

A Regional Review of Road Funding Initiatives in Asia

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SYNOPSIS

Extensive financial assistance has been provided to construct and rehabilitate roads in many countries, yet roads often continue to deteriorate through lack of adequate maintenance. Efforts have been made to implement systems that ensure proper funding for road maintenance, particularly through technical assistance linked to loans from international funding institutions, but these efforts often fail, or stall before implementation is complete. To find workable solutions, it is important to know what countries think about how these problems might be resolved. The ADB addressed this requirement through the study described in this paper. The main period of the study started in 2000 with research into the current status of Road Fund initiatives throughout the world, and with particular attention on Asia. A regional workshop was then held in Manila in March 2001, attended by senior representatives from the finance ministries and road administrations of twenty countries in Asia. The regional workshop included presentations about progress with road funding initiatives; and work sessions were conducted where delegates were able to discuss and present their opinions on problems encountered in road sector funding in Asia and make recommendations to be considered for future initiatives. There was general agreement that there were difficulties not only in the funding of road maintenance, but also in the effectiveness of road maintenance activities. Notably, delegates considered that investments in new roads were justified even when existing roads could not be maintained properly. A road maintenance fund was accepted as a good idea by most delegates, but there were some differences of opinion about the details of its implementation. There was agreement that there was a need for more exchange of experiences between countries. The suggestion that the finance ministry rather than the road administration should lead road funding initiatives was discussed, and a small majority were in favour of this. There was consensus that national self-reliance was essential for the implementation of road sector reforms; countries should develop their own skills and decide their own solutions, rather than be dependent upon expertise from outside the country. A report entitled "Road Funds and Road Maintenance – An Asian Perspective" was published by the ADB in July 2003, with details of the results of the study and the regional workshop. From the study, it became clear that a Road Fund is not a complete solution to all road maintenance problems. A more holistic approach to transforming the road sector is needed, to implement effective road asset management. Setting up a Road Fund may form a component of such a solution. Further discussion since the publication of the report has suggested that road sector performance measurement may have a role to play in ensuring the selection and monitoring of appropriate road sector reforms.

Note: The views contained herein are those of the authors, and do not necessarily reflect the views of the Asian Development Bank.

INTRODUCTION

Although extensive investment has taken place in the construction and rehabilitation of roads, several countries in Asia continue to face difficulties in achieving acceptable levels of road maintenance. Road Fund initiatives have now been in progress in a number of countries in Africa, Latin America and Asia for over ten years. To assist in the formulation and implementation of initiatives to improve road maintenance in Asia, the Asian Development Bank carried out a review of the progress made by existing initiatives. A number of shortcomings were identified, and a regional workshop was held where senior government officials from twenty Asian countries were able to assess existing experience and to make recommendations to overcome these shortcomings in future initiatives.

The results of the study, together with the results of the discussions that took place at the workshop, were published in a report "Road Funds and Road Maintenance - An Asian Perspective" (1) in July 2003. At the

time of publication of this report, further informal discussions took place at the Asian Development Bank about how some of the recommendations from the study and regional workshop might be put in to effect, and some of the suggestions resulting from these discussions are also included in this paper.

The report (1) mentioned above includes a comprehensive explanation of how road funding initiatives are intended to work, a detailed bibliography of the reports and papers consulted during the study, and a summary of the status of many Road Fund initiatives at the time of earlier research in 2001. This paper will not attempt to repeat all of this material, but rather seek to highlight new perspectives and recommendations resulting from the review, the regional workshop, and subsequent discussions.

INVESTIGATIONS AND RESEARCH

During 2000 and 2001, research was carried out to establish the current status of existing Road Fund initiatives all over the world. Attention was also focused on countries in Asia, where several countries had already started or were considering Road Fund initiatives. This research was supplemented by fact-finding visits to Kyrgyz Republic, Lao People's Democratic Republic, Pakistan, Philippines, Uzbekistan and Viet Nam. These visits included interviews with government officials, with resident staff from the main funding agencies, and with other stakeholder representatives.

The results of this research were not as encouraging as might have been hoped. Despite more than a decade of promotion of the Road Fund concept by major funding agencies, and many countries having agreed to set up Road Funds, most initiatives were not in full accordance with the principles originally intended. Revenue mechanisms have been established in a number of countries, to collect additional revenue from fuel levies, annual vehicle licence fees, supplementary heavy vehicle fees and other sources, but the transparent governance in the distribution of these funds that was originally intended is difficult to find.

The original intentions were quite clear. The money collected for the Road Fund should be kept independent from other government funds. An independent Road Fund Board should be set up to oversee the proper distribution of these funds. The membership of the Board should include road stakeholder representatives, for instance from road user organisations, as well as government officials, to ensure that road user requirements are properly considered when funds are allocated. Decisions on how to utilise the Road Fund should be based upon objective and comprehensive data about the state of the road network

Typical problems encountered are:

- The Road Fund is not kept independent of other government accounts.
- The membership of the Road Board is dominated by government officials.
- There is a lack of accurate and up to date data about the road network.
- Objective analysis of needs based upon well established economic principles is not available.
- Implementation of initiatives is stalled or delayed though lack of political support.

There are a number of causes of these problems, including:

- Lack of local support for initiatives which were imposed as loan conditions by funding agencies.
- Disjointed support from different technical assistance projects.
- Failure to gain public and political support for reforms.

From the political viewpoint, the question of why roads are a special case arises. If roads need a dedicated fund, why not also have funds for education and health? Why should politicians support an initiative to reduce their control of the use of government funds?

From the public viewpoint, especially in countries with a history of governance problems, a Road Fund may appear to be just another excuse to raise additional taxes. How can the public be sure that the money will really be spent on the road network? Unfortunately, the enthusiasm observed in some countries for collecting extra revenue for the Road Fund, coupled with the failure to set up truly independent and objective decision making processes for the application of the funds, tends to support this concern.

Some ambiguity in perceptions of the position of the International Monetary Fund (IMF) on Road Funds has not helped either. The IMF normally prefers that the government of a country should retain full control of the application of all government funds, in order to give the government the maximum flexibility to respond to a country's immediate needs when any form of crisis occurs, such as natural disasters or economic problems. Except in special cases, government funds should not normally be subject to any inflexible "earmarking"

which could constrain this flexibility to use money to best effect. The question of whether funding of maintenance of the road network is such a special case has been the subject of some debate.

In certain countries, government regulations simply do not allow revenues collected by the government to be administered through a separate bank account. There are also possible difficulties in ensuring proper supervision and effective governance of an account for public money which is controlled by a Road Fund Board which may be controlled by non-government officials.

One aspect of implementing a Road Fund which became the subject of some discussion was the leadership of such an initiative from within a country. In the past it has been natural for the road administration of a country to lead a Road Fund initiative. However, this can lead to a confrontation between the finance ministry and the road administration, as the road administration argues the case for the fund and the finance ministry raises objections. Taking a broader view, the case for implementing a Road Fund is actually an economic case affecting the country's overall economic performance, rather than a case of engineering or other concerns localised to the road administration. Essentially, poorly maintained roads are a serious loss to a country's economy, and it is actually the finance ministry that is best placed to see the effect of this loss in comparison to other sectors of the economy, and to determine whether a Road Fund could offer a country an overall economic benefit. Following this logic, it can be argued that the finance ministry should be leading the initiative to improve the funding of road maintenance, rather than the road administration.

Another difficulty that becomes evident, is that countries implementing Road Fund initiatives normally rely quite heavily upon technical assistance inputs from international consultants. Unfortunately, when the consultants finish their assignments, a full understanding of what needs to be done and why it needs to be done may not remain amongst the local staff involved. Although considerable attention is normally paid to involving local counterpart staff and extending local knowledge, this can soon be lost through reassignment of government officials to other duties and loss of key staff to the private sector. If all of the thinking and understanding is done by the external consultants, there may be little capacity to respond to difficulties that are encountered after the consultants leave, hence it becomes difficult to sustain progress with the initiative.

REGIONAL WORKSHOP IN MANILA MARCH 2001

The investigations and research described above formed the background to the Regional Workshop on Funding for Road Maintenance that was held in Manila on 6-7 March 2001, attended by more than sixty participants with representatives from twenty Asian countries. Delegates were invited from both the finance ministry and the road administration of each country, and also from the major funding agencies. The attendance at the workshop is summarised in Table 1.

The two day workshop included presentations about best practice in implementing road funds; the current status of road fund initiatives in Africa, South America and Asia; and presentations from individual delegates about progress in their own countries. Work sessions were held at the end of each group of presentations, in order to get feedback from the delegates of their opinions on a range of topics.

For the work sessions, country delegates were divided into six groups. Each group was selected to include delegates from a variety of different countries and with representatives from both finance ministries and road administrations. Representatives from the funding agencies and consultants attending the workshop did not participate in these discussion groups. For each work session the groups were given a list of statements to discuss. After discussion, each group voted on each topic on a scale of five; strongly disagree, disagree, neutral, agree or strongly agree. The objective was to sample the strength of opinion on each topic from the country delegates. The consolidated results from the first three work sessions are given in Table 2.

The first work session was entitled "First Preserve What You Have", and considered some of the problems being faced in road maintenance. There was general agreement that in most countries not enough money is spent on maintenance, and that of the money allocated to roads too much is spent on improvements and new roads and bridges rather than on maintenance. Although opinions varied, more than half of the delegates agreed that that not all of the money allocated for roads was actually released for spending. There was a high level of agreement that road maintenance work is not done effectively, with costs too high or poor quality of results, and also most delegates agreed that maintenance money is not spent on the right things.

Hence the problem is not just a failure to allocate sufficient funds. Improving road maintenance also requires improvements in how the money is spent and the quality of the work carried out.

The last question to this first work session provided a slightly unexpected result. Although it was understood that too much money was being spent on improvements and new roads rather than maintenance, there was a strong message from delegates that new construction should not stop while problems with maintenance were being sorted out. In other words, the first priority is *not* to “preserve what you have”. In discussion, delegates made it clear that there will always be some overriding priorities for new construction, regardless of the acknowledged problems with road maintenance.

Table 1 Summary of Attendance at the Regional Workshop held at ADB in March 2001

Delegates to the Regional Workshop		Finance Ministry	Road Administration	Others
Countries Represented	Bangladesh	1	3	
	Bhutan	1	1	
	Cambodia	1		
	China, People's Republic of	1	1	
	Fiji Islands	1	1	
	India		1	
	Indonesia		2	
	Kazakhstan	2		
	Krgyz Republic	1	1	
	Lao People's Democratic Republic	2	2	
	Mongolia	1	1	
	Nepal	1	1	
	Pakistan	1	2	
	Papua New Guinea	1	2	
	Philippines	3	1	
	Sri Lanka	1	1	
	Tajikistan	1	1	
	Thailand	1	1	
Uzbekistan	1	1		
Viet Nam		1		
Funding Agencies	Asian Development Bank			23
	World Bank			1
	German Agency for Technical Cooperation (GTZ)			2
	Japan Bank for International Cooperation			2
	Swedish International Development Agency (SIDA)			1
	Embassy of Sweden			1
	UNESCAP			1
	Department for International Development (DFID)			2
International Labor Office (ILO)			1	
Consultants			8	

The second work session looked at exchanging knowledge and learning from others, and what should be done to solve the road maintenance problem. There was a strong message that countries see the need to learn from each others' experiences; hardly any delegates felt that their country was so different from other countries that they had nothing to learn from others. There was general agreement that a road maintenance fund was accepted as a good idea by government agencies, ministries and politicians. The benefit of having technical assistance projects to improve road maintenance was also acknowledged.

The third work session considered best practice in implementing an independent Road Fund. Delegates were divided in their responses to most of the statements that were considered. The majority disagreed with the idea of putting maintenance and new works together and prioritising based on economic return, and a few strongly disagreed. Most agreed that a Road Maintenance Fund (RMF) controlled by an independent board is one of the best ways of prompting proper road maintenance.

Table 2 Results of Discussions at Workshop Sessions 1 to 3

DISCUSSION TOPIC	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Workshop Session 1 “First Preserve What You Have” Is this ever wrong? Does your country have a problem of inadequate maintenance?	Votes of country delegates only. Consolidated results from six discussion groups				
1. Not enough money is allocated to maintenance.	-	7	1	24	12
2. Of the money allocated to roads, not enough is spent on maintenance. Too much is spent on improvements and new roads and bridges.	-	-	8	22	7
3. Not all of the money that is allocated is actually released for spending. Or it is released too late to be spent that year.	-	16	3	22	3
4. Maintenance work is not done effectively (costs too much, poor quality).	2	6	7	24	5
5. Maintenance money is not allocated to the right things.	1	9	12	23	-
6. No more roads should be built or improved until the existing roads are properly maintained (first priority is to preserve what you have)	5	27	5	7	1
Workshop Session 2 Problems: What can we learn from others? What should be done?	Votes of country delegates only. Consolidated results from six discussion groups				
1. My country is different. We cannot learn much from the experience of other countries.	12	24	3	3	-
2. In my country, the government agencies/ ministries/politicians agree that a road maintenance fund is a good idea.	-	4	12	23	3
3. In my country, technical assistance (TA) projects aimed at improving road maintenance have been a big help.	-	1	10	29	2
Workshop Session 3 “Best Practice” – An Independent Road Maintenance Fund (RMF) as a Path to Proper Road Maintenance.	Votes of country delegates only. Consolidated results from six discussion groups				
1. In principle, would you agree to putting maintenance and new works in the same “pot” and prioritizing on the basis of economic return?	4	20	1	16	-
2. An RMF controlled by an independent board is one of the best ways of promoting proper road maintenance.	-	8	6	23	4
3. It should be the finance ministry that promotes the RMF.	1	10	2	26	2
4. The majority of RMF board members should be persons representing road user interests.	-	12	6	21	2
5. The RMF chairman should be chosen from the members representing road user interests.	2	18	5	16	-
6. The road tariff should fully fund the RMF (in order to protect the RMF’s independence).	-	11	1	24	5

There was a spread of opinion, but general agreement, that the finance ministry should promote the RMF. There was some disagreement, but a majority of delegates were in favour of a Road Board with a majority of members representing road user interests. Delegates were divided, though, on whether the chairman of the board should be chosen from the members representing road user interests. Most delegates agreed that the road tariff should *fully* fund the RMF, although a significant number disagreed.

The fourth and final work session was entitled "Self-Reliance in the Process of Change: How can road sector transformation be achieved? What else needs to be done?". A number of issues were raised in a presentation which preceded this work session, and the aim of this work session was to discuss issues which might affect the implementation of future road funding initiatives.

Table 3 Results of Discussions at Workshop Sessions 4

DISCUSSION TOPIC	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Workshop Session 4 Self-Reliance in the Process of Change: How can road sector transformation be achieved? What else needs to be done?	Votes in bold are the consolidated results for the six discussion groups of country delegates. Votes in (<i>italics in brackets</i>) are from a separate discussion group consisting of funding agency and consultant delegates.				
1. The Finance Ministry should drive the initiative to improve the economic performance of the road sector.	- -	14 (9)	3 (4)	21 (4)	- -
2. National self-reliance is essential for sustainability of improved economic performance of the road sector.	- -	- -	1 -	34 (13)	4 (4)
3. A transformation board should be created at the start to oversee the process of transformation.*	3 -	15 -	5 -	16 (11)	- (4)
4. National "intellectual independence" should be developed in all aspects of road sector decision making.	- -	1 (1)	12 (1)	24 (11)	2 (2)
5. It is essential to make road sector information easily available to all stakeholders.	- -	- -	1 -	29 (2)	9 (13)
6. Arrangements are needed for "rapid response" consultancies making short-term inputs "on demand".	1 -	- -	8 (3)	30 (9)	- (3)
7. Arrangements are needed to improve international exchange of knowledge between road stakeholders (road users, government, others).	- -	- -	- -	36 (11)	3 (5)
8. Lending agency requirements (e.g. special administrative procedures) adversely distort local decision-making processes.	- -	3 (4)	15 (3)	21 (7)	- (2)
9. In the long term, lending agencies should trust local decision-making processes (that have been subject to independent audit).	2 -	- (1)	1 (1)	31 (10)	5 (4)

*Note: In the plenary session where the discussion groups presented these results, there was general agreement that a "transformation forum", which might be a board but could also be interpreted as a less formal arrangement, would be desirable from the start to oversee any road sector transformation.

For this last work session alone, an additional and separate discussion group was formed consisting of representatives from the funding agencies and consultants who were present. The results from the discussion groups are shown in Table 3.

The first statement considered was whether the finance ministry should drive the initiative to improve the economic performance of the road sector. This is based on the viewpoint that only the finance ministry can

see the wider economic performance of a country, and hence the overriding economic benefit of effective road maintenance in reducing overall transport costs for a country. Hence it should be the finance ministry driving the initiative, as shown in Figure 1. A small majority of country delegates agreed. The majority of funding agency and consultant delegates disagreed.

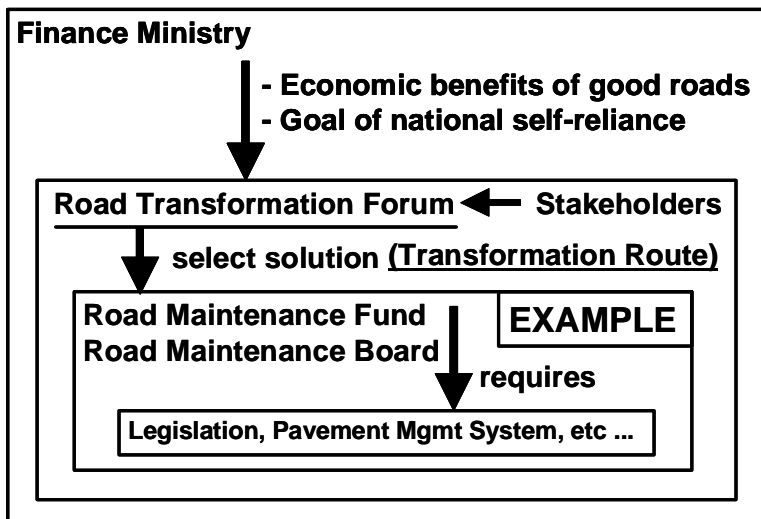


Figure 1 A Road Fund as a component of Road Sector Transformation

The next topic to be considered was the need for national “self-reliance” in order to ensure sustainability of improved economic performance of the road sector. This is related to the ongoing requirement for inputs from external agencies and international consultants in order to implement and sustain road sector reform. Every such requirement for external inputs is a potential sustainability problem (Figure 2). For an initiative to succeed, external influences and inputs must be minimised, and national self-reliance in carrying out all aspects of reform must be promoted from the earliest possible stages of reform. There was good agreement on this from all delegates.

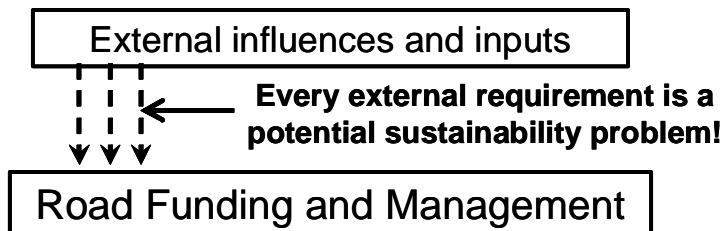


Figure 2 Self-Reliance

Next, the concept of transforming the whole road sector was considered, and how this might be managed and kept on track. Improving the road network of a country is not just a matter of setting up a Road Fund. All aspects of the management of the road sector need to be addressed, and the extent of the transformation that may be needed is illustrated in Figure 3. In the past, Road Fund initiatives have only set up a Road Fund Board once the fund comes into existence. The suggestion made was that a Transformation Board should be created from the very start of the initiative to oversee and coordinate all aspects of progress. From Table 3 it can be seen that country delegates were divided on this, with a few strongly against, while the funding agency and consultants delegates were all in favour. However, there was some discussion of this vote when the results were presented in the plenary session that followed, and there was general agreement that a “transformation forum”, which could be less formal than a board, was desirable from the start of any initiative.

The fourth statement considered was about national “intellectual independence” in all aspects of road sector decision making. This relates to making sure that there is comprehensive understanding within a country of all of the details of the solutions that are being implemented. It is not sufficient just to implement a good

solution designed by external consultants; if the solution is going to be sustained and developed further in a country then there must be comprehensive and detailed knowledge of all aspects of the solution in that country. There was general agreement on this.

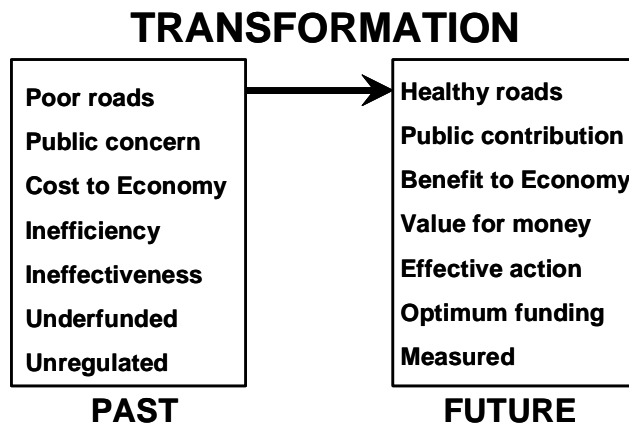


Figure 3 Transforming the Road Sector

The fifth topic was making road sector information easily available to road stakeholders. Almost everyone agreed with this, and the funding agency and consultants group strongly agreed.

The next topic related to the difficulties encountered under conventional technical assistance projects in responding rapidly to changing circumstances. The terms of reference for technical assistance are likely to have been prepared, and fixed, many months before a project starts, and each project will have a fixed end date. However, implementation of road sector reform initiatives is a dynamic process, and there is often a need to respond rapidly to political changes, changes in key staff and shifts in public opinion. There was general agreement that arrangements are needed for “rapid response” short-term consultancy inputs to be provided on demand to support initiatives.

There was agreement from all delegates that arrangements are needed to improve the international exchange of knowledge between road stakeholders.

The effect of lending agency requirements upon local decision-making procedures was also discussed. There was some measure of agreement that special administrative requirements for funding agency projects and other special requirements did adversely distort local decision-making procedures.

The final question was looking into the future. Almost all of the delegates agreed that in the long term, lending agencies should trust local decision-making processes. The implication is that when reforms are implemented, and when effective, auditable decision making processes are in place, there should no longer be a need for independent consultancy studies to be carried out to identify projects appropriate for funding agency assistance. A country’s own decision-making processes should be developed and refined until they fulfil all of the requirements of the funding agencies.

THE REPORT: ROAD FUNDS AND ROAD MAINTENANCE - AN ASIAN PERSPECTIVE

The study report, published in July 2003 (1), provides additional information about many aspects of the implementation of Road Fund initiatives, as well as more detailed information about the regional workshop. The report includes many areas of additional insight and extensive supporting information, and includes a useful analysis of the perspectives of both the Lenders and of the Developing Member Countries of the ADB.

What becomes clear is that even though there is a compelling argument for effective road maintenance in every country, in many countries it still doesn’t happen for a variety of reasons. Most countries have a significant maintenance backlog, so the question arises, should the funding agencies assist in clearing the maintenance backlog? If they do, it must be a once and for all action of putting road maintenance on a sustainable footing.

For the countries that have road maintenance problems, there needs to be recognition that the problem is not only a matter of funding. As is illustrated by the results of the work session discussions at the regional workshop, funds that are allocated are often not used, maintenance activities may not concentrate on the highest priority roads, and maintenance activities themselves may not be carried out efficiently.

Information to support decisions about road maintenance is also often not as good as it should be. Computerised Pavement Management Systems often fail to live up to expectations. Systems must be appropriate for the staffing, equipment, funding and enthusiasm and support for using them.

It becomes clear that a Road Fund is not a magic solution which on its own will solve all of the problems of road maintenance; rather road sector funding is one, very important, aspect of the wider requirement to consider integrated and coordinated solutions to road asset management problems. Local conditions must be taken into account as well, there is no single standard solution that will work everywhere without adaptation. Experience and new ideas will form inputs to any solution, but a sustainable solution will be developed in a country through the application of local knowledge and experience.

WHERE NEXT?

The study and the regional workshop provided many useful insights into progress with road funding initiatives, and indications of improvements that might be made in future initiatives. At the time of the publication of the report, further informal discussions took place at the ADB about how some of the results of this study might be put into effect. Many concepts and ideas were discussed, but three particular themes for future activities emerged.

Road Sector Performance Measurement

The need to plan and coordinate road sector reform initiatives to achieve sustained improvements in road asset management, together with the need to take a holistic approach to improvements in the road sector, resulted in discussion of the potential use of performance measurement as a tool to design, coordinate and monitor initiatives. If a common method of road sector performance measurement could be agreed by all of the funding agencies, it could be used to coordinate and plan technical assistance projects and to assess results and progress.

Aspect of road sector management being measured	Measurement result				
	Serious cause for concern	Cause for concern	Minor failings	Satisfactory	Example of good practice
Is the road network providing the service that road users need?					
Is the management of road assets effective, efficient and giving value for money?					
Is appropriate information available to road stakeholders to assess both value for money and accountability in the road sector?					
Does the road sector have appropriate staffing, skills and technical solutions?					
Is there a realistic analysis of road sector funding requirements, and are reliable and sustainable funding mechanisms in place?					

Figure 4 Possible approach to road sector performance measurement

Reliable, comprehensive and up to date road sector data is difficult to find in many countries, making it difficult to calculate conventional numerical performance indicators. This led to the suggestion of an alternative approach, of asking key questions which cover the performance of the entire sector, and to rate them on a subjective scale of five values, as illustrated in Figure 4. The answers to these questions would

be based upon longer lists of sub-questions, breaking each high-level measurement down into a series of components.

Although this method at first appears to be very subjective, it could provide a powerful tool to support road sector reform. Even without supporting data, government agencies, funding agencies and road users could each offer their own assessment of each measurement. Wherever there is disagreement, there needs to be dialogue to discuss why there are differences in the assessments by different parties. If consensus on the measurements cannot be achieved, this may indicate that reform is unlikely to succeed. Where everyone agrees on the measurements, they can form the basis of deciding priorities for road sector reform activities. If road sector funding is agreed to be high on the priority list, a Road Fund initiative may be an appropriate solution.

Governance

The road sector in many countries has a high level of annual expenditure. Wherever there are doubts and concerns about the effectiveness of decision-making procedures, there will also be concern about governance in the road sector. With a Road Fund initiative it is relatively straightforward to set up revenue collection mechanisms, but it is far more difficult to set up transparent and effective decision making procedures for the distribution of funds. Methods of improving governance will need to be considered carefully in future road sector initiatives. Road sector performance measurement, possibly as outlined above, may play a role in ensuring improved governance.

Exchanging Knowledge Between Countries

There was a clear message from the regional workshop that improved exchange of knowledge between countries about road asset management activities would be welcomed. However, most technical assistance initiatives only involve single countries, and organising regional workshops, such as the one described above, is a costly activity. Through informal discussions, the suggestion of exchanging knowledge through sub-regional workshops arose. There are several sub-regions in Asia of countries which are geographically close together that could benefit from exchanging road sector knowledge with each other. Within sub-regions travel costs would be much lower, perhaps allowing several delegates at operational management level to attend such workshops to exchange knowledge and attend presentations by resource speakers. If costs could be kept to a minimum, it might be possible to find private sector sponsorship for such activities from organisations with an interest in road sector and road user issues.

CONCLUSIONS

Many existing Road Fund initiatives have not been set up in full accordance with the principles originally intended. The collection of revenue is normally fairly straightforward, but keeping the Road Fund account independent, achieving true stakeholder representation on the Road Fund Board and transparent decision making supported by objective data and analysis are more difficult to achieve.

The difficulties observed in achieving effective road maintenance are not only related to a lack of funding for maintenance activities. In some cases the funding allocated cannot all be utilised, maintenance work is not done effectively, and maintenance money is not allocated to doing the right things.

From the regional workshop it was observed that countries do see the need to learn from each other's experiences, and technical assistance projects are seen as assisting in implementing road sector reforms. There is general agreement that a Road Maintenance Fund is a good way of promoting proper road maintenance, but there were some differences of opinion about how such a fund should be implemented.

It was proposed that finance ministries should lead initiatives to reform road sector funding, since improvements in road maintenance will give an overall benefit to the economy of the country. There was a mixed reaction to this from the delegates at the regional workshop, with a majority in favour.

A number of measures were proposed to improve future initiatives, in particular focusing on self-reliance within a country to carry through sustainable reforms. Ultimately, funding agencies should be able to trust the quality of local decision making processes. The concept of a national transformation forum was put forward to oversee all aspects of transforming the road sector.

An important message was that Road Fund initiatives should not be considered in isolation from other road sector reforms. Improving road funding is only one aspect of improving overall performance in road asset management, and a complete package of measures needed to transform the road sector must be understood and agreed by all stakeholders and funding agencies.

For the future, a suggestion has been put forward to look at new ways of measuring road sector performance, in order to assess the priorities for reform, to coordinate the activities of all organisations involved, and to measure progress.

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(This publication is available online at <http://www.adb.org>)

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