduction in road accidents. Methodologies for further improving road safety were incorporated into the National Road Safety Program, where possible. Gazi University Hospital's emergency response capability was upgraded as a model for other hospitals, the traffic police were trained in traffic law enforcement at the accident scene and a safety training program was introduced for the national elementary school system. A highly successful traffic safety workshop was organized in cooperation with the Turkish Parliament. Government also approved the new National Road Safety Strategy as the formal guideline for road traffic safety in Turkey.

Despite the cutbacks described in section three above, several four-lane highway links and a major traffic interchange were completed, as well as a number of town passages. A considerable amount of safety-related equipment was also procured. Some incremental progress was made towards competitive bidding.

The Bank's decision not to extend the closing date focused attention on KGM's operational inefficiency and some corrective measures have already been taken by the GOT.

5. Significant Shortcomings (including non-compliance with safeguard policies):

The decision not to extend the project closing date meant that twenty per cent of the project was not completed.

Very little was achieved under the operational efficiency component, largely due to KGM's decision to expand the original concept into a complex highway information system which required greater resources, considerable negotiations with other agencies and specialized skills beyond the capabilities of the implementing agency.

The environmental objective received limited attention, but this was because, to some extent, it was overtaken by events with the establishment of the Ministry of the Environment and a new environmental unit at KGM.

The lack of trust between the implementing agency and the Bank is disturbing and, since this is primarily a governance issue, could have been taken up at a higher level at an earlier stage.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Satisfactory	[The ICR's 4-point scale does not allow for a "moderately sat." rating]. Project was not fully completed and little progress was made with the institutional development program.
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Unsatisfactory	The implementing agency continued to

		press forward with its inefficient and defective methods of contracting for major works, despite continuous dialogue on this matter. It extended the scope of the pavement management component without the capability to handle the more complex proposal. Its attitude on differences in approach was that if there was disagreement on any issue, it would simply fund that aspect itself.
Quality of ICR :		Satisfactory

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- Where several organizations are involved in project conceptualization, it is sometimes advisable to adopt a "second best" solution if strong ownership is achieved through the compromise .
- It is difficult to resolve governance problems at project level and serious lack of trust issues should be escalated at an early stage if they are to be expected to lead to confrontation .

8. Assessment Recommended? Yes No

Why? The road safety program was relatively successful in difficult circumstances and this experience should be shared. The project is also a useful case study of institutional /governance-type problems.

9. Comments on Quality of ICR:

The ICR is generally sound. While it perhaps diplomatically understates the reasons for the delays in project implementation, it tries to be fair in its assessment . Although the ICR for the most part provides an easy read, it is not easy to pick out exactly what the lessons learnt are from section 8; a summary here would have helped.