

The institutional organization

The institutional fabric has been radically changed by decentralization which transfers urban transport responsibilities to local authorities, opens up urban services to the private sector and privatizes public corporations/boards.

▼ Setting up a regulatory authority

The introduction of policies to improve urban transport systems must give priority to creating a regulatory authority¹⁸ entirely in charge of organizing urban travel within its jurisdiction.

The scope and content of the regulatory authority's tasks may vary according to the countries' institutional situations. The concerns are two-fold: the need to give this structure an institutional fabric consistent with its tasks and regulatory power, which is key to its efficiency, and the need to involve all the stakeholders in decision-making while avoiding over-large meetings.

The new structure will have responsibilities and powers transferred from the legally competent authorities. It must not pre-empt the competent local authorities and must therefore leave decision-making to their representatives. The regulatory authority's power must be subject to controls and penalties, which poses the problem of the scope of its action. The regulatory authority should have a budget enabling it

to take financial action in the transport sector. In a transitional phase, on account of situations in which newly-created or restructured local authorities are not ready to assume new responsibilities straight away, the State may be involved through representatives of the main ministries involved. This policy of combining representatives of central and local authorities is also justified where the State still has control over public corporations or transport boards.

The structure of the regulatory authority will ultimately have to be re-oriented towards greater empowerment of local authorities, which is already the case in a number of countries today.

In this institutional system, the State must focus on its missions of evolving transport policy and drawing up and controlling general regulations, such as access rules for new carriers, business registration, road safety standards, taxation, financing rules and urban transport regulations.

The second concern relates to conditions of participation of the many other players in the urban transport sector, who have conflicting interests (competition between operators resulting from deregulation). One pitfall to be avoided is that of making the regulatory authority into a vast forum of representatives of carriers, users, the economic power, justice, the police and insurance companies, all aiming for

hypothetical consensus. (There is a big difference between the scope of the "agreement" and the "consultation" prior to the decisions of this assembly).

It is important to discriminate between the decision-making body, the executive body and the consultative body of the regulatory authority. The adopted procedure must have the following aims:

- closely involve representatives of carriers, users and other partners in the decision-making process,
- leave decision-making to public authorities. It is difficult to give operator and user representatives the same decisional and regulatory powers as the Regulatory Authority.

In the countries of West Africa, there is currently a pilot project for the creation of a regulatory urban transport authority. This is Cetud in Dakar. In some cases, temporary committees are set up, for instance in Abdijan, San José in Costa Rica, Odegam in Santo Domingo and Imattu.

Just as important as its institutional structure are the human and financial resources of the regulatory authority. This authority requires the necessary skills base to examine and control issues. It must have a team of people trained on the subject as this is essential for successful urban transport policy decisions. Assistance from France to the project owner is particularly

beneficial when the regulatory authority, in coordination with technical departments of the central administrations, is in charge of drawing up and controlling specifications for service operations, level of service, layout, choice of equipment, road and equipment investment decisions and traffic management. This assistance may form an aid policy priority for urban development and enhanced local management.

▼ Concessions to operators of busy routes

The award of operating concessions for services on identified busy routes must be based on national and/or international invitations to tender, specifications and operating agreements. This procedure is intended to ensure that the tenderer offers financial and technical guarantees commensurate with specification requirements. These specifications lay down the route operating capacities to be set up by the operator and the vehicle characteristics. They should prioritize the selection of a single operator over one or more routes. Where appropriate, a group of operators can come under a single agreement. In return, the operator is required to meet obligations in terms of capacity, level of service, stops and frequencies. It must be possible to ensure that his "rights" under the agreement are respected, including a provision against competition from unauthorized operators on the routes under concession and the application of rules on fares. The

monopoly on routes is easier to enforce where exclusive rights-of-way are set up, as in Abidjan, for instance¹⁹.

The operating system specified for busy routes can be supplemented by a lighter system for feeder services and local services. In the latter case, simple zone-based permits can be provided for a period to be determined. The requirements concern business rules, safety rules and roadworthiness tests.

▼ Groupings of operators

Groupings or representative associations of operators must come into effect at the beginning of the system reform process. Their agreement is essential before a new system can be set up. This is doubtless a way to avoid the devastating effects of cut-throat competition and to

encourage the emergence of GIE-type structures. In Central America and Latin America, operators have a stronger organizational tradition, notably in cooperatives, purchasing pools, collective management centres and the organization of services. The monopoly situation of public corporations has probably hampered the emergence of structured companies.

•• Urban transport regulations

Urban transport is subject to regulations on road passenger transport, particularly as regards conditions of access for new operators, which are not strict in the cases under study and are easily by-passed: operating permits (administrative permits or concessions with little or no control) and vehicle roadworthiness tests. In most cases, the

Cetud, the Executive Council of Dakar Urban Transport, is a recent structure for coordination, organization and consultation in the urban transport sector. The Cetud organs are the plenary assembly, a technical secretariat and a president. The plenary assembly consists equally of representatives of the State, local authorities, economic operators and urban transport users. Cetud has regulatory empowerment. Its tasks cover:

- defining specifications for the operation of services,
- organizing and evaluating tenders,
- signing contracts with one or more operators,
- supervising the performance of contracts,

- regulating the market, controlling regulations.

The Cetud executive consists of the president and a standing secretariat formed of a few high-ranking expert advisers. The decisions are taken by the president of Cetud and require the prior agreement of the Cetud plenary assembly.

Cetud is a beneficiary of the Urban Transport Development Fund (FDTU), set up to finance public transport related infrastructure and facilities, which is a pilot project in this field. It receives funding from the World Bank.



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roadworthiness test is purely symbolic, consisting in a formality giving rise to additional tax revenue. However, two examples of roadworthiness test concessions in Africa are worthy of mention: Libreville and Abidjan. In Libreville, a new test centre has been conceded for 10 years to the

Société Gabonaise de Technique et Contrôle (SGTC). A vehicle check-up service began in January 1997. This centre has modern equipment able to check the main safety aspects. In Abidjan, the roadworthiness test is also under concession to a private company, SICTA, Société Ivoirienne de

Contrôle Technique Automobiles et Industriels, a subsidiary of the Swiss company SGS Qualités. This roadworthiness test, which aims to rehabilitate the vehicle fleet, particularly taxis, illustrates the public authority's will to control this sector. ■

Financing the system

▼ Financing roads and ancillary equipment

Responsibility for the urban road system is usually shared between the central and municipal authorities. These, for want of adequate tax resources, are often unable to keep the roads in repair or open new roads on "spontaneous" sites. This makes it impossible to serve less well-equipped districts with high-

capacity vehicles whose fares tend to be lower than those of taxis (in Yaoundé, asphalt-surfaced roads account for 20% of the road network).

▼ Financing operations

In most countries of the south, public transport demand is heavy owing to low car ownership. In Costa Rica, 70% of travel is by public transport. Heavy demand

should enable operators to balance their operations. However, the erratic supply does not enable all the operators to derive sufficient income from their activities.

■ Revenue

•• **In a competitive situation,** fares should be the consequence of operating costs, fares of competing modes and people's ability to pay.