Reforming Road Management in Sub-Saharan Africa
Overcoming Obstacles to Implementation

The Road Management Initiative (RMI) has, over the past 10 years, worked with interested African countries to identify the underlying causes of poor road management policies, and to develop an agenda of reforms that will facilitate sustainable management of the public road networks. The RMI works at the country level through broad based Steering Committees with a nominated RMI Coordinator as its secretariat, in close cooperation with World Bank and donor-supported programs in the road sector.

Policy reforms in SSA

African countries expanded their networks considerably in the 1960s and 1970s. By the end of the 1980s, there were nearly two million km of roads in SSA. These are among the region's largest assets with a replacement cost of at least $170 billion that require some US$2-3 billion annually for routine and periodic maintenance to keep them in stable long-term conditions. But in spite of their importance, most roads in SSA have been poorly managed and badly maintained with the result that nearly a third of the $170 billion investment has been lost through a lack of maintenance. (1)

In late 1980s, the United Nations Economic Commission for Africa and the World Bank set the ball rolling to address the poor state of transport services in Sub-Saharan Africa (SSA) through a Sub-Saharan Africa Transport Policy Program (SSATP). One of its components was the Road Maintenance Initiative (RMI), which was launched to address the problems in the roads sub-sector.

The solution that emerged from the RMI program is commercialization: bring roads into the market place, charge for their use on a fee-for-services basis, and manage them like any business enterprise. The findings indicated that commercializing management of roads is feasible if complementary reforms are undertaken in four areas referred to as the four basic building blocks for sustainable reforms:

- create ownership by involving the road users in funding and management of roads to generate support for adequate road funding and control of agencies' monopoly power;
- secure an adequate and stable flow of funding based on dedicated user charges;
- secure clear specification of all responsibilities, and their appropriate assignment with matching authority; and,
- strengthen management of roads by introducing sound business practices to obtain value for money.
Most anglophone countries in SSA have now accepted the RMI message on commercialization and have or are in the process of implementing at least part of the four building blocks. But the pace of reforms and their impact on the ground has been much slower than expected (2,3). This paper explores what obstacles have contributed to the slow pace of reforms in SSA, and provides some suggestions on how to overcome these and on how the RMI may contribute to implementing this strategy.

**Obstacles to implementation**

**Ownership**

*Governments do not normally like to share responsibility in management of resources and prefer to manage roads like a social service.*

Stakeholder representation in the management of roads is done through Road Boards. These may be established under existing legislation (if there is a provision for that) or by new legislation. While establishment through existing legislation may be much easier than by new legislation, such Boards will, without firm political support, not have the muscle required to facilitate implementation of sustainable reforms.

Establishing Road Boards by new legislation shows the political will to make changes and provides the Boards with the legal backing needed in the reform process. While this may create conflict with existing laws—giving those opposed to changes an opportunity to further delay the reforms—new legislation is the most appropriate method of establishing the Road Boards since it provides the long-term solution.

The reluctance to involve users for protecting road assets, on suing third parties involved in damage of assets, or on possible liabilities in connection with accidents due to defective designs and maintenance policies. Functions other than road maintenance and development—such as traffic regulation, axle load control, traffic safety, and enforcement of traffic regulations—may be handled by other ministries, often with an equal lack of clarity as to the responsibilities involved.

Clear responsibilities with matching authority is essential for effective management. But so is separate assignment of conflicting interests, and a granting of authority and access to resources commensurate with agreed responsibilities and performance targets.

**Adequate and stable flow of funds**

*Governments may agree to establish road funds based on user charges over and above fiscal taxes to finance road maintenance. But they are reluctant to relinquish control of the cash flows and of opportunities to "borrow" funds for other purposes when needs arises.*

Since independence, governments in SSA have faced increasing financial difficulties as demand for resources in all sectors grew faster than revenues because of greater expectations of better services. Road maintenance, being a low profile activity, could always be postponed or deferred. In the late 1980s, most SSA countries' annual budget allocations for road maintenance hardly exceeded 20 percent of required funds. Even these highly insufficient budget allocations were at times cut without warning or not released on time due to other higher profile priorities.
This insufficient and uncertain funding for maintenance was one of the main causes of the large-scale deterioration of roads in SSA.

Prodced by development partners, a number of SSA countries established road funds that were mainly dedicated to road maintenance and funded by road user charges. But such funds established up to the early 1990s were no more than bank accounts managed by road agencies outside the government’s general budgetary framework and control. These funds were vigorously opposed by the IMF as they were inconsistent with macroeconomic control, distorting the allocation of resources available for public spending, and incompatible with the requirements of efficient cash and financial management. (4) The ministries of finance were only too willing to have these funds scrapped and channel their revenues into the consolidated fund.

However, a Road Fund established within the framework of the RMI’s four basic building blocks should be a genuine purchasing agency and thus meet the requirements for IMF approval and be an efficient means of delivering funding for road maintenance, perhaps road capital expenditures as well. An appropriate objective-setting and performance-measuring framework which is audited externally could ensure transparency and accountability. The user charge could form a link between the level and quality of service and price to be paid. The IMF accepted that Road Funds, with the right sort of administrative and financial arrangements, could enjoy the freedom to focus on service delivery resulting in greater efficiency and effectiveness.

A number of countries in anglophone Africa have or are in the process of establishing Road Funds through new legislation following the RMI concept, with management Boards dominated by representatives of private sector stakeholders (Kenya, Ghana, Lesotho, Malawi, Tanzania, Zambia, and Zimbabwe). But as governments are still reluctant to delegate control of the cash flow from dedicated user levies and fees, the proceeds are at times delayed and even “borrowed” to be used for other purposes. Requests for the adjustment of fee rates to meet needs and compensate for inflation are often only considered after donor pressure.

**Sound business practices**

While road works are increasingly contracted out to the private construction industry on a competitive basis, SSA governments are reluctant to delegate road management to autonomous agencies operating according to sound business practices.

Government departments (ministries) are mostly cumbersome and largely ineffective managers, with little or no commercial approach to the tasks at hand. Their reporting lines are poorly designed and encumbered by bureaucracy. The chief executive of the core function (director of roads) is way down the hierarchy, occupying a line manager position and reporting technical matters to the chief executive of the institution (principal or permanent secretary) through administrative channels that have no technical background.

The unclear lines of responsibility do not provide the road managers with much incentive, and neither do civil service salaries, which often are only one-fifth of those paid to professional staff in the private sector. Inflation has eroded salaries to such an extent that graduate engineers are today earning a tenth of what they were earning ten years ago. (1)

Efforts to improve management systems in SSA have not been very successful. Highway Management and Maintenance Systems have been introduced that only worked while the consultants were in place. Technology transfers that should enable local expertise to take over management of the systems are not adequately carried out, and insufficient resources are allocated for regular update of data and systems. Systems management is also an area that is not attractive to young professionals. They would rather be managing road projects or regional offices, which may provide better moonlighting opportunities to compensate for the low salaries.

In the absence of an up-to-date, in-depth inventory of their networks, governments have not been able to plan and deploy resources effectively; lack of comprehensive databases make it difficult for management to develop long-term revolving maintenance/rehabilitation plans. There are no clear records to review work plans and results to improve performance and productivity. Commercial accounting principles are rarely used; government agencies simply receive revenue and use it, hardly accounting for its expenditure. Financial audits are only carried out as part of the large annual government audits, which usually are only completed two to three years after the activities have been performed, and are thus not very useful or corrective. These audits basically check to ensure that budget allocations
have not been exceeded and that funds have been handled according to government guidelines.

The problem of inefficient public plant pools has not been solved. Equipment serviceability and availability records cannot be relied on to produce reasonable work plans; management works by rule of thumb and through experience.

Most governments in SSA have undertaken some civil service reforms to reduce public sector employment and increase efficiency. However, the reforms have not improved the capacity of road management agencies because the re-trenchment initiatives have left the agencies without critical technical staff. Years of donor funded technical assistance and capacity building have neither left a noticeable impact as trained staff most often transfer to the private sector, which provides far better terms and conditions for practicing their skills.

Overcoming the obstacles—the way forward

Sustainable reforms cannot be achieved without a consistent enabling policy and institutional framework, and a comprehensive program for transformation, capacity building, and mitigation of socio-economic impact.

The most successful RMI-inspired reform moves so far have been the establishment of Road Funds with broad-based management boards. These boards have generated more funds for maintenance and enabled private sector stakeholders to influence and monitor the use of these funds, and have increasingly contracted out works and services through competitive tendering. But little progress has been made towards clarifying the web of responsibilities within the sector, transferring road management to autonomous agencies with an authority matching their responsibilities, and facilitating management according to sound business practices.

The obstacles to implementation of the entire package of required reforms are not only due to governments unwillingness to share management of resources and works with the private sector stakeholders. Of importance also is government uncertainty about:

- how the RMI concept may work in practice in Africa since no best practice examples are available from countries at similar levels of development. (New Zealand may be in a different league);
- how government may exercise its overall governance responsibilities by the ministry responsible for roads; and
- how to fund and manage the institutional reform process, including adequate capacity building at all levels as a solution to public sector redundancy problems.

There is thus need for implementation plans that are more comprehensive than those available at this date, with strategies and budgets that clearly address the indicated obstacles and other relevant issues. The RMI—which has greatly contributed to the reform achievements so far—could also be a useful instrument to facilitate the drafting and implementation of such plans and, as a multi-donor supported initiative, help to coordinate donor support to the reform activities. This role will, however, require a strengthening of RMI's capacity and resources commensurate with the desired extent and level of activities, and perhaps a review of its current organization to ensure its effectiveness in relation to the character and focus of the mission.

References

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This Findings was originally published as SSATP (Sub-Saharan Africa Transport Policy Program) Technical Note No. 32 in March 2001, and was written by Francis N. Nyangaga, a Senior Superintending Engineer with the Ministry of Roads and Public Works in Nairobi.