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Why Not Toll the Decrepit Roads?

Last week, an Armenian colleague and I embarked on a road trip from Lagos to Akure. This was our first time on the Shagamu-Ore road, a route well-known to Nigerian road-travelers, as it links the eastern and western parts of the country. During our journey, we observed lorries, pay-loaders, tankers, buses and a variety of cars, all ferrying people and goods from one point to the other, albeit slowly. The road was visibly worn out and vehicles were forced to navigate carefully. At some points, the dual carriageway collapsed into one lane as some lorries had overturned and parts of the road had become completely impassable. The estimated 300 km journey took us over five hours to complete and when we arrived at our destination, we felt drained, yet relieved to be safe.

The most obvious issue with road network maintenance is that the government (federal, state and local) does not and will not have enough money to maintain all the roads in the country. It does not matter which minister we see crying during road inspections, the number of promises made that major roads will be fixed or the deluge of adverts portraying work being carried out across the country. There is competition for available funding and the government cannot solve all the problems that plague our road infrastructure. As such, we must concession major roads to credible companies, introduce weigh bridges and return to paying tolls. This is the only way that road construction, repair and maintenance can be funded adequately and the plight of road users can be alleviated.

Critics of road concession often highlight the Lagos-Ibadan expressway as a classic example of a failed attempt at road concession. They tout the fact that the expressway was given out as concession to Bi-Courtney and nothing happened for over three years. The government was forced to intervene: revoking the deal, raising funds to repair the expressway and commissioning contractors to get the work done. The Federal Government needed to ensure that ordinary citizens did not continue to suffer due to the failure of the concessionaire to fulfill its agreement. However, the failure of a concessionaire to deliver on its obligations should attract stiff penalties and result in a reallocation to other competent entities. Once completed, the government is advised to give this expressway to a private operator to manage and render returns.

On the other hand, the Lekki toll-road provides a good example of how road concession can work to improve infrastructure development and consequently alleviate the sufferings of the people. This highway has been refurbished from Victoria Island to Ajah and commuters who ply the axis are required to pay a token for passage. The Lekki-Ikoyi bridge presents yet another example of a concession to build infrastructure for the benefit of people. This bridge has reduced the distance between Lekki and Ikoyi and saves commuters time, fuel and stress. Repeated surveys have shown that Nigerians are willing to pay for service; the problem comes when payment is made and service is not delivered.

Very recently, a business man, Mike Watts,



HOWEVER, THE GOVERNMENT MUST CREATE A VIABLE PROCESS FOR THE SELECTION OF CREDIBLE CONCESSIONAIRES AND ARTICULATE GUIDELINES FOR ROAD CONSTRUCTION, MANAGEMENT AND REVENUE COLLECTION. THE ENGINEERS AT THE FEDERAL MINISTRY OF WORKS MUST SIT TO DETERMINE THE BENCHMARK STANDARDS FOR QUALITY OF ROADS AND BRIDGES THAT WILL BE REQUIRED FROM CONCESSIONAIRES. ITS FINANCIAL EXPERTS MUST CALCULATE AND SET THE CEILING FOR TOLL PAYMENTS BASED ON THE COST TO BUILD AND OPERATE AS WELL AS THE PROJECTED NUMBER OF ROAD USERS AND ESTIMATED RECOVERY PERIOD. THE TENDER'S BOARD MUST OUTLINE BID SELECTION CRITERIA AND ENSURE THAT ONLY CONCESSIONAIRES THAT MEET SET STANDARDS ARE SELECTED

in the United Kingdom constructed a 365m road across a field between Bristol to Bath and instituted a toll of two pounds (five hundred and

fifty naira) per car to recover his investments. He was fed up of the long detour ensuing from the closure of the A431 and decided to assuage his and other daily commuters' plight. This created the first new private toll road in the United Kingdom in about a century.

Why the fuss about roads and tolls?

Good road network promotes economic activities and facilitates trade, tourism and social integration. It contributes immensely to regional defense and improves security. Good roads reduces accidents, deaths, disability, depreciation of vehicles and maintenance costs. Our roads are bloody – accounting for thousands of deaths annually. The wear and tear to our vehicles from plying bad roads, the cost of repairing these vehicles, the road traffic accidents due to the state of road disrepair, the medical problems that commuters develop from entering bumps and ditches on these roads, are but a few compelling reasons for instituting good toll roads. In fact, paying a toll will reduce the cost of travel as vehicles will have longer life-spans and require lower maintenance – savings that can be passed on to end consumers.

Nigeria boasts of the largest road network in West Africa, a span of an estimated 200,000 kilometers connecting rural, peri-urban and urban areas. Significant investments continue to be made in constructing and maintaining roads and bridges across Nigeria.

Funding comes from various programmes such as the Petroleum Tax Development Fund, the Subsidy Reinvestment Programme as well as direct budgetary allocation from Federal and State Governments. Road transportation in Nigeria at the moment remains the most economical means of movement given that air travel is expensive and out of reach for most people and the rail network is not yet fully functioning. Please note that the rail network is required critically in order to reduce the pressure on the roads and improve commerce, however we limit the scope of our discourse today to road transportation.

For several years in Nigeria, toll gates were established and operated on major trunk roads by the government. These were abandoned in 2004 by the administration of the time. The abandonment was necessitated by revenue leakage, variance in legal interpretations and poor road maintenance. Nevertheless, examples from concessions in Lagos State show that it is in the interest of the concessionaire to maintain roads and adequately collect revenue, hence the advocacy for concession and not merely toll roads. The arrangements could be BOT: Built Operate and Transfer for existing roads and bridges or BOOT: Build Own Operate and Transfer for completely new roads and bridges or other infrastructure finance arrangements that work in the best interest of the people.

However, the government must create a viable process for the selection of credible concessionaires and articulate guidelines for road construction, management and revenue collection. The engineers at the Federal Ministry of Works must sit to determine the benchmark standards for quality of roads and bridges that will be required from concessionaires. Its financial

experts must calculate and set the ceiling for toll payments based on the cost to build and operate as well as the projected number of road users and estimated recovery period. The tender's board must outline bid selection criteria and ensure that only concessionaires that meet set standards are selected. Road users must not be exploited from road concessions and concessionaires should not be driven by quick returns to cut corners.

Recap on the key message

1. Concession the roads and re-introduce toll gates

It is a fact that road repairs and construction must be funded and the government does not have sufficient money to do this. When we consider the wear and tear to vehicles that ply the terrible roads, asking road users to pay a toll is an insignificant cost. Let us stop playing politics with important issues and rest assured that correct decisions are in the best and long-term interest of the people.

2. Prioritize the management of highways and concessionaires

The management of highways must become integral and better coordinated. A team must become responsible for highway management i.e. tracking the lifespan, condition, status, quality and changes on roads, bridges, walkways and drainage systems. It must automate the management of this road network to ensure that issues are identified early and concessionaires are held accountable to deliver on their mandates or the government attends promptly to issues that affect roads under its management. It must manage concessionaires to ensure that they deliver high standards and do not exploit the people.

3. Automate collection process and create a toll exchange

To ensure that long queues do not build up at toll gates, we must ensure that electronic passes are deployed and commuters are able to pay ahead of their journeys or at the tolls as they prefer. In essence, we require a toll exchange that provides a platform for commuters to use electronic passes for toll payments round the country, irrespective of the issuer or concessioner, yet rest assured that revenues are not lost. This means that the toll exchange will function similarly to a bank or CSCS where daily settlements are made of utilized credit and various concession companies' accounts can be credited improving interoperability. The same idea can be translated to paid parking round the country.

Maintaining infrastructure contributes immensely to economic development. It provides more jobs for unskilled and low-skilled workers who are required to perform the tasks; it improves the quality of life for travelers and the lifespan of vehicles; it spurs social and regional integration and promotes economic empowerment. The government should provide the enabling environment for private sector to operate efficiently, in order for socio-economic development to be inclusive and people-based.

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