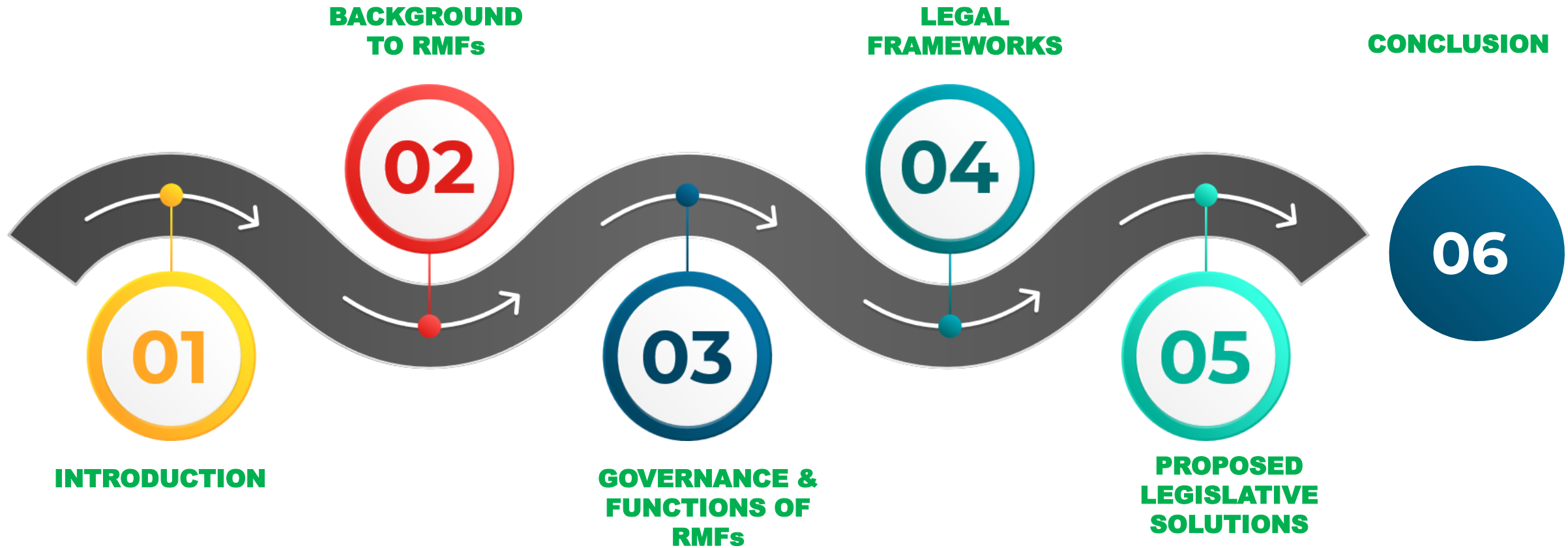


THE IMPACT OF LEGAL FRAMEWORKS ON THE SUSTAINABILITY OF ROAD MAINTENANCE



ABIDJAN - COTE D'IVOIRE
13TH TO 16TH MAY 2024

AGENDA





1. INTRODUCTION



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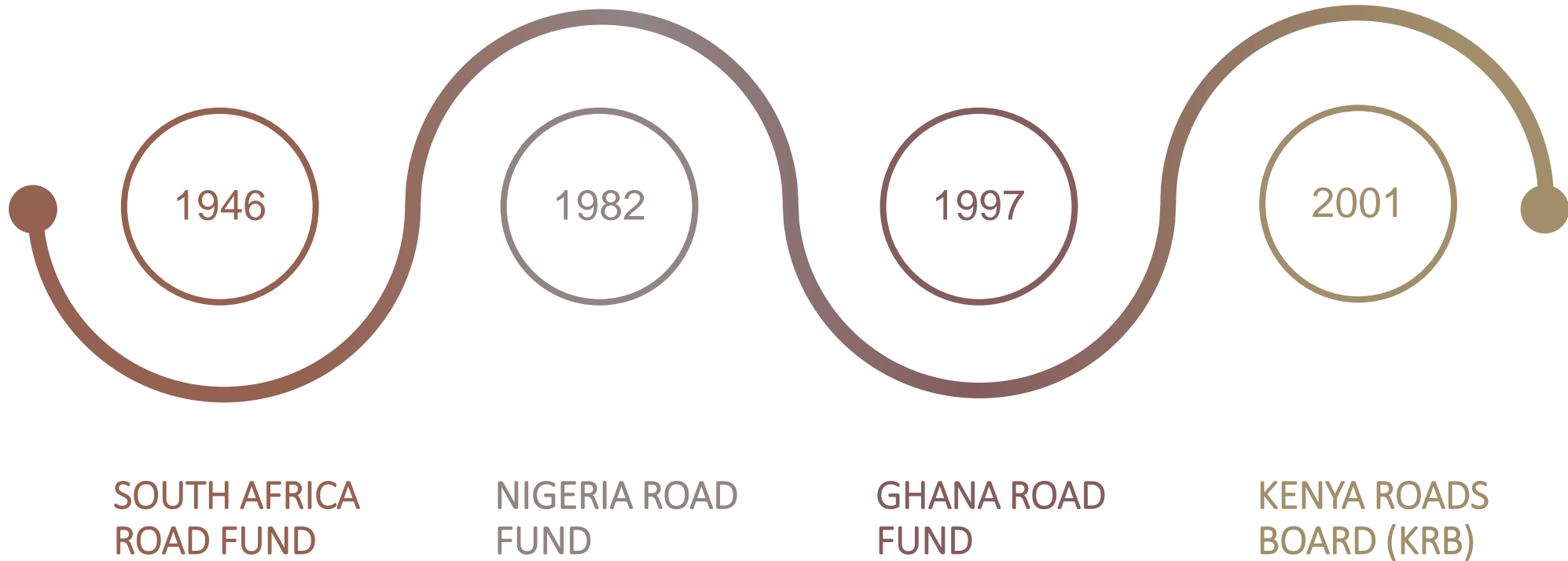
THE IMPACT OF LEGAL FRAMEWORKS ON THE SUSTAINABILITY OF ROAD MAINTENANCE





2. BACKGROUND

Road Fund Age



Since 1946, over 30 African countries have established dedicated Funds for roads and the challenges remains on the alignment of the following:

- **Legal Frameworks;**
- **Funding Mechanisms;**
- **Governance Structures;**
- **Scope of Activities;**
- **Policy Objectives.**



WHERE THE RMF AIMS TO BE

1st Gen RMF

- Partial road maintenance funding
- Conceptualise & legislate RUCs
- Government subvention

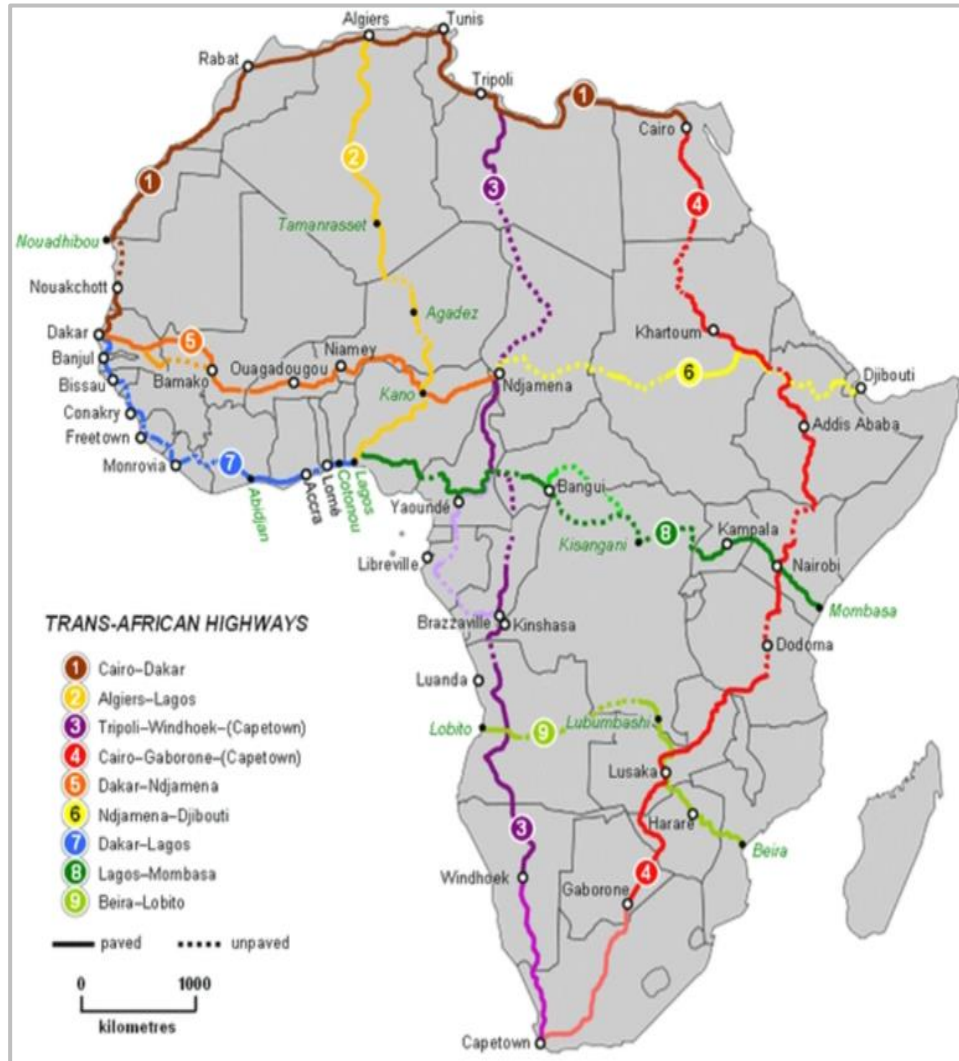
2nd Gen RMF

- Funding: full road maintenance plus limited development
- Implement RUCs
- Partial GRN subvention

3rd Gen RMF

- Funding: full road maintenance plus development
- Innovating funding instruments
- Mix funding – Govt, PPPs, Debts

WHAT IS TO BE FUNDED



Trans-African Highway network		
Length	56,683 km (35,221 mi)	
Formed	2007	
Highway names		Length (km)
TAH 1	Cairo-Dakar Highway	8,636
TAH 2	Algiers-Lagos Highway	4,504
TAH 3	Tripoli-Cape Town Highway	10,808
TAH 4	Cairo-Cape Town Highway	10,228
TAH 5	Dakar-Ndjamena Highway	4,496
TAH 6	Ndjamena-Djibouti Highway	4,219
TAH 7	Dakar-Lagos Highway	4,010
TAH 8	Lagos-Mombasa Highway	10,269
TAH 9	Beira-Lobito Highway	3,523

Surface Area: 30.37 million km².
Land mass: 20% total earth surface area.
Population: 1.275 billion (2018)
16% of world human population.
Population density: 36.4/km²
Countries/States: 54
Road network: 2.832 million km (2017 est.)
Vehicles: over 21.6 million passenger vehicles
Most registered vehicles: South Africa

WHAT IS THE SOURCE OF FUNDING

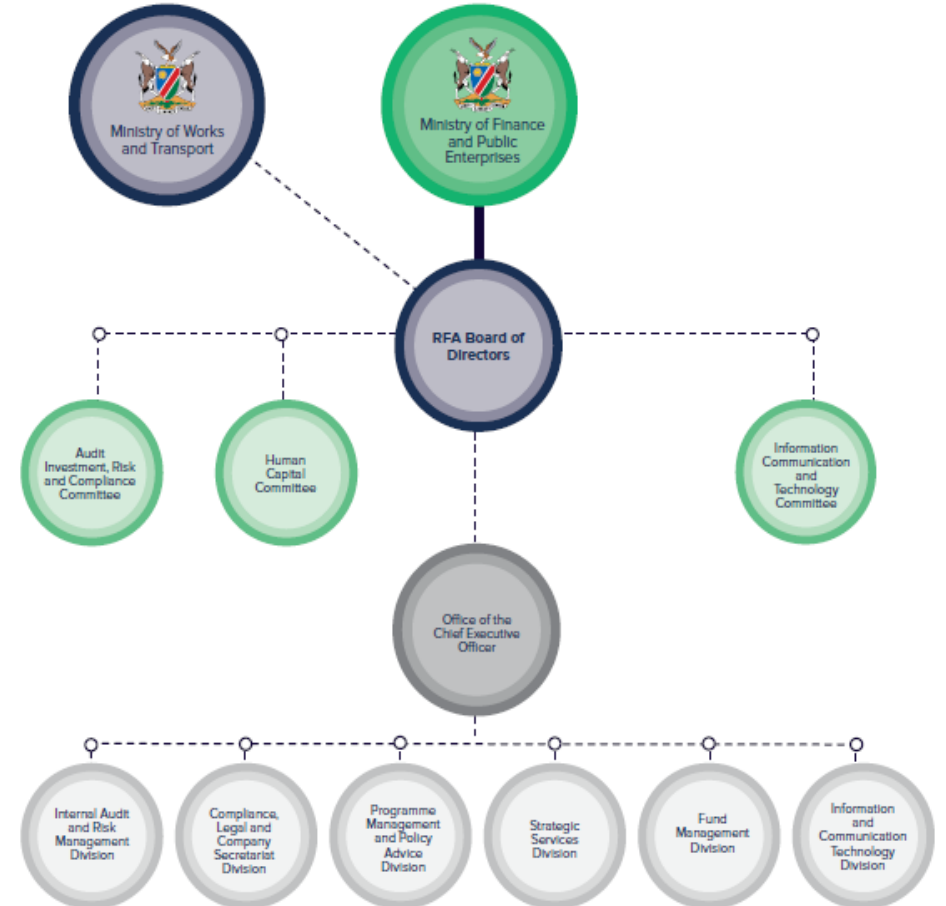
- Fuel Levies
- Road Tolls
- Vehicle License and Registration
- Weighbridge fee and fines
- Government/parliamentary subvention
- Cross border charges
- Transit charges and fines
- Traffic Fines
- Abnormal Vehicle (Permits)
- Loans and Grants
- Carbon Tax



3. GOVERNANCE & FUNCTIONS

WHAT SHOULD BE A STRONG GOVERNANCE STRUCTURE ?

- **Clear Mandate and Objectives;**
- **Strong Legal and Institutional Framework;**
- **Feasible Funding Mechanisms;**
- **Transparent Financial Management;**
- **Stable Asset Management and Planning;**
- **Inclusive Stakeholder;**
- **Risk Management and Internal Controls**
- **Monitoring and Evaluation.**





4. LEGAL FRAMEWORK

THE IMPACT OF LEGAL FRAMEWORK ON THE SUSTAINABILITY OF ROAD MAINTENANCE

LEGAL FRAMEWORK: COMMON ELEMENTS

- RMF are typically established through legislation enacted by the government or relevant legislative body;
- The legal framework defines the sources of revenue for the road fund;
- The legislation outlines how funds are allocated and distributed for road construction, maintenance, and other transportation projects;



LEGAL FRAMEWORK: COMMON ELEMENTS

- Specifies the governance structure of the road fund, including the roles and responsibilities of the governing board or committee responsible for managing the fund;
- The funding mechanism are not implement to create the road fund independency;
- Accountability and transparency mechanisms are not fully implemented.



AREAS OF IMPROVEMENTS

- Identified the revision of its legislation;
- Strengthening monitoring and evaluation;
- More effective penalties to be imposed administratively;
- Broadening scope of RUCs and developing future charges.
- Implementing new technologies to improve RUCs collection methods;
- Aligning to the mandate of 3rd generation road fund fully funding road maintenance plus construction of economic roads.



5. PROPOSED SOLUTIONS

WHAT SETS THE RMF APART

- Sound and established legal instrument with clear rules and regulations;
- Strong oversight and governance, incl. compliance;
- Revenues accrued and channeled directly into bank account;
- Application of business and financial management systems;
- Lean and efficient administrative structure;
- Proactive risk identification, management, monitoring and mitigation;
- Effective internal control as expressed in continuous unqualified financial audits.



6. CONCLUSION



FUTURE OUTLOOK

- Need to explore alternative funding sources
- Research & innovation
- Distance (travel) based road user charge
- Plan for green (renewable), smart & climate resilient roads
- Electric and hybrid powered vehicles
- Fuel levy model to be obsolete in future: ESG reporting
- Take advantage of ITS & other technological advancements (AI)
- Improved road construction and maintenance methods, i.e. PBC and LVSR

CONCLUSION



ROAD FUNDS SHOULD OPERATE WITHIN COUNTRY SPECIFIC REGULATORY AND GOVERNANCE FRAMEWORKS TO REMAIN EFFECTIVE