

Sub-Saharan Africa Transport Policy Program (SSATP)

Status of road sector reforms in Sub-
Saharan Africa

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The RMF Matrix

- 24 road funds in SSA
- 12 road agencies
- reforms progressed differently
- funding levels of maintenance requirements

Main obstacles delaying reform processes?

- Loosing political control?
- Downsizing and laying off staff

The RMF Matrix

- 24 road funds in SSA
- 12 road agencies
- reforms progressed differently
- funding levels of maintenance requirements



Some institutional principals:

- Separate policy making and administration
- Avoid political administration
- Secure professional administration
- Eyes on, Hands off



Political control of agencies?

- Maintenance policy – advisable with approval by Ministry
- Day-to-day maintenance and management of network is professional (administration)
- Require cautiousness by the agency what can become political
- Selection criteria and agreed formulae for distribution of road fund will limit political interference



Political control of agencies?

- Investment/development programs need political approval
- Implementation/contracting is professional/administrative and fully with agency



IMF's position

- (based on Potter's road fund paper of '97)
- IMF not against dedicated Road funds in principle, but has some reservations about the governance and user charging aspects
- Therefore, to be considered on a case by case basis



Findings of ongoing studies on Agencies and Funds (Metschies/Schildhaus)

- New institutions too young to assess success, a number of adjustments and new reforms taking place
- Lack of autonomy from parent Ministry
- Top management not updated on international policy issues?



Findings of ongoing studies on Agencies and Funds (Metschies/Schildhaus)

- Are the boards guided by government policies?
- Value added to sector management by the Boards is questioned
- Understanding of the mechanisms and reasons behind the principles of “commercialization” or “roads at the market place” not fully realized by board members
- Insufficient know-how by Ministerial representatives in board
- Lack of coordination between stakeholders in the sector



Findings of ongoing studies on Agencies and Funds (Metschies/Schildhaus)

- Merging of Ministries could simplify management in the sector
- Too many boards?
- Parallel boards with same representatives
- Inadequate public and political promotion of the new sector institutions
- Efficiency can be improved even with present funding level through reducing bureaucracy



Findings of ongoing studies on Agencies and Funds (Metschies/Schildhaus)

- No commercial reports with full balance sheet of the road network assets and replacement value in SSA
- Present collection insufficient for maintenance requirement
- Unutilized taxation potential of heavy vehicles
- Reliable statistics like size of vehicle fleet not available, and makes strategic planning difficult
- No proper maps maintained



New reforms in Zambia, Malawi, Kenya and Uganda

- Previously insufficient separation between the fund and the roads authority.
- some roles overlapping



Zambia

- Previously a National Roads Board and a Roads Department in Ministry of Works and Supplies.
- *New* **Roads Fund Agency** under Ministry of Finance
- *New* **Road Development Agency** under Ministry of Works and Supplies
- *New* **Road Safety Agency** under Ministry of Communication and Transport



Malawi

- Presently a Road Fund Board under Ministry of Transport and Public Works (MoTPW) together with Roads Authority
- Proposed new Roads agency for all roads under MoTPW
- Proposed new Road Fund under Ministry of Finance



Kenya

- Presently Kenya Roads Board under MoRPW
- Considering new Kenya Roads Board to remain under MoRPW, limited to financing role
- Considering new Kenya Roads Authority under MoRPW
- Department for Local Government roads (rural) under MoLG awaiting the establishment of an agency?



Uganda

- The Act establishing the Uganda Roads Authority passed Cabinet
- Roads Authority given full roads authority
- Road Fund Study underway



What do we see in common?

- Funding for maintenance has increased
- Road management capacity not correspondingly increased
- Capacity of consultants and contractors still limited
- Inadequate autonomy for agencies, gives limited accountability
- Inadequate autonomy for funds, getting collections through MoF.
- Inadequate funding ability due to insufficient collection base
- Challenge to ensure full collection
- Are audits sufficiently carried out?
- Funds not reserved for maintenance only
- More separation between the fund and the agency
 - impacting on structure of money transfers
 - payment of invoices
 - impacting on client's role in contracts
 - frustrating the role of the roads authority



Local Government roads

- Are local government reforms and their complexity underestimated?



One agency for all roads?

- Require safeguards, multicriteria allocations, with minimum allocations to each institutional group of roads (urban, national etc.)
- Avoid overwhelming the existing agency
- How are local government institutions' road management roles and powers taken care of if one agency only?
- Local governments to plan and coordinate, the agency to implement?
- Ministry of Local Government able to take care of road management issues for LG network?
- Should MoLG take the risk of having no technical capacity?
- Lack of advice to local governments?
- Local Govt roads instrumental for fighting poverty!



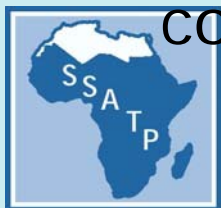
Separate agencies under MoW and MoLG?

- Do we need to have centralized management of Local government roads until institutional capacity has improved substantially at LG level
- But, can this capacity be developed if they do not have management roles?
- Managerial clusters at LG level that can be supported by central agency an option?



Implications of new types of contracts

- Area-wide and Long Term Performance based contracts
- Total asset management contracts focusing more on network management and network approach, combining instead of separating maintenance and improvements/development. Could become a future trend
Implications for the agencies?
- Implications for the funding level? Willingness to increase fund?
- Contract size instrumental for developing local contracting capacity



Other instrumental issues

- Public Procurement Act, needs to provide the agency with sufficient procurement power
- Fund not to pay invoices, will undermine the autonomy of agencies
- Bulk allocations, will keep agencies accountable and predictable in contracts



Do we know enough to come up with recommendations on funds and agencies? (1)

- Road Fund no universal recommendation, each country needs to be considered separately (but could be universal for most countries in Africa)
- Autonomous institutions, but appropriate internal and external audit systems
- Take the risk of not having day-to-day control
- The Ministry will still be the policymaker
- More autonomy in execution (maintenance is mainly technical, development program to be approved politically)
- Restructuring of the Ministry in parallel with the agency
- Rescaling/downscaling, needs time
- More focus on local govt road management and financing
- How to finance networks of LG?



Do we know enough to come up with recommendations on funds and agencies? (2)

- RF Board under MOF?
- No clear opinion, but would strengthen the separation between financing and management (Note: Senegal agency under both Ministries)
- Separate boards for the fund and the agency, instead of one overarching Roads Boards
- RF collection base needs to be improved. Review heavy vehicle taxation system, more potential
- Budget is more vulnerable than a road fund, steady flow important

