

First African Conference of Road Maintenance Funds Libreville from December 15th to 18th, 2003

Themes and Conclusion of the Technical Seminar “The Experience and Practice of the African Road Maintenance Funds”

An introductory presentation by Mr. Louis Fernique of the RMI / SSATP (a program administered by the World Bank), entitled “Missions and Organisation of the Road Maintenance Funds”, allowed us to have a better understanding of the basic distinctions between the two models of the Road Maintenance Funds (First and Second Generation).

He then gave an analysis of the “pathology” of the Road Maintenance Funds, based on the actual experience of the African RMFs. This typology underlined the risks and threats facing the RMFs in their environments, bringing precious light upon the precautions to be taken; notably, in terms of institutional engineering.

In this way, he succeeded in presenting five themes for the workshop; each one dealing with a particular aspect, solutions, innovations or lessons to be drawn from the experience of the speakers and participants.

This introductory presentation was not followed by a discussion.

Theme 1: Channels for revenue collection

How to collect and channel user fees, without delay, smoothly, while avoiding losses and any other risk?

This theme was presented in a speech by Mr. Mory Kante – the Director of the Road Authority of Mali, and Mr. Ahmed Djamalladine – the Executive Director of the Road Maintenance Fund of Chad.

This presentation was followed by a rich discussion with many participants. It appeared that funds collection for the RMFs is operated either by the Public Treasury or the customs service, and then turned over to the RMF account, either by third parties working for the Fund.

In conclusion, the participants in the conference recognised that it would be desirable for the collection of funds to be under the responsibility of the Fund itself. If not, the financial autonomy, which is a basic condition for the effectiveness of the Fund, would keep uncertain.

In other words, this also means that the First Generation Funds should be abandoned and replaced by the Second Generation Funds.

Theme 2: Management methods and accountancy tools

How to reconcile contradictory obligations : “business management” by a public payer?

This theme was introduced by Mr. Jean-Valentin Leyama – the Administrator of the Road Maintenance Fund in Gabon.

In his presentation, Mr. Leyama indicated that he was confronted by a problem. Since the Fund was neither a para-statal company nor a private commercial company, it could not adopt the OCAM Accounting Plan nor the OHADA Accounting Plan, and the common accounting software corresponded poorly to the specific requirements of the Fund. It was therefore necessary for him to imagine and have an ad hoc software developed – the SIFER, which stands for Information System of the Road Maintenance Fund. This is a simplified accounting mechanism which allows one to clearly see the financial sources of the Fund, as well as the expenses paid up with those available resources.

Intervening on the same subject, the Director of the Road Maintenance Fund in Cameroon explained that concerning his Fund, he was using the OHADA Accounting Plan adopted by the CEMAC, and that this was all the more useful since it is not a problem for the Fund of paying up bills as an agent (or a proxy), but definitely as a legal entity endowed with financial autonomy.

Several comments and observations of the English-speaking RMFs revealed a rather different concept with more minimisation of their role, seen in the accounting structure which is much simpler and which does not take into consideration the detailed tracking of the contracts financed. This type of RMF, in general, does not make direct payments to the road contractors, but rather simply make periodic transfers of credit to the road agencies (this is also the case in some French-speaking countries, such as Mali).

Finally, after the discussion, it was clearly seen that there was no single standard model for the functioning of a Road Fund that could be adapted to all countries. The essential element was that the Fund should know what its role, responsibilities and financial resources were that allowed it to function.

Theme 3: Oversight on roadworks programs

How the RMF, “local donor” but not a road authority, can make sure of the sound use of its funds and the technical quality (without interfering in contractual relationship of the road agencies) ...but efficiently?

This theme was discussed by Mr. Kingsford Amoah – the Secretary of the Road Fund in Ghana, and then completed by Mr Claude Gwed-Bi Menyem – the Director of the Road Fund in Cameroon.

In their presentations, the two speakers explained that the bidding documents for the maintenance work were written up and prepared by the network managers or road agencies.

On the other hand, concerning the technical and financial supervision, they call upon controllers (private engineering firms), empowered as such and in charge of, among other things, preparing the statements of works to be transmitted to the Fund for payment. These controllers assure, in fact, the direct supervision of the maintenance work.

However, the Fund reserves the right and possibility to visit the work sites at any time in order to assure the actual realisation of the services laid down in the contracts signed. If necessary, the Fund can impose an outside technical auditor to check on the quality of the maintenance work, or even the quantities of material actually being used.

We can see that it is especially important to maintain clear definitions in order to avoid interference, and in order not to go against contractual agreements, and still fulfil the legitimate objectives of the Funds. In fact, the road users have the right to know how the money given to the Road Fund, has been spent and what are the advantages for him - the user.

Theme 4: Fair revenue distribution to the Road Authorities

What factor to prioritize for fund distribution to the different road agencies? Revenue production? Work needs? Capacities? How to “serve” the subsidiary networks without losing efficiency on the main network?

This theme was presented by Mr. Claude Gwed-Bi Menyem – the Director of the Road Fund in Cameroon.

In his speech, he explained that the distribution of the financial resources between the road network managers in Cameroon was determined by decree once and for all.

Theoretically, this key to the distribution had taken into account traffic volumes and the relative importance of road networks to be worked on.

Other Funds indicated that they, on the contrary, used variable schemes that were reviewed each year according to needs and political priorities.

In a general way, it appeared that as much as possible, it is desirable to avoid the use of the Road Fund resources for the financing of other expenses under headings such as “exceptional expenses”, or “emergency road work”.

Here again, as before, there are many differences from one country to another.

Theme 5: Performance monitoring tools

Appraising the operations in real time...
Accounting for financial management...
Proving the final efficiency...
Sizing and justifying tariff adjustments?

Within the framework of this theme, Messrs Louis Fernique (RMI / SSATP), Armand Der Stepanian (ISTED) and Tchona Idossou (Consultant) presented to the participants an image of what could be defined as a common control panel for all Road Maintenance Funds, bringing together in a compact and light form, the various management and results indicators, thereby allowing one to visualise the effectiveness of their actions.

The debate revealed certain fears that the RMFs can themselves be accused of, if they publish these indicators and there are bad results, and if the information is not well managed. It was shown that, on the contrary, these indicators could be used to clear the RMFs to whom the necessary revenue had been refused for carrying out their responsibilities.

It was proposed that from 8 to 10 RMFs volunteer to set up and test such a prototype of common control panel in 2004. 5 candidates already immediately proposed their willingness to participate.
