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AFRICA/EU

Build us roads again – and again

Road funds. Researchers believe that the EU is spending money on expensive road improvements in Africa, well knowing that most recipient countries will be unable to maintain them properly. No, says the EU's Commissioner for Development and Humanitarian Aid, Poul Nielson, the political will is there you know.

By Bjørn Willum

As the head of transport research projects and responsible for road construction or, as he is currently, the senior transport adviser to German development aid cooperation (GTZ), **Dr Gerhard Metschies** from the Hildesheim Fachhochschule has met a quite a number of African presidents and prime ministers over his 30 year career.

Each time, he has taken along the same message: Dear Mr President/Prime Minister, set up a special road fund financed directly through a modest tax on petrol that will allow you to maintain the roads that the donors have just renovated.

And all too often, the reply goes like this: Tax increases are unpopular. (Or, in those instances where petrol taxes have been imposed: Unfortunately, the money is needed elsewhere).

The result has been that donors have put in hand expensive road improvements that have quickly deteriorated because the national authorities have made little or no financial provision for maintenance. Until along comes the same donor or some one else and reconstructs the road again, often free of charge.

New road funds…

One of the largest players in the field is the EU that claims to have learned this long ago. 'Poorly maintained roads have resulted in the loss of a third of the capital invested in the African road network south of the Sahara,' was already the EU's conclusion in a publication in 1996, adding dryly: 'Even so, budget allocations to road maintenance seldom exceed 30 percent of what's needed' .

And for the most part, the own resources that developing countries actually then applied to road maintenance, seldom amounted, in reality, to more than 5-10 percent of requirements, says the Commission's Directorate for Development and Humanitarian Aid today.

In recent years therefore, the EU, together with other donors including the World Bank particularly, has persuaded a number of African states to set up so-called road funds. The idea is that the road funds will be provided with capital directly from taxes, largely on petrol and diesel, that will then be used on an ongoing basis to repair holes in the roads, and – as far as main roads are concerned – increase the intervals between which new asphalt is laid.

"The key element in all this is that we require countries to ensure a more systematic financial background for ongoing maintenance," explains **Paul Nielson**, the EU's Commissioner for Development and Humanitarian Aid.

Calculations have shown that only 10 US cents (about Danish 60 øre) per litre of petrol and diesel would be sufficient, in most instances, to maintain a complete road network – but excluding the extremely expensive cost of constructing a completely new road, or upgrading a road that is in total disrepair.

…with few resources

There is only one problem, **Dr Metschies** believes:

"They say there's a road fund. But how much is there in it?"

Often, right from the start, insufficient resources are allocated to many of these road funds. Because even if there are road funds more or less across the continent, governments in general have been unwilling to implement the necessary financial disciplines to ensure these funds receive income. For example, by letting inflation make inroads into taxes.

In Tanzania, where the EU has supported the road sector for several years, the company Tanroads has been responsible for maintenance. In an interview published in a little book issued by the office of the EU's delegation in Tanzania last year, Tanroad's development director **Boniface Nyiti**, emphasized that maintenance, in full compliance with the donor's wishes, is a 'top priority.' Unfortunately, however, he says that one can only cover between 30 and 40 percent of maintenance needs. There is a lack of income.

Most of the delegates to the First African Conference of Road Maintenance Funds in December, where the directors of Africa's road funds met in the West African country of Gabon, played back the same story.

'Inadequate resources in relation to need', was the conclusion of the Cameroon's representative.

'Our aim: Ghana's Road Fund will be the Number One in Africa', announced the slide presentation given by the director of Ghana's road fund. But there's long way to go in Ghana too, the director admitted. Income only covers up to 60 percent of the essential expenditure. And one of Metschies' colleagues, **Dr Niklas Sieber**, who has just come home from a meeting in Ghana, thinks this figure is still put optimistically high. Thanks to very low petrol tax, Ghana has one of Africa's lowest petrol prices but after pressure from the donors, the government decided last year to put tax up. A decision that has not been put into effect.

The same applies to motor vehicle tax based on weight that is very low in most African countries south of the Sahara, typically between USD 25 and 50 per annum.

Paul Nielson acknowledges the deficiencies but says things are on the right track.

"If we go back five years, the figures weren't 30-40 percent but 4-5 percent. This reflects the fact that in country after country, we have made a very firm stipulation in the discussions we have had about policy in this field", he says.

Donor requirements

What is curious is that it is not only a waste of the donors' money to let the roads deteriorate. It is also extremely bad business for those who drive on those roads.

'Poorly maintained roads have resulted in the loss of a third of the capital invested in the African road network south of the Sahara', was already the EU's conclusion in 1996. This is Kenya. Photo: Ernst Tobisch.

"One can say that for every euro that is left unspent on maintenance, road users spend three euros on extra expenses for their vehicles. Vehicles break up faster. People drive very much slower and use more fuel. This has nothing to do with sentiment", says **Sieber**. "It's a straightforward, tough, economic calculation."

But why is it that, with the exceptions of Namibia and Ethiopia, there is no political will to bolster the income of road funds adequately? Because it is politically uncomfortable to raise taxes. And it's easier to wait for the donors to come and repair the roads, **Sieber** explains.

"The recipients always expect the donors to provide the finance again," says **Sieber**.

"One ought to be saying: Look chaps, if you want a road, then you must demonstrate that you can look after it." In other words, no new road renovations until the 10 cents per litre have started rolling into the road funds.

But **Nielson** does not want to be so down to earth.

"If one pushes too hard here and the roads collapse completely, the cost of putting them right is far, far greater", he says, and adds, "Preventive maintenance, there's definitely money in that. However, we are in a situation in Africa where one sees the same old story that being poor is costly. If we're too tough about the conditions, this will have a damaging affect on all parties".

In the present budget period (2000-2006), the EU has planned to spend 2.1 billion euros (about DKK 15.8 billion) on transport development projects in sub-Saharan Africa, of which 95 percent will be going to the roads sector.

Source: The EU Commission

A tax of 10 US cents per litre of fuel is generally regarded as adequate to finance the maintenance of a country's road network. Of this, two cents per litre typically goes to the maintenance of minor roads in rural areas.

Source: Gerhard Metschies: "International Fuel Prices", 2003.

Bjørn Willum writes for the paper Information about the EU, Africa, and development aid.

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