

IMPACT STORIES



PPIAF Supports the Implementation of a Road Maintenance Fund in Haiti

Over the last eight years PPIAF has worked with the Government of Haiti and other institutional partners to enable private sector participation in the provision of network infrastructure services in the electricity, telecommunications, roads and water sectors with the ultimate goal of improving the well-being of Haiti's population. PPIAF has contributed to the strengthening of Haiti's policy and regulatory institutions by funding studies on road maintenance alternatives, tariff schemes and legal frameworks; facilitating the exchange of experiences between Haiti and other countries; and enabling the piloting of pioneering infrastructure service delivery arrangements. PPIAF's first direct engagement with Haiti focused on supporting the implementation of the country's road maintenance fund (Fonds d'Entretien Routier – FER).

The sustainability of transport infrastructure depends heavily on continuous and adequate levels of road maintenance. According to the Ministry of Public Works, Transport and Communications, in 2005 less than 95% of roads in Haiti were in good condition.¹ To improve the situation, the Haitian government with support from the international community pushed for the creation of a road maintenance fund, a mechanism successfully implemented by several countries in Latin America and other regions of the world. This instrument aims to: i) secure sustainable resources for road maintenance (usually through the earmarking of transport-related user charges, like gasoline taxes), and ii) contract out maintenance activities to private actors (construction firms, small and medium enterprises, or micro-enterprises). The implementation of road maintenance funds is often seen as a pre-requirement to further investment in the sector for activities such as road rehabilitation, since it is critical for the sustainability of these investments.

PPIAF SUPPORT

The Haitian government requested PPIAF technical assistance in 2005 to help implement the new instrument and make it fully operational. This activity resulted in the preparation of FER's main operational documents (operational manual, standard contracts, budget, and program plans) for the next three years, a critical step for implementation that defined the procedures for contracting out maintenance activities to private operators. PPIAF's technical assistance also supported a study on road maintenance alternatives, with a particular focus on the development of routine road maintenance procedures and the contracting of micro-enterprises to perform such maintenance. Lastly, the PPIAF activity supported a series of capacity building activities which included: i) study tours to visit fully operational road funds in El Salvador and Guatemala (with the participation of six Haitian officials); ii) onsite technical assistance provision from a senior Consultant specializing in African road funds to support the design of a short- and medium-term strategy to operationalize the fund; and iii) a one-week training in Paris on road funds management.

OUTCOMES

PPIAF's assistance contributed to increased technical and institutional capacity and full operability of the road maintenance fund by 2006. The national budget allocated around \$700,000 in resources for the fund's operations, and donors provided additional financing. The European Union offered a \$1 million grant to help the fund settle in and buy equipment. The Inter-American Development Bank helped the Ministry of Transport perform a detailed road inventory to prioritize among road segments for maintenance work.

PPIAF funded studies on road maintenance alternatives provided the Government of Haiti with concrete information to improve the resiliency of the road network by focusing resources on the maintenance and protection of critical points within the network. The different outputs and activities also helped advance the consensus among different stakeholders of the importance of road maintenance vis-à-vis other types of road infrastructure investments.

DONOR COORDINATION

PPIAF technical assistance to the Haitian government was provided through the World Bank and in close collaboration with the European Union and the Inter-American Development Bank.

Since 1999 PPIAF, a multidonor technical assistance facility, has helped developing countries use public-private partnerships to improve their infrastructure. A key focus has been upstream technical assistance to support the development of an enabling environment for such partnerships.

This series highlights how PPIAF's support has made an impact on the ground.

IMPACTS

In 2006 FER signed its first road maintenance contract under a transparent and competitive process. The \$2 million contract involved the periodic maintenance of a major paved road (RN4 between Jacmel and Carrefour Dufort). Furthermore, despite the devastating earthquake of January 2010, the Haitian government continued to strengthen the role of the FER and secure resources for road network development and maintenance from several donors.



RELATED PPIAF ACTIVITIES IN HAITI

- 2005: Implementing Road Maintenance Fund, **\$199,300**
- 2005: Preparing a Management Contract for Electricité d'Haiti, **\$744,000**
- 2012: Transaction Support for InfraVentures Investment in DloHaiti, **\$75,000**

¹ Government of Haiti.2004, pg.14 (http://www.lessonsfromhaiti.org/download/About_Haiti/infra_transport-v4.pdf)