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Good Strategies for Improved Management & Financing of Roads in SSA

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Objective of Presentation

- To showcase examples of emerging good strategies that have led to improved management and financing of roads in SSA
 - Based on a recent (2009) survey of commercialised road management practice in selected SSA countries
 - Supplemented by findings from the Africa Infrastructure Country Diagnostic (AICD) project





Overview of Presentation



- Introduction
 - Background
 - RMI Blue print
- Impact of Reforms
 - Lessons Learnt
- Emerging Good Strategies
 - Institutional
 - Management
 - Financial
 - Operations
- The Way Forward
 - CRM Model - Monitoring, Evaluation and Advocacy
 - Next steps





Outline of Presentation

- Background

- Based on a recent (2009) survey of commercialised road management practice in selected SSA countries
- Supplemented by findings from the Africa Infrastructure Country Diagnostic (AICD) project





Background

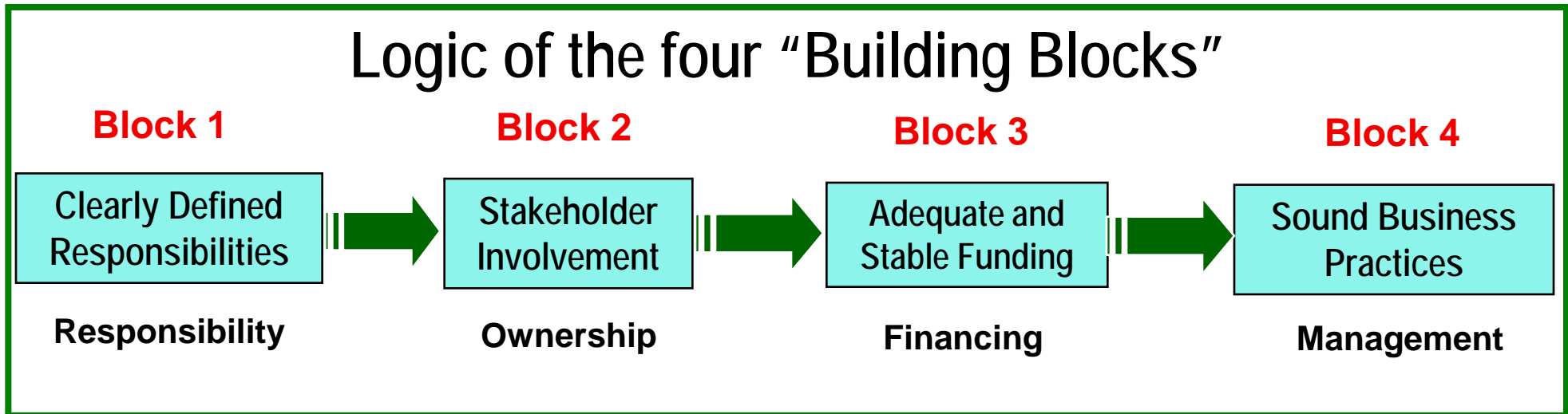
- Over the past 15 years, many SSA countries have embarked on wide-ranging policy reforms largely in line with the RMI blue print
- Initial thrust of reforms was to create an *independent source of funding for road maintenance* based on road user charges
- Second stage of reforms involved the creation of roads agencies, *largely independent* from line ministries, with responsibility for *contracting out* public works
- Currently, there are 27 countries with a Road Fund, 19 with a Roads Authority and 13 with both a Road Fund and Road Authority

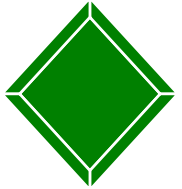




Rationale Behind the RMI Reforms

The primary objective of the reforms is *commercialisation of the roads sector* which requires complementary reforms in four areas – the four “Building Blocks” for sustainable management and financing.





Implementation and Impact of Reforms

- The results of studies to review progress on the implementation and impact of the reforms may be summarised as – *A Road Partially Travelled* – as SSA countries are at different stages of implementation of the RMI principles.
- In general, institutional reforms have had a discernible impact on outcomes:
 - Countries with both Roads Funds and Road Authorities have generally been most successful at converting resources into road quality.
 - Countries with traditional roads departments operating under a line ministry and relying on the government budgeting process for road maintenance funding have been least successful at converting resources into road quality.





Emerging Good Strategies - Institutional

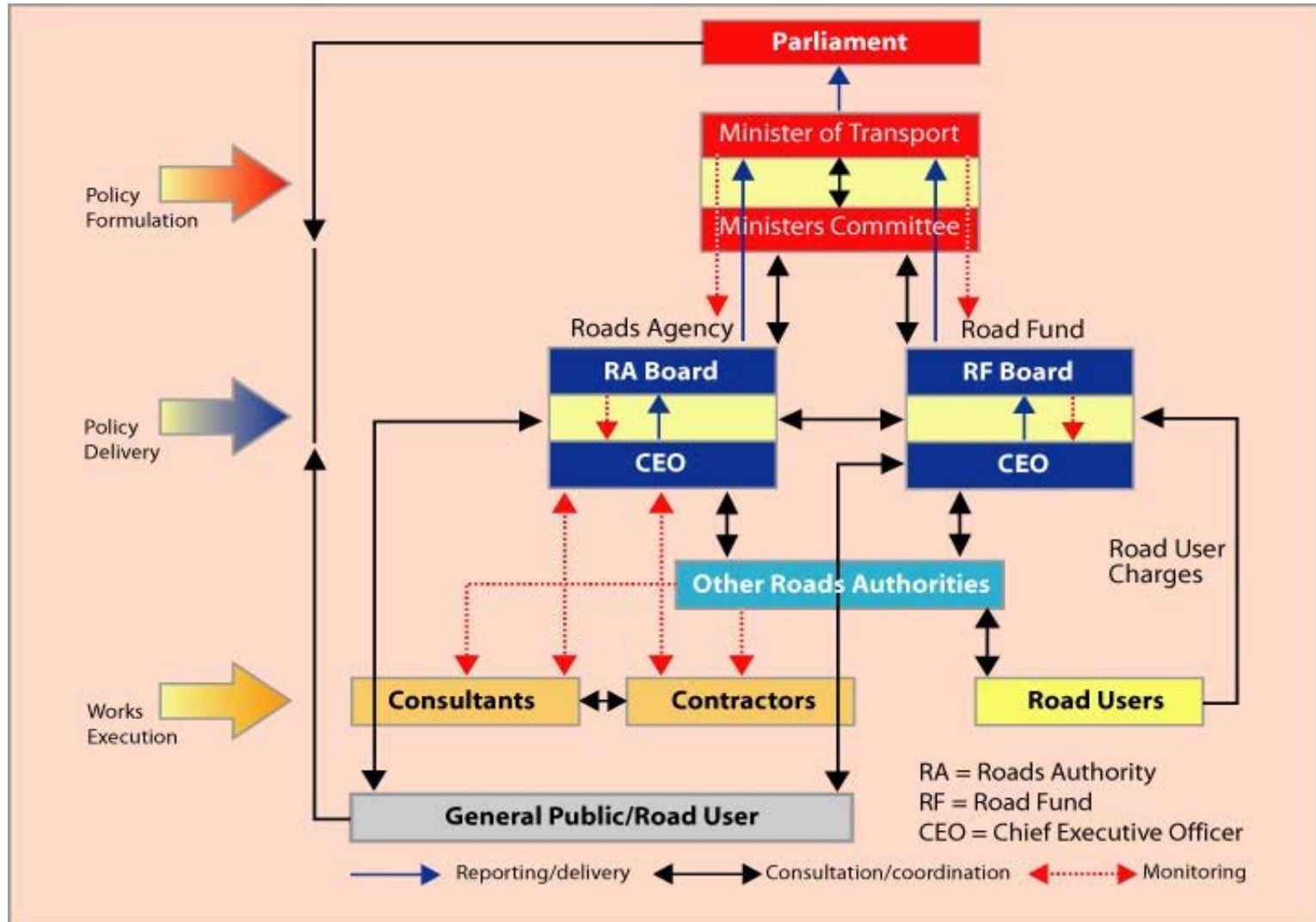
- Undertaking reforms as a “special project” to involve all stakeholders and achieve buy-in for change of status quo.

- Publicity campaigns
- Educational campaigns
- Public relations measures





Emerging Good Strategies-Institutional Framework





Emerging Good Strategies - Institutional

- Appointment of CEO:

- By advertisement and short-listing
- Interview and appointment by Board
- Performance-related contract with clear objectives, performance targets and annual appraisal
- Competitive salary

- Appointment of staff

- Performance-based packages in line with private sector
- Targeted training in appropriate skills areas based on Training needs Analysis



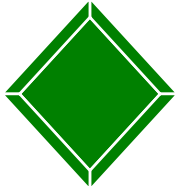


Emerging Good Strategies - Institutional

Roads Boards

- Representing user interests but without vested interests (disqualification of persons who may introduce potential conflict of interest)
- Chairman appointed on recommendation of members
- Majority private sector representation nominated by general public and user organisations
- Necessary competencies spanning road management and financing, construction and maintenance, human resources, etc.
- Adherence to Code of Ethics
- Adequate remuneration



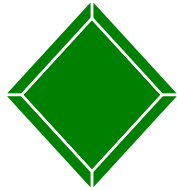


Emerging Good Strategies - Institutional

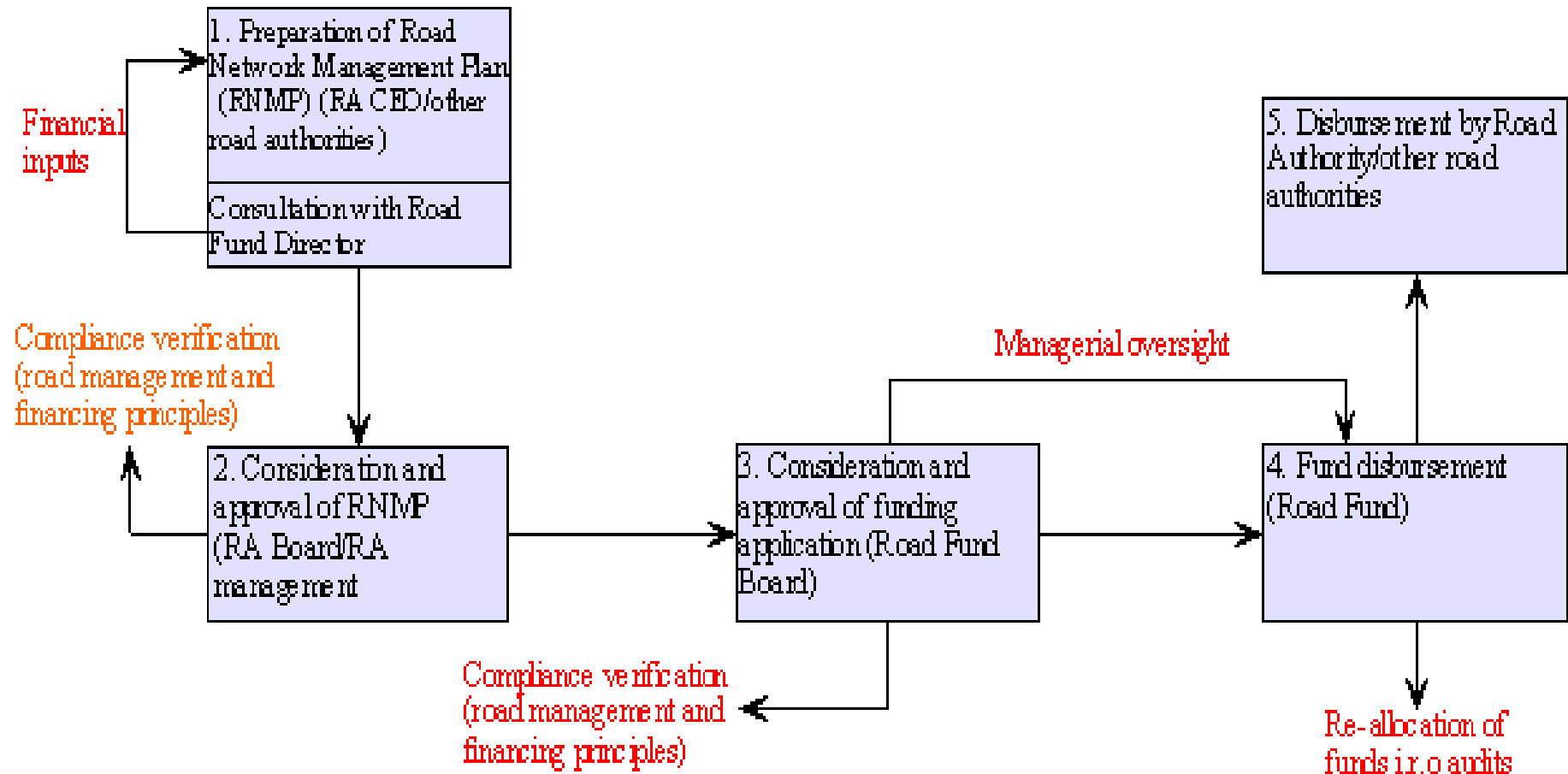
● Adoption of inter-agency Procedures Agreement whereby RA submits to RF:

- Management and financial systems to be implemented by the RA, and measures to ensure:
 - Compliance with rules and principles contemplated in RF Act;
 - Efficient utilisation of funds allocated to RA i.r.o projects and programmes included in the Business Plan referred to in RF Act;
 - Roads Authority submits to Road Fund a Procedures Agreement including
- Procedures to be followed by the RA in calling for, and evaluating and awarding tenders and in negotiation of agreements with any service for or on behalf of RA.

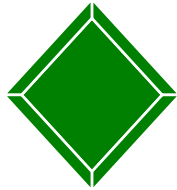




Emerging Good Strategies - Institutional

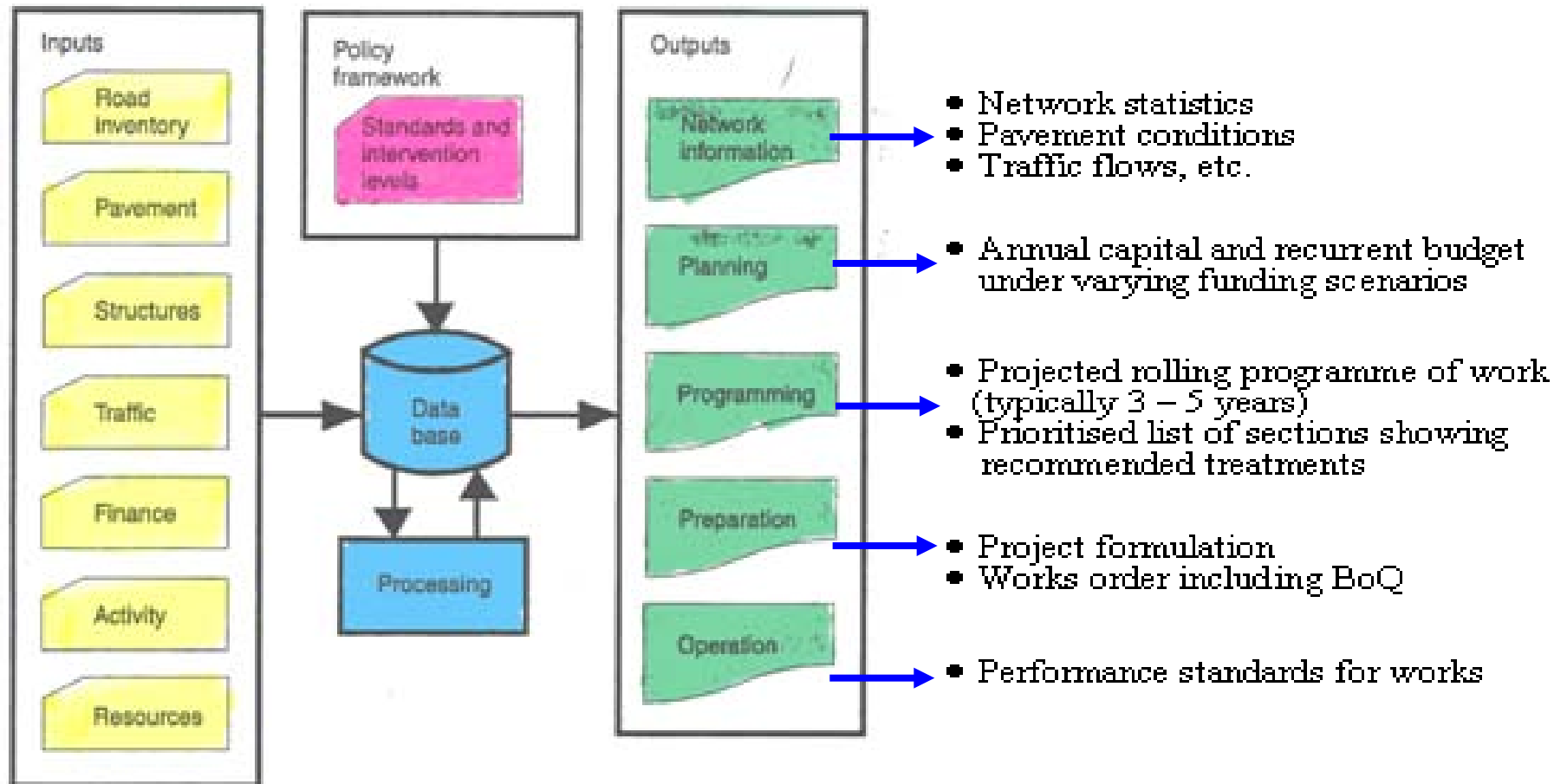


Procedures and controls for facilitating effective service delivery



Emerging Good Strategies -Management

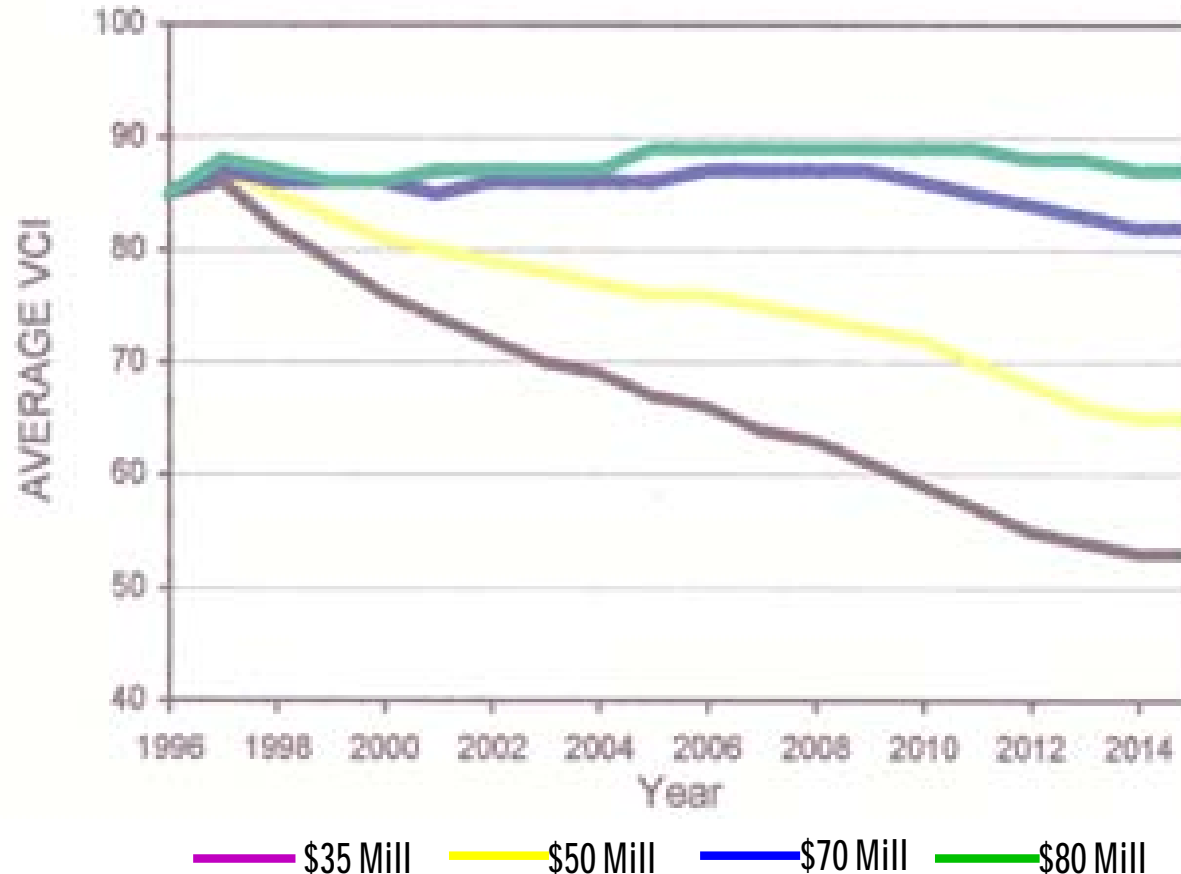
● Adoption of asset management approach:





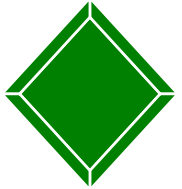
Emerging Good Strategies -Management

- Quantifying consequences of inadequate maintenance funding:



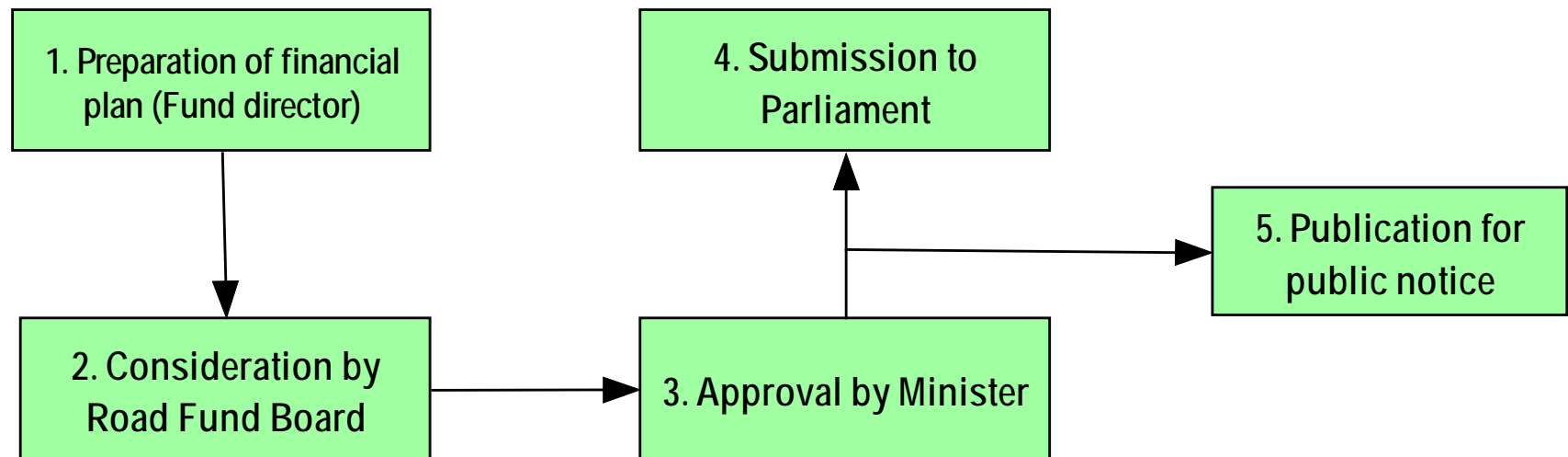
VCI = Visual Condition Index

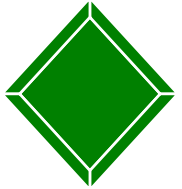




Emerging Good Strategies–Financial Planning

- Fund director prepares plan in consultation with RA CEO
- Plan submitted to RF board for approval by Minister who tables before Parliament
- Extracts from plan published for public notice





Emerging Good Strategies - Operations

- **Contracting out and procurement**

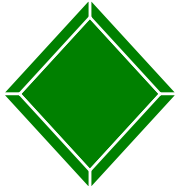
- Move away from force account operations

- Clear separation of “client” from “service provider” functions and divestiture of non-core functions to private sector service providers

- Adoption of multi-year, performance-based maintenance contracts

- Use of PPPs



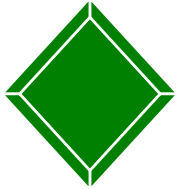


Emerging Good Strategies - Operations

● RA undertakes technical auditing of projects in accordance with a guideline on how to carry out the audit and including the following activities:

- Check and physically verify that all executed works have been carried out in accordance with agreement and eligible for RF resources
- Verify that policy issues, performance and quality targets and submission of reports have been adequately addressed
- Review status of projects based on reports and performance agreements
- Determine whether audited projects have provided “value for money”.





Conclusion– Stakeholders' Views

- **Need for more exchanges on country experiences: The Arusha and ASANRA workshops;**
- **Need for additional advocacy across countries on reforms as tools to attain the goal of sustainable management and financing of roads – not goals in themselves.**
- **More attention to *the physical impact on the ground* as a prerequisite to continuous user support and sustainability;**
- **Need for monitoring, evaluation and advocacy tools**





Way Ahead-Moving Beyond the RMI Focus

Revisit the RMI to:

- Step up monitoring, evaluation and advocacy
- Integrate lessons learnt
- Lay more emphasis on management efficiency and results effectiveness





Thank you

