

The Missing Link in Development: the Management of Vehicle Fleets

Cornerstone for development

Consider for a moment how essential Transport is to our lives? Without access to affordable transport, the poorest of communities are denied the opportunity and ability to escape poverty and illness. Half the world – nearly three billion people – live on less than two dollars a day and according to UNICEF, 26,500-30,000 children die each day due to poverty; dying quietly in some of the poorest villages on earth, far removed from the scrutiny and the conscience of the world.

Health, education and the ability to earn a living are basic rights. But after decades of under-funding and ill-conceived reforms, these rights remain a distant dream for literally millions of people across the globe today. Too often it is the case that service delivery organizations in the developing world assert that lack of transport resources and knowledge are key constraints upon the delivery of health, education and social services. The latest World Bank Transport Strategy puts it honestly and succinctly; “Around the world, in much of development work, transport is the ultimate enabler. By serving other sectors of a nation’s economy, it puts development goals within reach.”ⁱ

Increased transport provision, through more vehicles operating in more locations brings its own risk and potential burden; worldwide, an estimated 1.2 million people are killed in road crashes each year and as many as 50 million are injured.ⁱⁱ The economic and social impacts of road traffic crashes are enormous and the problem is destined to get even more serious with road traffic accidents will emerging as the fifth leading cause of death in 2030, rising from its position as the ninth leading cause in 2004.ⁱⁱⁱ Effective management of vehicles and their operators, provision of driver training, and the implementation of appropriate policies detailing health and safety responsibilities are all part of the process in maintaining a safe fleet whilst increasing its operational effectiveness.

Proven Transport Management Success

The efficient use of transport resources such as vehicles, whether they are owned by the government or by the private sector, is vital to providing access to services and markets. A variety of studies, mostly conducted in the health sector have served to demonstrate the benefits to be gained through the implementation of fundamental transport management techniques. One such study highlighted that direct comparison between weaker and stronger systems demonstrates that the better-managed systems are 50 percent more cost-effective and efficient in supporting health service delivery.^{iv} A project completed by Transaid within the Department of Health in North West Province, South Africa led to a reduction in the number of vehicles required by the department from 2,300 to 1,000. This reduced fleet was still able to support the same level of service delivery and delivered massive cost savings to the Provincial Department.^v The same project produced the following operational achievements:

- 55% reduction in fleet size
- 55% reduction in transport capital budget
- 35% reduction in operational transport costs
- 85% transport availability achieved
- 75% vehicle utilisation achieved

These achievements are possible through the implementation of transport management systems; an integrated combination of policies, human resource development, fleet management (maintenance, procurement, disposal etc.), operational management and management information. Some organizations focus on the development of intermediate modes

of transport (IMTs) such as bicycles, motorcycles and animal drawn carts to support service delivery. This direction is encouraged to provide low cost, appropriate transport services to rural or impoverished populations - however, such interventions should act to complement and support an existing and well managed vehicle fleet rather than serving to prop up and supplant a poorly managed and inefficient fleet.

Transport Management as a Financial Management Issue

Transport expenditures within government are often hidden amongst a variety of cost centres with no clear view of total expenditure available. Within Ministries of Health transport often represents the third highest budget line after salaries and medical supplies.^{vi} It is also clear that the capital cost of procuring a vehicle often only represents up to a third of the total transport cost that the vehicle will incur through fuel consumption and maintenance in its operational life. Depending on the geographical size, population and level of development within a country a fleet within a Ministry of Education, Agriculture or Health can be anything from 100 vehicles up to 5,000 - yet so often policies are absent or poorly disseminated, management systems are inadequate or non-existent, and performance indicators such as running cost per km or vehicle utilization lack suitable data in order to be measured.

Transport Management as a Governance Issue

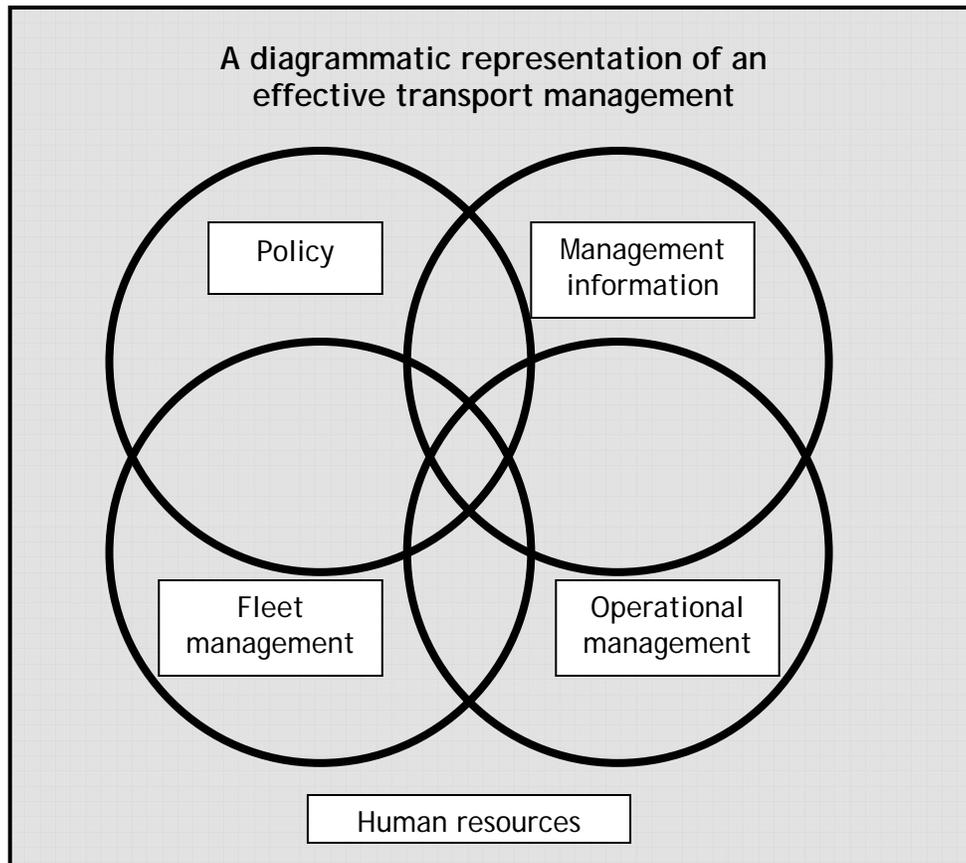
The problems are compounded by the difficulty of managing and controlling the use of public sector motor vehicles in situations where very little transport is normally available. Vehicles are commonly ill diverted to meet staff needs or other illegitimate purposes until they are no longer operable. If no specific personnel or budget is allocated in order to replace and maintain the vehicle fleet, countries can be burdened with an aging vehicle fleet, which can result in increasing fuel consumption and repair and maintenance costs.^{vii} Abuse of vehicles can represent a significant drain on transport resources but is often impossible to measure as to do so would require the systems, policies and management that would make abuse of vehicles nearly impossible were it in place. As with all classes of capital asset vehicles are subjected to theft, abuse and misuse - interventions to prevent this drain on resources need to be formulated, implemented, monitored and evaluated.

The Change Agenda

All parties concerned with development issues, including non-governmental organizations, donor countries and their respective agencies have a responsibility to promote the implementation of policies and systems to deliver efficient use of transport assets within the countries in which they work. Significant cost savings, increased vehicle utilization and ultimately enhanced service delivery capabilities await those who seek to manage and control these most important health service assets. And behind all of these numbers; the reduction in costs and the improvement of fleet efficiency, lies a simple and important need - just ask a pregnant mother who needs to be referred to a health facility or a farmer awaiting a delivery of fertilizer from the government.

About the Author

Gary Forster is Head of Program Development for Transaid. Transaid is an international development charity which seeks to reduce poverty and improve quality of life through providing better access to basic services such as health, education and economic opportunities in Africa and other parts of the developing world. By working with the UK & European transport and logistics industry Transaid builds local skills and knowledge to make transport safer, cheaper and more effective. Transaid has successfully undertaken a number of Transport Management projects throughout Africa including projects in South Africa, Ghana, Kenya and Mozambique.



ⁱ Katherine Sierra, Vice President, Sustainable Development, “*Safe, Clean, and Affordable..., Transport for Development*”, The World Bank Group’s Transport Business Strategy for 2008-2012

ⁱⁱ WHO (2004), *World report on road traffic injury prevention*, ISBN 02 4 156260 9, World Health Organization, Geneva.

ⁱⁱⁱ WHO (2008), *World Health Statistics 2008*, ISBN 978 92 4 0682740 (electronic version), France

^{iv} Nancollas S.A. (2001) *Study To Determine The Key Components Of A Cost Effective Transport System to Support The Delivery Of Primary Health Services*, Abt Associates, TRANSAID Worldwide, Bill and Melinda Gates Children’s Vaccine Program at PATH, World Health Organization, Riders for Health

^v Timpson A. (2004) *Evaluation of the Transaid Transport Management Project with Department of Health, RSA*, Department for International Development

^{vi} Health Action Newsletter, (January – April 2000) Issue 25, *Transport for Primary Healthcare*, Published by Health Link

^{vii} Babinard J and Roberts P, *Maternal and Child Mortality Development Goals: What Can the Transport Sector Do?*, World Bank Transport Paper 12, August 2006