

POLICY BRIEF

DRAFT

Establishing a Public Transport Authority (PTA) in African Cities

This Policy Brief is a joint report by the African Organising Authorities Platform (Africa OAP) of UITP (International Association of Public Transport) and SSATP (The Africa Transport Policy Program), in the context of the on-going collaboration to combine efforts in order to advance the sustainable urban mobility agenda, notably through advocacy actions, best practice dissemination, project development, technical assistance, capacity building and training.

It will be further developed through a Knowledge Brief, where several cases studies and best practices will be included.



Introduction


Organizing Urban Mobility Systems is a complex issue as it depends on the context. In the last *Trends Report*, UITP looked at different cities all over the world to demonstrate the challenges to advice on a specific form of organization regardless of cities specific circumstances. While there is a global awareness of the need to improve the structures and the processes that underpin the delivery of mobility infrastructures and services, the diversity of solutions and arrangement prevails at the local level. Still, there is some promising practices. One of them is the establishment of a Public Transport Authority (PTA).

This paper argues for the establishment of Public Transport Authorities (PTAs) in Africa and forward some principles to do so based on the Organising Authorities Committee (OAC) of UITP and SSATP experience.

Organising Urban Mobility Systems: A “glocal” challenge

Mobility related challenges are increasingly becoming “wicked” problems. A wicked problem is a societal issue that cannot be formulated in a definitive or universal manner because there is no statement that can contain all information regardless of the context. This refers to the fact that the problem translates differently from place to place. To provide an illustration of a wicked problem one can mention how transport interventions affect the health of citizen beside other social and economic concerns. The way people move generates feedback loops, setting the scene for road accidents, air quality related illness, obesity, cardio-vascular diseases and other Non-Communicable Diseases (NCD) such as diabetes. In Africa, health concerns manifest in terms of road safety and security. The incidence of injuries is increasing partly due to the rapid growth of motorised transport and could be mitigated with measures such as education campaigns, drivers training, road design and maintenance, vehicle safety checks, separation of pedestrian from vehicle traffic and speed limit as well as the enforcement of road traffic legislation and law. Looking back, it is now possible to affirm that such conditions are due to a decoupled decision-making process that systematically favoured road infrastructures, regardless of the possible systemic effect that transports interventions could have on the city and the urban environment. This put organizational issues to the fore and call for change, breaking away from organizational path-dependencies.

To put it differently, cities increasingly face global issues linked to transport and mobility but when it comes to the implementation and creating capacities to face them, solutions depends on the way transport are organised at the local level, hence a glocal character. Clearly, some cities tend to do better than others – those with a PTA. Still, PTAs all over the world vary in size and competencies, they evolve over time driven by complex political forces. There is no one fit all solutions, history and time matter. In Western economies, PTA emerged in the 80's as part of broader public sector reforms. One aim was to improve public intervention and get rid of public monopolies inertia as well as fostering efficiency gain by separating strategic, tactic and operational functions in the delivery of public transport services. In developing countries, Africa



in particular they are considered as a way to overcome the lack of institutional capacities and fragmentation, opening an avenue for creating a vision and strategy for transport in a context dominated by private/entrepreneurial initiatives (i.e: paratransit or informal transport). In a word, where there is a PTA, transport are considered as better organized and equipped to face the current challenges. This paper aims at delivering some principles and recommendation for Africa. It draws on UITP and SSATP experience to present what could be learned from local case studies, Cape Town and Dakar, among other. It is structured as follow a) it outlines the governance challenge in Africa, b) it proposes a departure point for the establishment of PTA c) it presents the role players, and d) finishes on 5 pre-requisites for a successful transport authority.

a. Governance Challenge in Africa

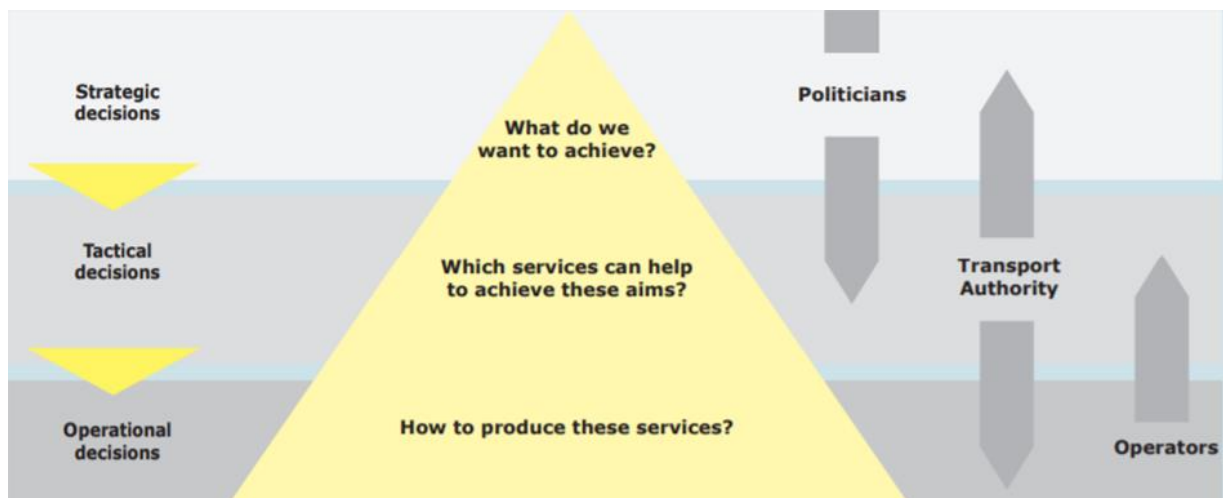
African cities face uncontrolled urbanization and lack public investments. Creating capacities to manage mobility is therefore essential to their development. A PTA is all the more relevant that the mobility landscape is disrupted. Technologies such as digitalization and platforms combined with supportive social trends are likely to fundamentally change the way people move. While this constitutes an opportunity to lead African Urban Mobility Systems to a path that better serves political and social goals, it is not self-evident it requires governance and leadership. From this perspective, many cities in Africa now see the benefits of establishing a PTA to regulate and administer transport. It consists in integrating all transport functions in one institutional structure at a local/metropolitan sphere of government with the aim to deliver long-term goal of effective integrated, interoperable and intermodal transport systems. Still, African governments have been hesitant to place institutional power in a PTA due to fears that PTA's would use government revenue to create parallel structures for work that could otherwise be done in-house. Further, they have been concerned to create an entity where the functional accountability is at arm's length whereas the government is responsible for the financial sustainability. Further, many failed PTA's have not developed a strategic investment logic to their operations that is integral to that of their principle body, which has resulted in financial losses and inefficiencies. To overcome such political and institutional barrier it is critical to develop transport solutions that are based on the correct data driven premise, which considers the local context and is properly "costed". This notion of costed means that the solution is practical, has the financial and human resource means and optimizes revenue generation with the provision of services to the broadest population in need. Costed can also mean the best value added for all parties. From this perspective, the governance of transport must reach the following objectives:

1. Be fit for purpose and functional for the specific city at hand
2. Enable a service delivery that is performance oriented, facilitating targeted investment through projects and programs.

3. Drive investment to achieve an efficient and effective urban environment that addresses the needs of the urban population as it relates to access
4. Establish a legal/legislative foundation that goes beyond the planning and political cycles and resultantly enable and secure investment in the short medium and long term.
5. Establish a PTA that has the legislative, functional and financial power as well as the political backing and ensure that there is strong partnership between the political decision makers and the administrative head as this is critical to the success of the PTA.

b. Establishing a PTA: A Departure Point

In general, establishing a PTA departs from separating strategical and tactical functions from operational concerns. A common way to represent the competences of a PTA is a pyramid that hierarchizes the different functions which is well depicted in UITP early work:



Notwithstanding the positive attempt to picture the area of competencies of PTA, this figure comprises several assumptions. Among others it depicts an order where authority or power flow top-down along a clear chain of command, where goals are clear and responsibilities of the different actors are delineated. In reality the PTA is at the core of a web of actors and relationships. To understand there is a need to review the main role players of service delivery; namely the Central and Local Governments, the PTA, the Operators and the Users/Customers.



c. Role Players in the governance of service delivery

To achieve the objectives, as detailed above and to ensure that there is performance-oriented, investment-led service delivery, each of party must assume a specific role. This balance will ensure sustainability and the correct focus on the end-user. To this purpose the following points are essential:

- Government sets the overall targets and provides the overriding strategic direction.
- The legislative basis and the resultant structure of the Transport Authority must be approved by Government and the head of the PTA must be appointed by the Government.
- There needs to be a political champion that it parallel with the PTA's administrative head and they are collectively accountable.
- The performance of the TA needs to be regularly reported, both from a financial and service delivery perspective.
- The PTA must be acknowledged and communicated as the government's or city's transport authority and it should be an extension of the mother body.

Subsequently, the main players are:

The Central Government: in most countries the central government plays a prominent role in the organization of transport, particularly in capital cities, despite a decentralization trends. In this context, the role the State uses to be confined to the funding of infrastructures. In African countries it is still common that the State buys the rolling stock and fills the deficit of transport companies. It also regulates their overall activities according to specific laws.

The local Governments: usually a City/Metropolitan or Regional government, with its mandate to deliver services to citizens (the users). Accounting for various decentralization and devolution processes local governments become more and involved. The State can transfer some responsibilities and competencies to regions for example, hence the emergence of PTAs. The local government provides revenue for the establishment of the PTA and has a broad oversight role over the PTA, ensuring that it delivers on the long-term goal of effective, integrated public transport.

The PTA: set up by the local government to deliver on a long-term goal of effective integrated, interoperable and intermodal public transport. The PTA operates at 'arms-length' from the government, with the focus on protecting government in relation to regulatory issues and the multiplicity of external partners that the PTA must govern but is still accountable to the government. What is essential is the following:


- The PTA manages the integrated public transport network, including timetables, routes, regulates performance standards, and ensures that commuters are protected.

- The PTA manages the various operators (bus, train, taxi etc.), negotiates operating contracts, and holds operators accountable to their contractual obligations. In this way, the TA shields the City government from financial and regulatory concerns, and acts as a 'political buffer' between the City government and the users.
- While the PTA receives its revenue from the government, it can generate additional revenue or investment through operating in a quasi-businesslike way by using an investment logic to ensure that public transport is more financially sustainable.
- Within the context of the government, the TA must set a long term, costed strategy of at least a 20-year time horizon that it reports on achieving on an annual basis to both the government and to customers alike.
- The PTA must establish a fund that has specific criteria of expenditure where all revenue is fed into and then distributed only in terms of pre-determined service delivery objectives.
- The PTA must be data-driven in all that it does which then makes it accountable and authentic.
- Communication is essential in terms of performance, innovation, strategy, regulations and compliance, etc.
- Innovation is critical without chasing just the technology but rather the value-added solutions.
- Empowerment, education, training and best practice is also critical.
- The TA along with government should set up a stakeholder body so as to engage on all critical aspects of service delivery.

In addition, the question is to know whether the competencies of the PTA should be limited to Public Transport and Transport or become Mobility and, ultimately, Land Development Agency. Indeed, PTAs competencies evolves over time. Montreal in Canada is a good example. Montreal PTA's undertook substantial reforms. Following UITP recommendations in terms of governance, ARTM decided to refocus its competences on the strategic and tactical level of decisions, leaving operational concerns to operators. Concurrently, it received new responsibilities related to planning and funding. The Metropolitan Plan of Development (PMAD) proposes the integration of urban and transport planning at the regional scale, the zoning of the territory must conform to the PMAD to make sure that 40% of household growth will occur in the proximity of access points of the main regional PT network. Going further, this new rationale comprises land value capture mechanisms – a development charge on new real estate that should support transport projects.

Operators: they are companies that operate a public transport service, whether it be a BRT/bus/taxi/train. The operator interacts directly with citizens through the provision of the service. The operator follows routes and timetables that have been set by PTA, and must meet contractual performance measures, with overall accountability to the PTA. What is essential is the following:

- The PTA sets the service delivery standard which will be published on the PTA's website to ensure accountability

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- There must be a uniform branding strategy for all vehicles in an integrated public transport solution that is set by the PTA and the Operator must comply
 - Driver training and opportunities for employees are the responsibility of the Operator
 - The bonus/malus system is set and managed by the TA

The PTA can choose to operate the service in-house or outsource it via a contract. Around 25 years ago, (public) service contracts between PTA and public transport operators started to emerge. In the course of the years different contract types have been developed and applied. Contracts became also more advanced and comprehensive but as a result certainly also more complex. As over a period of time contracts for franchises or concessions have been retendered once or twice we can now recognize an ongoing development.

Users/customers: One of the most important aspects of a sustainable and functional integrated public transport system is the respect and acknowledgement of its users' needs, preferences and travelling habits. Very often Governments and PTAs alike forget about why they are in existence because they are too busy dealing with other issues. What is essential is the following:

- The user is the most important role-player in this process and therefore it is critical that their needs and priority access costs are determined.
- If there are interventions that will reduce costs, increase revenues and improve efficiencies, try to involve users in testing these innovations.
- Social media is becoming an important tool to "hear" from our customers and commuters.

At this point we can refocus on the conditions for a successful PTA, consisting of 5 pre-requisites based on our experience.

d. Five pre-requisites for a successful PTA

The power to act, more specifically the legislative authority, effective financing and ability to set operating standards; longevity, in the form of long-term planning which can overcome 'political short-termism' inherent in city political terms of office; a strong partnership between a political champion and a strategic administrator to drive the integrated transport agenda in a city; an investment logic to the transport authority, that looks at transport holistically through including other aspects that impact on the financial sustainability of the public transport system, such as the location of housing; and finally, data-driven planning which enables evidence-based decision-making that underlines the investment logic, and enables the effective monitoring of the performance of transport operators.



1. POWER TO ACT

TA's must establish and hold power to drive the transport agenda and related investment. TA's have often failed when they have been reduced to a planning authority, without having the necessary legislative power to effectively operate as an TA, and particularly without the ability to introduce an investment logic to the financial management of the TA. For example, in the context of the City of Cape Town's Transport and Urban Development Authority (TDA), this concern necessitated the development of a by-law that established the TDA, and ensured that the TDA had the legislative authority to act. This by-law also enshrined the investment management capabilities of TDA, as well as the ability to set operating standards, and long-term planning.

2. LONGEVITY

The provision of integrated transport is inherently a long-term objective and can only be delivered by a structure that is similarly capable of enduring: a transport authority. As the delivery of integrated transport is a large, complex and multi-faceted task, it can only be achieved in incremental steps. Cities that started integrated transport some 25 years ago are still implementing it today. As such, a TA helps to bypass 'political short-termism' inherent in political terms of office, through institutionalizing long-term planning and operational models, with an investment logic to underpin the work of the TA. This longevity is enshrined in the legislative 'power to act', which enables stability over time in meeting the long-term objectives of integrated public transport.

3. STRONG PARTNERSHIP

The establishment and operations of a TA requires a strong partnership between a political champion and a dedicated technocrat. The support of a political champion who buys into the vision of the TA is key to managing political dynamics inherent in city government fears around the creation of TA (see UITP&UCLG Mobility Champions initiative).

Virtually all successful transport authorities have a combination of a political champion and a strategic administrator who work in partnership to drive forward the transport agenda. The strategic administrator needs to be innovative, and able to drive change in a complex environment, while ensuring that an investment logic underpins the operations of the TA.



4. INVESTMENT LOGIC

Transport Authorities are typically structured to either make investments themselves, or to facilitate investments by others, to meet transport needs. TAs do not just deal with the transport realm to tackle transport issues. TA's routinely look outside their own sphere for solutions that can then facilitate improvement within the transport arena. The ability to take a holistic approach is central to the success of TA's.

An example of this is the City of Cape Town's transit-oriented development strategic framework, which aims to make planning decisions to locate new human settlement developments along transport corridors. This will have a positive effect on the financial viability of public transport, through increasing ridership numbers as a result of developing high-density housing in well-located areas close to the public transport network.

5. DATA DRIVEN

Underpinning the long-term planning, and the investment logic of Transport Authorities is the use of data. Evidence in the form of data assists in network planning decisions, through using population and household statistics, as well as the location of employment, amongst other factors, to plan routes and frequency of trips. Digitalisation opens a wide range of opportunities in this field. Data also assists in monitoring the performance of operators, to ensure that they are held accountable, not just for how many kilometers they travel, but for meeting service delivery targets that benefit the end user. This assists in ensuring that operators meet their contractual obligations to the PTA. The investment logic of the PTA provides clarity for investors on where they can get a return on their investment, and is based on transparency of transport data. Data underpins the investment logic of the PTA and assist in continuously monitoring the financial viability of investment and decision-making.

Conclusion

While Transport Authorities are key to realizing the benefits of integrated transport in a variety of city contexts across Africa, many key governance, financial, and planning pre-requisites are needed to ensure their successful and sustainable functioning.

Transport Authorities should ensure that the establishment and continuous operation is underpinned by: the power to act, long-term planning, a strong partnership between a political champion and a dedicated technocrat, and a data-driven investment logic.