

Improving Road Management and Financing:
A Review of Some Recent Experience of
Policy Reforms in Africa

Road Management Initiative (RMI)

Sub-Saharan Africa Transport Policy Program (SSATP)

The World Bank

First Road Transportation Technology Transfer Conference
in Africa

May 23-25, 2001

Overview of Presentation

- The Context: Road Transport
- Road Management Initiative
- Principles of 2nd Generation RF
- Experience With Operation of 2nd Generation RFs
- Building Synergy Between TT and Commercial Road Management
- The Role of RMI

The Context: Road Transport

- dominant mode of transport in SSA, carrying 60%-80% of the region's passenger and freight traffic
- provides the only access to rural communities, where >70% of Africans live
- most of the region's 2 million km of roads are poorly managed and badly maintained
- by 1990, nearly a third of \$150 billion investments in roads had eroded through lack of maintenance
- the economic costs of poor road maintenance are borne by road users
- road spending typically absorbs 10-20% of Government's development budget in SSA

Road Management Initiative

- launched in 1987 by UNECA & WB to identify the underlying causes of poor road maintenance & develop a financing reform agenda; expanded in 1997 to include road management
- Four building blocks of RMI
 - 📄 creating ownership
 - 📄 stabilizing road financing
 - 📄 clarifying responsibility
 - 📄 strengthening management

As part of the new policy framework, the concept of 2nd Generation Road Funds has emerged.

Principles of 2nd Generation RF

- separate road fund management from road implementation
- support commercialization of road management, with road user and private sector participation
- increase domestic resources made available for road maintenance
- increase efficiency of resource allocation and use
- road funds financed “off-budget” by designated road user charges and in-line with maintenance requirements

Over 16 countries in SSA have established a road fund.

Discussion focuses on experiences in: Ethiopia, Ghana, Kenya, Malawi, Mozambique and Zambia

Experience with Operation of 2nd Generation RFs

STRUCTURE

- separated RF management from road implementation in some countries (Zambia, Ethiopia, Ghana, Kenya) as compared to others where it is not (Malawi, Mozambique)
- road boards established as advisory board (Zambia) or executive board (Malawi, Ethiopia, Kenya, Ghana)
- greater involvement in users in road management decisions in some countries (Zambia, Malawi, Ghana, Kenya) as compared to others (Ethiopia, Mozambique)
- board functions vary from RF management, planning & evaluation (Zambia, Ghana, Ethiopia) to propose and set user charges (Malawi)
- some RBs have exhibited greater effectiveness in making programmed investments (Ethiopia, Ghana) as compared to others (Zambia, Kenya)

Experience with Operation of 2nd Generation RFs

PROCESS

- increase in road maintenance expenditures
- maintenance expenditures still less than requirements
- absence of sustainable systems of road financing linking road user demand to maintenance expenditure levels
- road funding continues to be delayed and uncertain, though specific experience varies
- disbursements often fall short of available resources (most notably for feeder roads) for lack of capacity
- resource allocation is non optimal given paucity of funding and inadequate road management systems
- limited independent financial and technical audits

Experience with Operation of 2nd Generation RFs

ACHIEVEMENTS

- evidence of improvements in quality of paved roads
- feeder/rural roads continue to deteriorate
- stabilized road financing, which has helped to reduce uncertainties in the budgetary process
- unit costs for maintenance have decreased (Ghana)
- promoted growth of local construction industry
- capacity constraints in road agencies and construction industry

Building Synergy Between TT and Commercial Road Management

- lack of technical capacity and insufficient development of local construction industry has constrained efficient use of resources
- improved technology transfer to develop:
 - ▣ reliable, cost-effective standards of construction & maintenance for rural roads
 - ▣ access standards rather than high standards of performance
 - ▣ training facilities for local industry
 - ▣ labor-based work component (methods & applications)
 - ▣ organizational capacity (contract management)
 - ▣ measures to relate user charges with costs imposed
 - ▣ advanced technological & communication approaches to facilitate management of roads

The Role of RMI

How could RMI help in this process?

- Compile & disseminate comprehensive labor-based design standards & implementation guidelines
- design and implement programs to sensitize stakeholders in the use of labor based methods (LBM)
- promote development of small scale contractor industry
- prepare and implement training programs in LBM
- develop twinning arrangements with other countries
- develop performance based contracts and appropriate maintenance standards
- link RUC with economic costs imposed
- other areas?

RMI Contact Details

The **RMI** is the component of the Sub-Sahara Africa Transport Policy Program (SSATP) which exists to facilitate policy and institutional reforms that result in sustainable management and financing of public road services in Sub Sahara Africa. 13 countries are currently beneficiary members and 9 donors have provided funding to date

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