

The importance of institutional arrangements for a successful transport and urban planning

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Jose Enrique Pérez Fiaño
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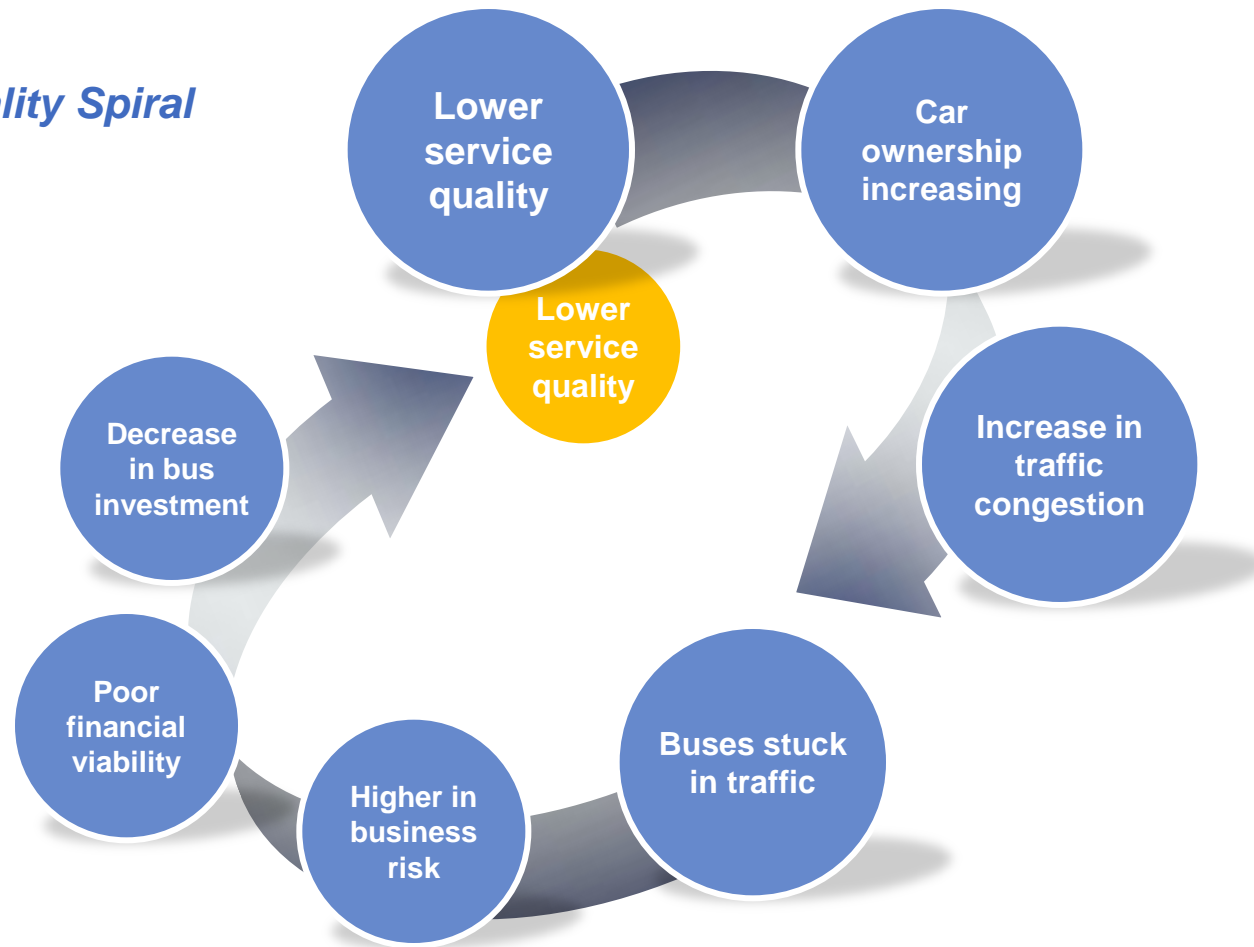
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The growing success of BRT systems is due to its proven ability to break the vicious circle that leads to degradation of the urban transport

Declining Quality Spiral



The progressive weakening of transportation systems is caused by the weakness of the operators and public agencies responsible for guiding and regulating the operation. Users end up paying the inefficiency of the system with higher fares

Key elements for a successful BRT implementation

Operational performance

An efficient operation of the bus fleet is the main reason for the implementation of a mass transit system with fixed stops, regular frequencies and sufficient service capacity

Fleet quality

The availability of a fleet of new high-capacity buses, comfortable, and equipped with safety features, is the main distinguishing element of a BRT System

Engineering design

A substantial part of inefficiencies, unnecessary costs and functional problems in mass transit systems, can be avoided with a proper design of the corridor facilities

TICs, control tools

The provision of adequate technological systems for fare collection, ticketing, fleet positioning control, incident response and security issues, are key to guarantee the BRT efficiency and public image

Institutional arrangements

Efficiency and profitability of the BRT system depends, ultimately, in a stable framework of institutional arrangements, that should be accepted by all the public and private stakeholders

Elements of the institutional arrangements framework

EVOLVING ACTIONS

The proposal of new transport modes has technological, operational and business model implications that require responsive and **specialised management** that can avoid bureaucratic delays

INSTITUTIONAL IMPLICATIONS

- The planning, control and management of different systems implies the **creation of public agencies** with the capacity for flexible management and specific knowledge of each business.

INSTITUTIONAL ACTIONS

Definition of roles and responsibilities of the agents

Several projects can coincide and progress at the same time for the implementation of BRT corridors, MRT, or metro lines . Each system is usually operated or managed by a different agency

- It is essential that **there will be a Transport Authority** provided with the powers for planning, control and coordination of the different transport systems. The Transport Authority should act as a **single coordinating agency**

Definition of the coordination mechanisms

The desire **to incorporate the private sector** into the operation and financing of new transport systems implies the need for **clear rules on access** to and presence in the market and **transparent management** of the fare revenue

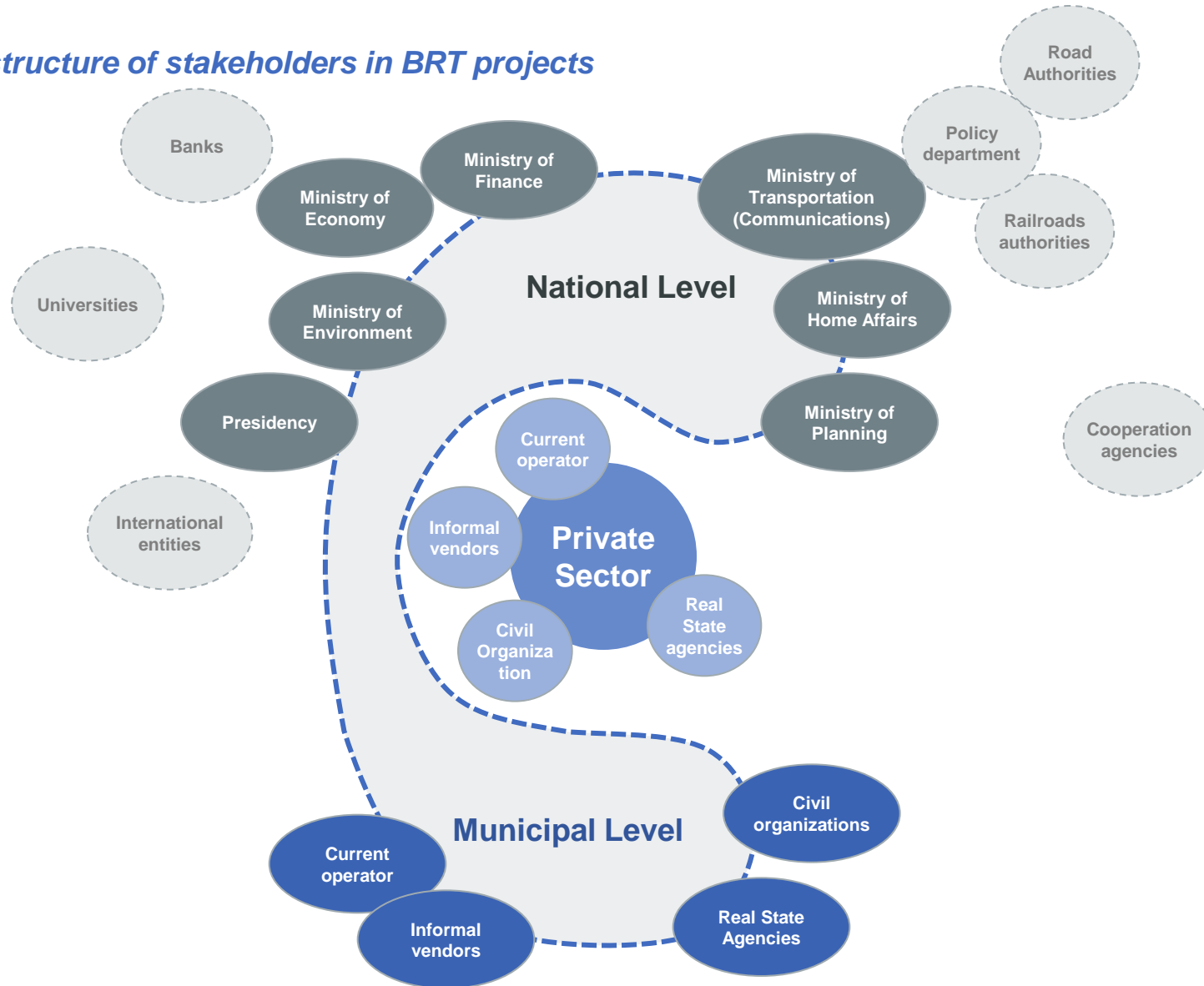
- The **public sector** (authority and public management companies) must maintain the functions of control, regulation, planning and award of contracts and operating licenses, and the construction of the overall system infrastructure and that for each specific mode.

Definition of ownership and maintenance of buses and infrastructure

The initiatives to modernise public transport system require concurrent action on a new institutional framework

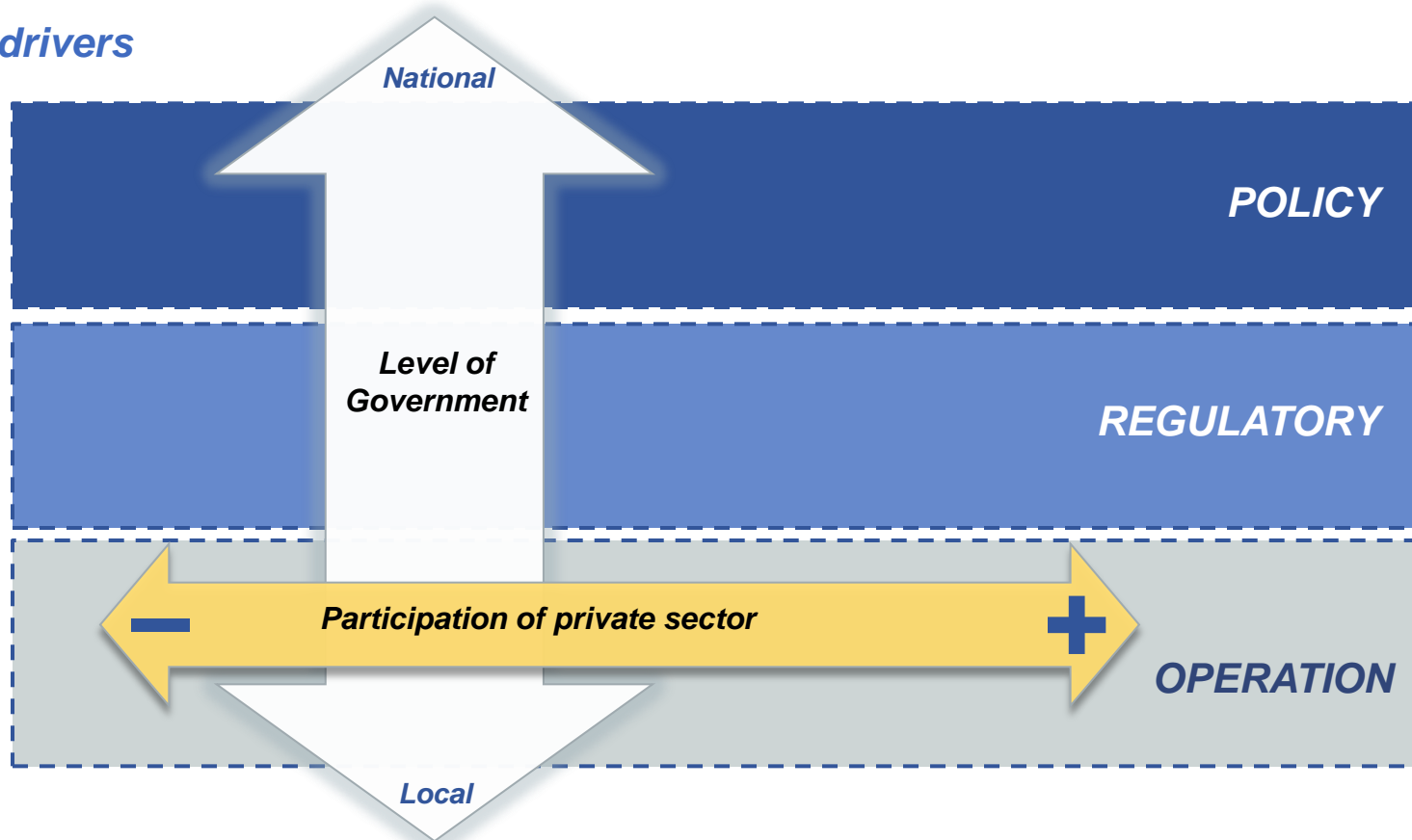
BRT projects involve a large number of stakeholders

Typical structure of stakeholders in BRT projects



The path to succeed is a clear definition of the three institutional levels: policy-making, regulation and operation, within the institutional framework

Decision drivers



Leaving the institutional issues unaddressed most likely might result in unresolved constraints and obstacles to project implementation, thus reducing the effectiveness of the envisaged solutions to integrate urban and transport planning

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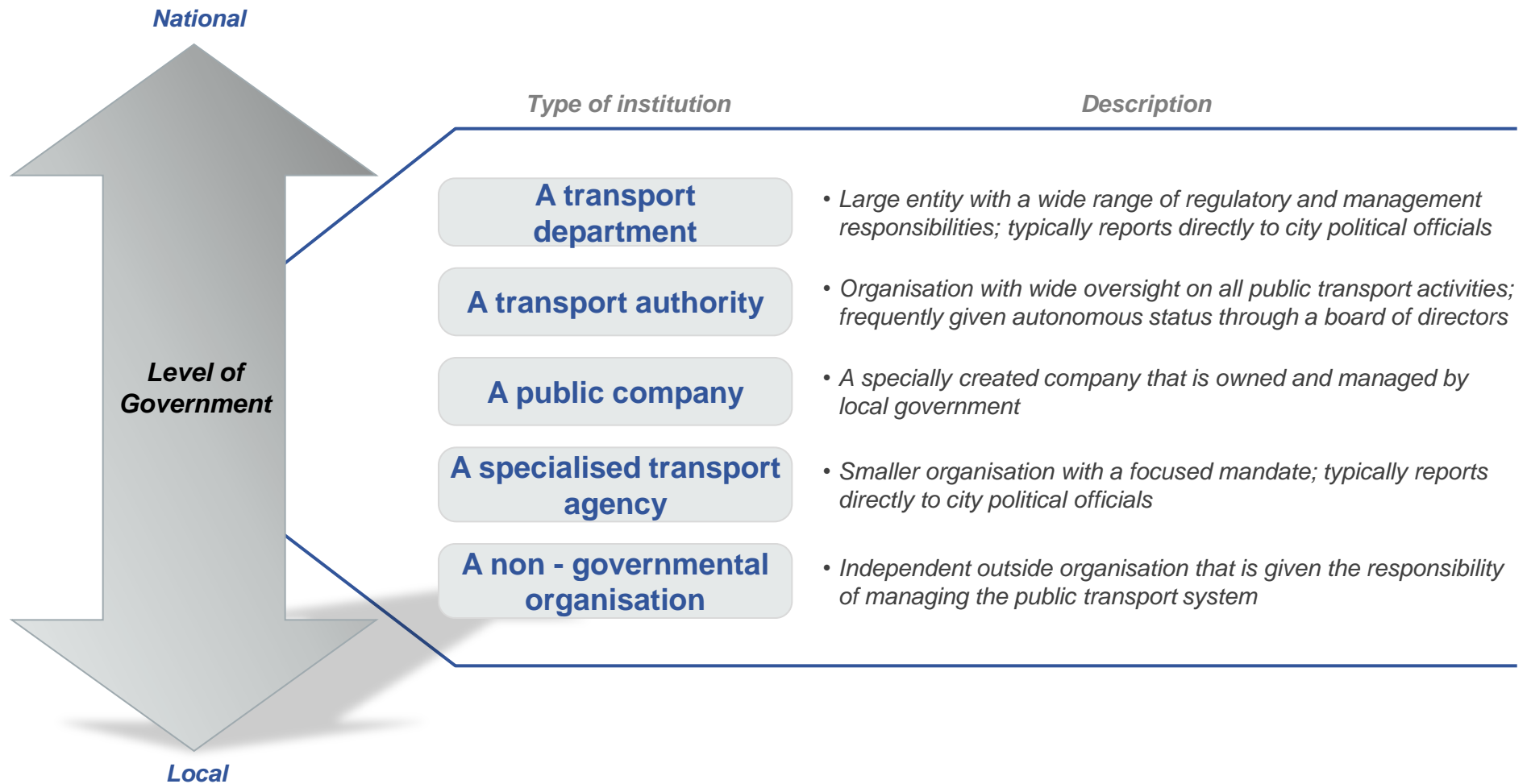
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In the case of the Public Sector the institutional arrangements may include a variety of formats



The main decision driver is where to place the regulatory functions of a metropolitan transport agency

1

Planning of infrastructure and services, including the definition of operational aspects (routes, frequencies, etc), programming investments and supervising the corresponding projects

2

Managing relations with public transport operators, through contracts and service level agreements, including the definition of performance criteria, preparation of service contracts and monitoring of performance

3

Coordination of the funding of the system, via funding agreements with the GoB and public and private operators

4

Fare policy, involving the definition of the range of tickets and annual revision of prices

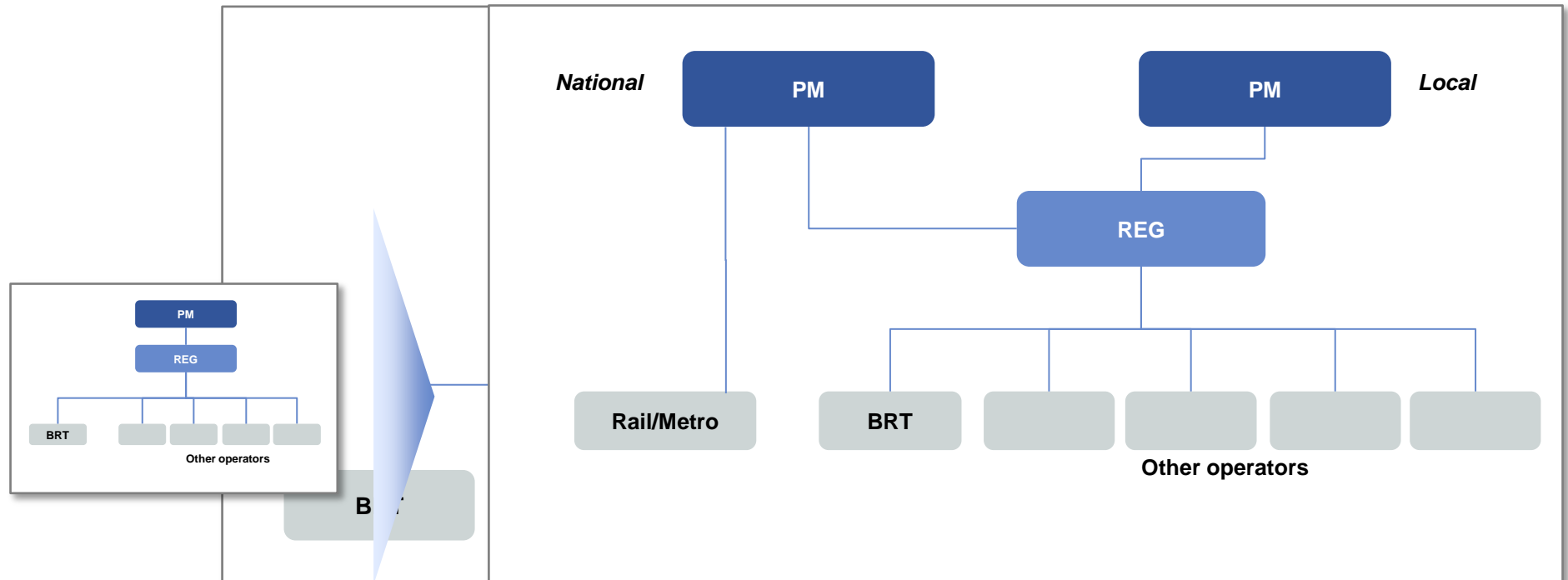
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Development of projects commissioned by other Administrations to ensure compliance with the functions of the GDMTA

6

Definition and promotion of the corporate image of the Metropolitan Public Transport System and public transport in general

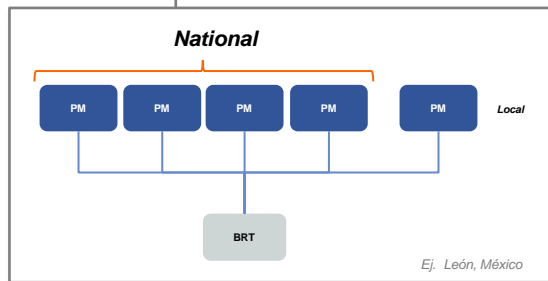
The best case is a hierarchized institutional model, with a clear division of capabilities among the public agencies involved



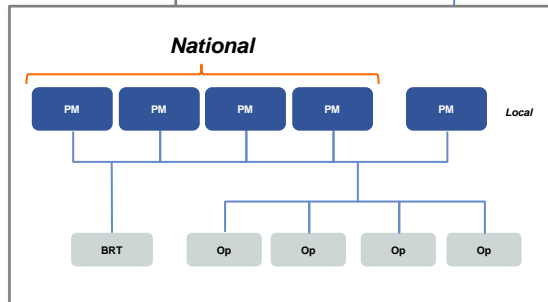
The opposite option is an inverse hierarchized model ...

Normally combined with a parallel structure of conventional public transport

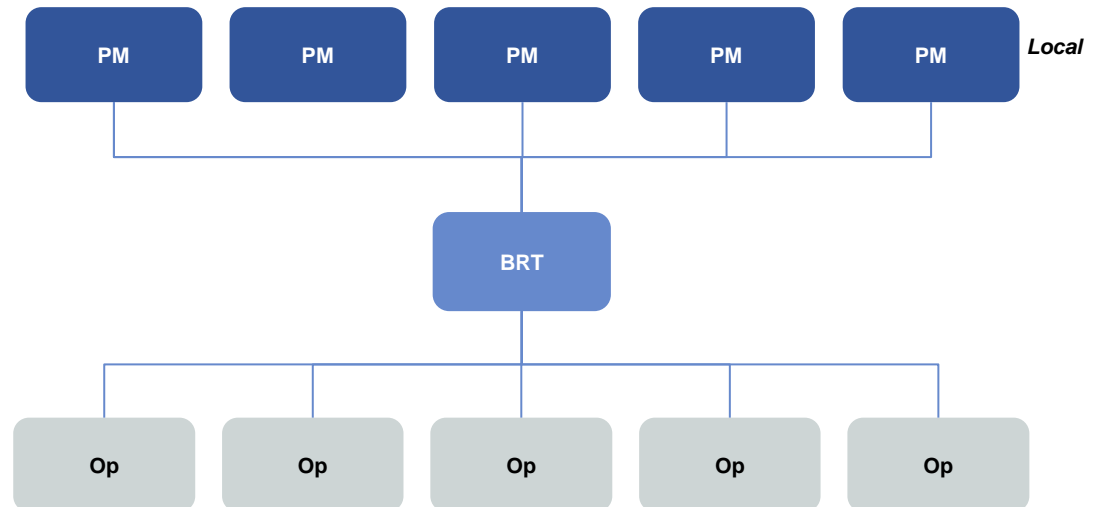
National Typically the BRT operator is “naturally” placed as a “virtual regulator” of the whole system



Normally combined with a parallel structure of conventional public transport

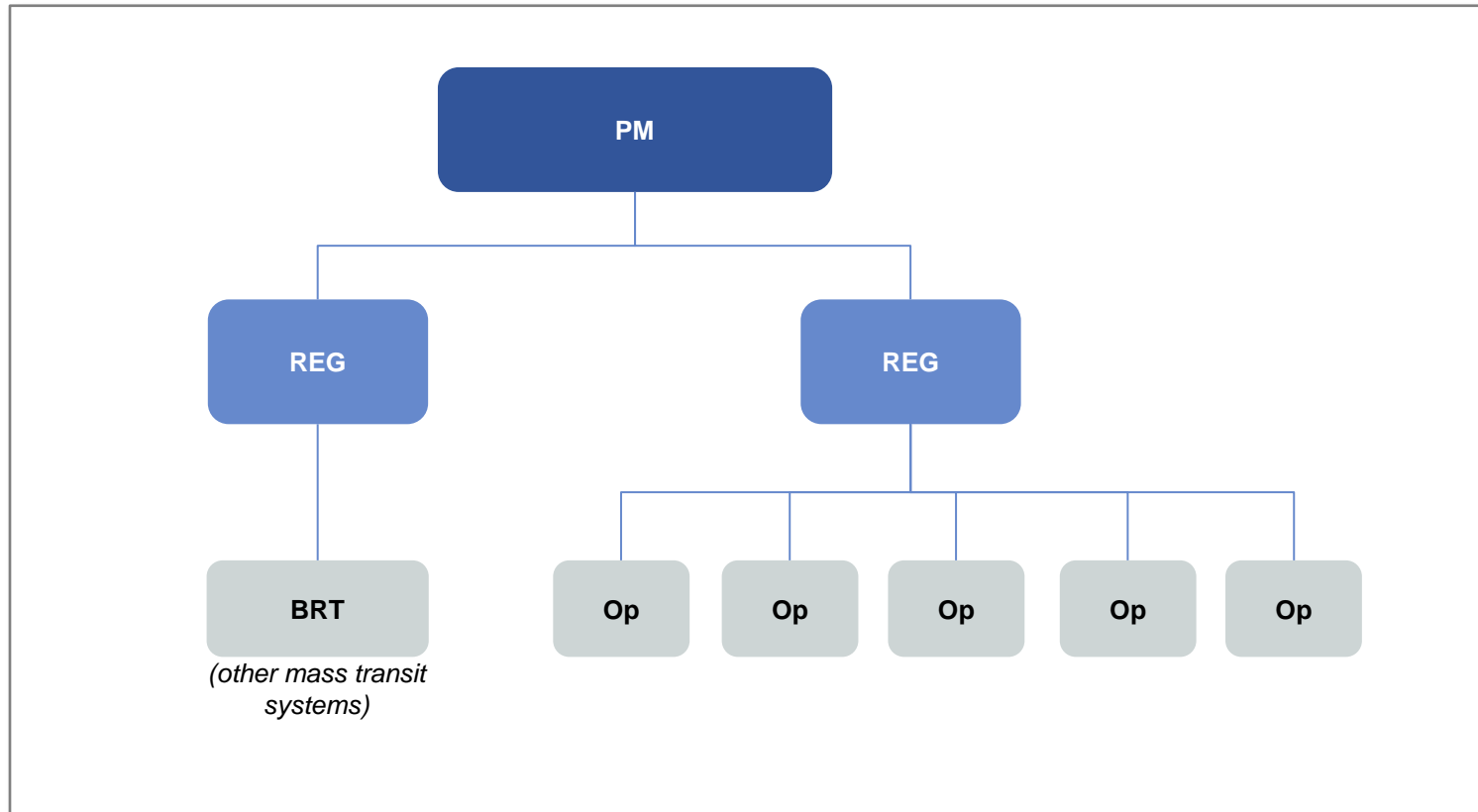


National



Ej. Transmetro Bogotá, Metro Caracas, Transmetro Guatemala

A third usual model is the creation of “competitive” regulatory agencies



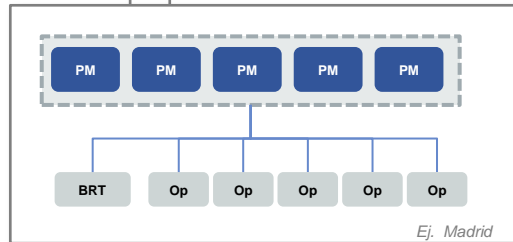
Finally, a more political option is progressing towards a consensus among the policy agencies, through SPV (Foundations, Consortiums, etc.)

Sometimes, these consortium are created on the PM level...

... or placed in the regulatory level, but sharing the competences

The main risk of this option is the obligated concurrence of the SPV with complementary regulatory agencies

Sometimes, these consortium are created on the PM level...



... or placed in the regulatory level, but sharing the competences

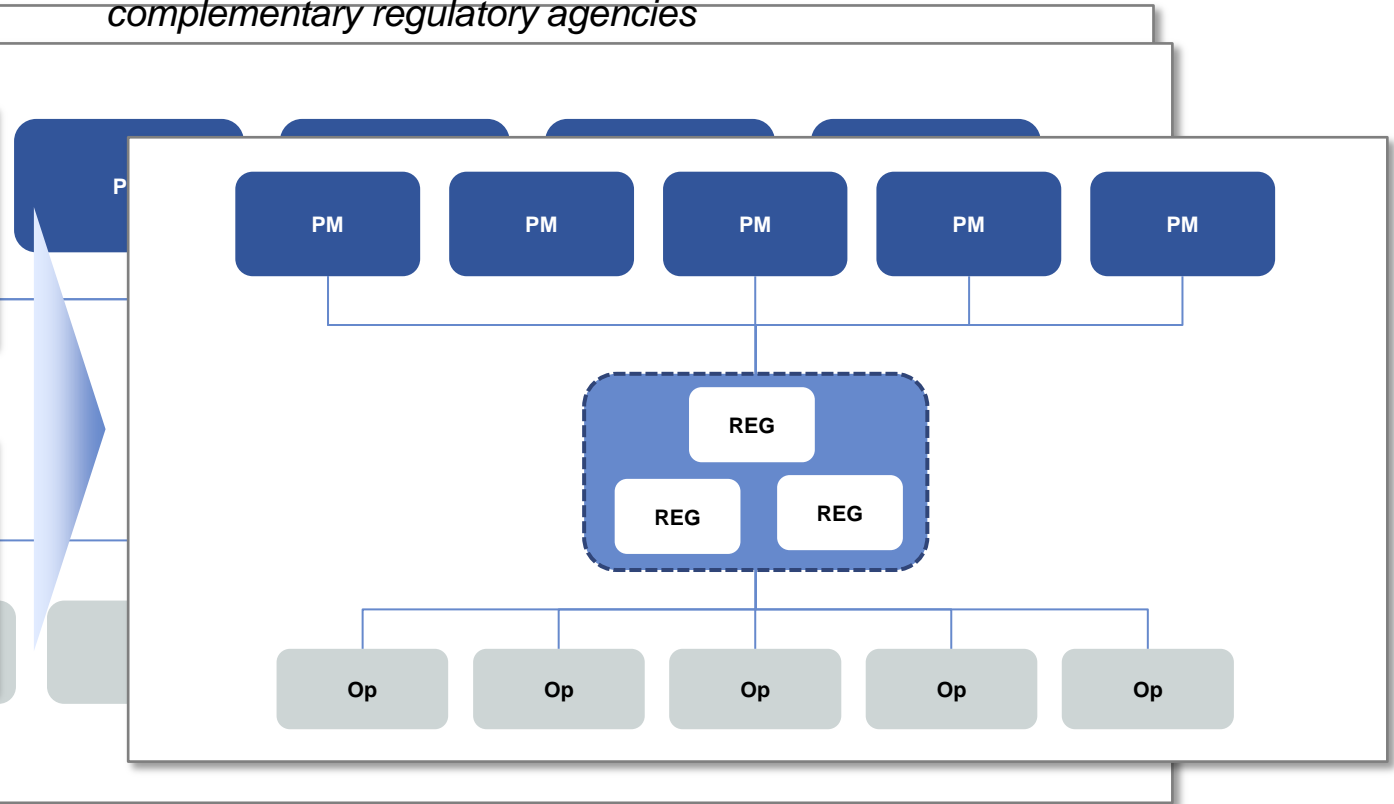
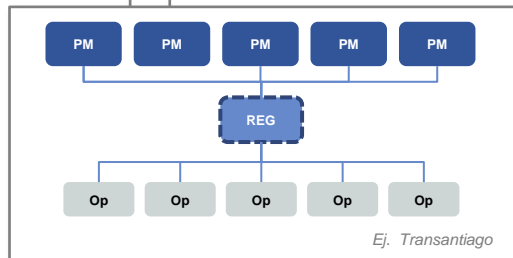


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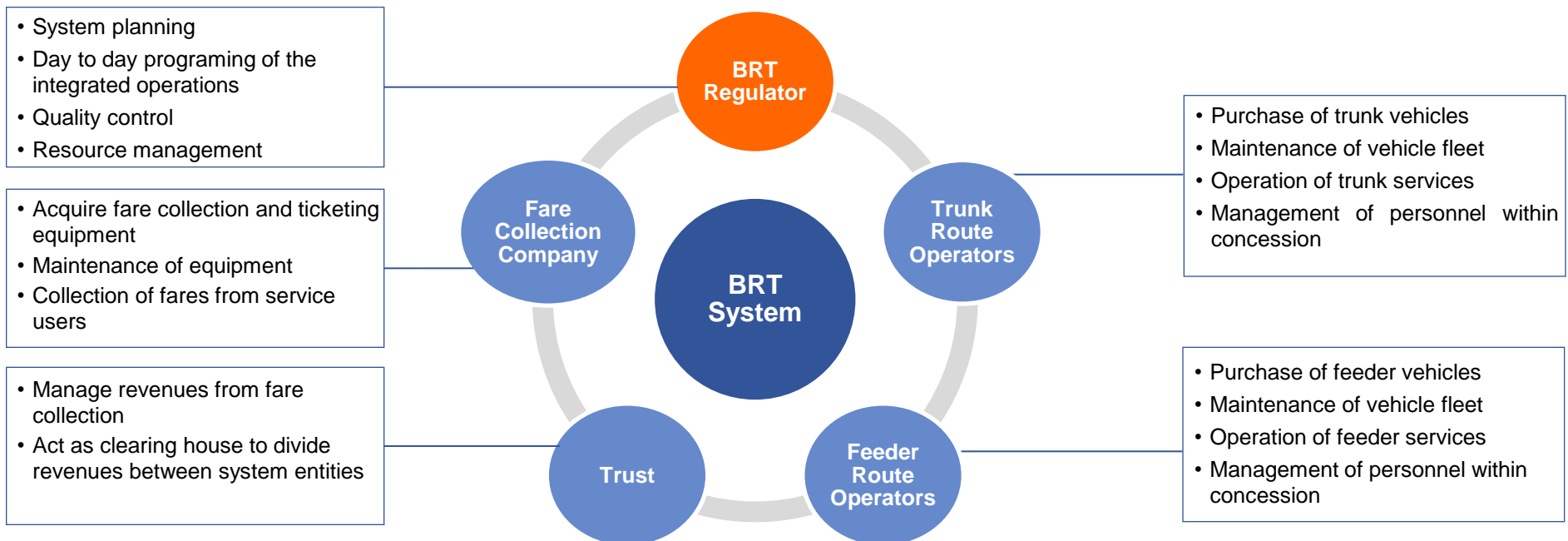
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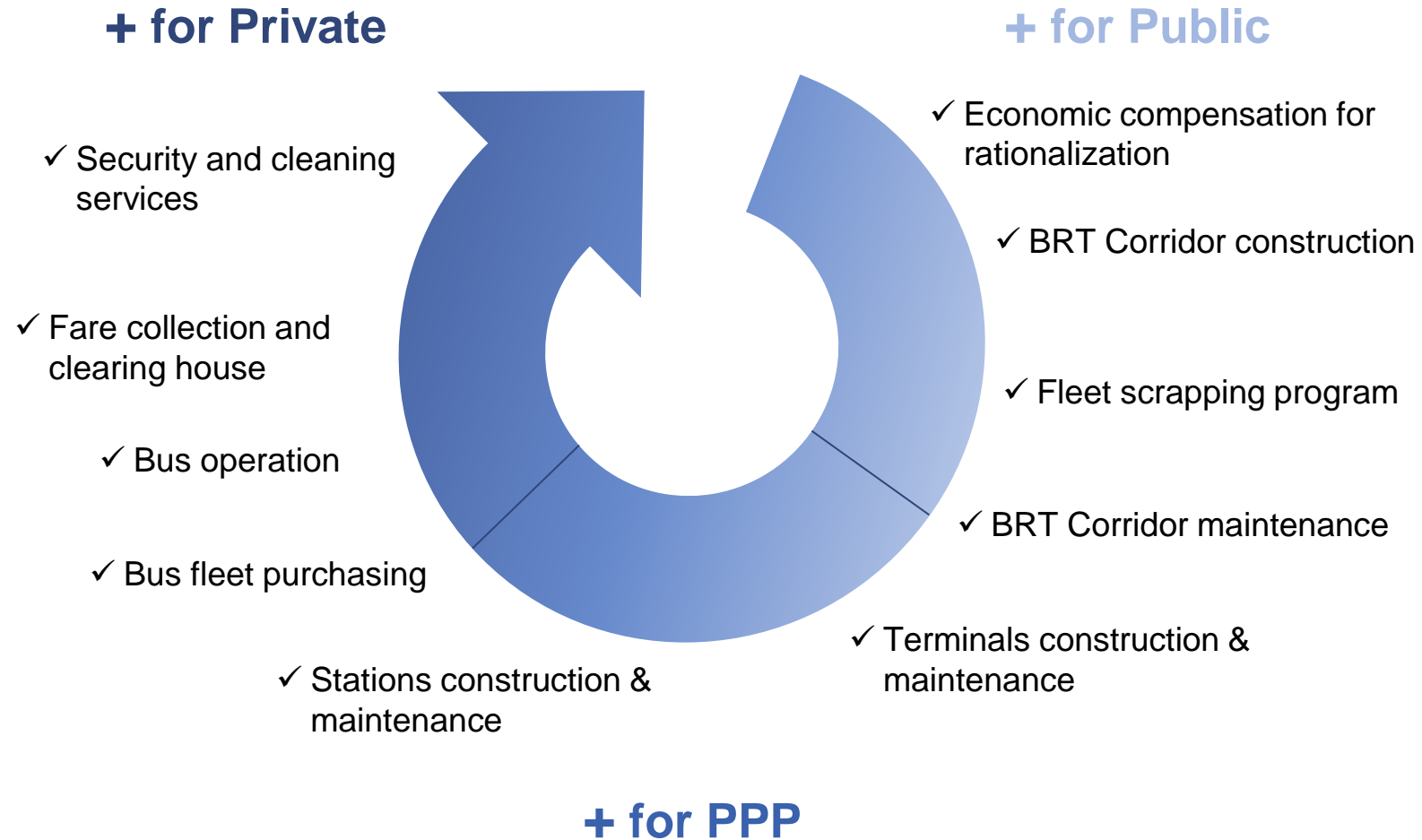
Once the institutional framework is decided, the operational structure should be addressed: some important opportunities for PPPs could be identified

Business Model

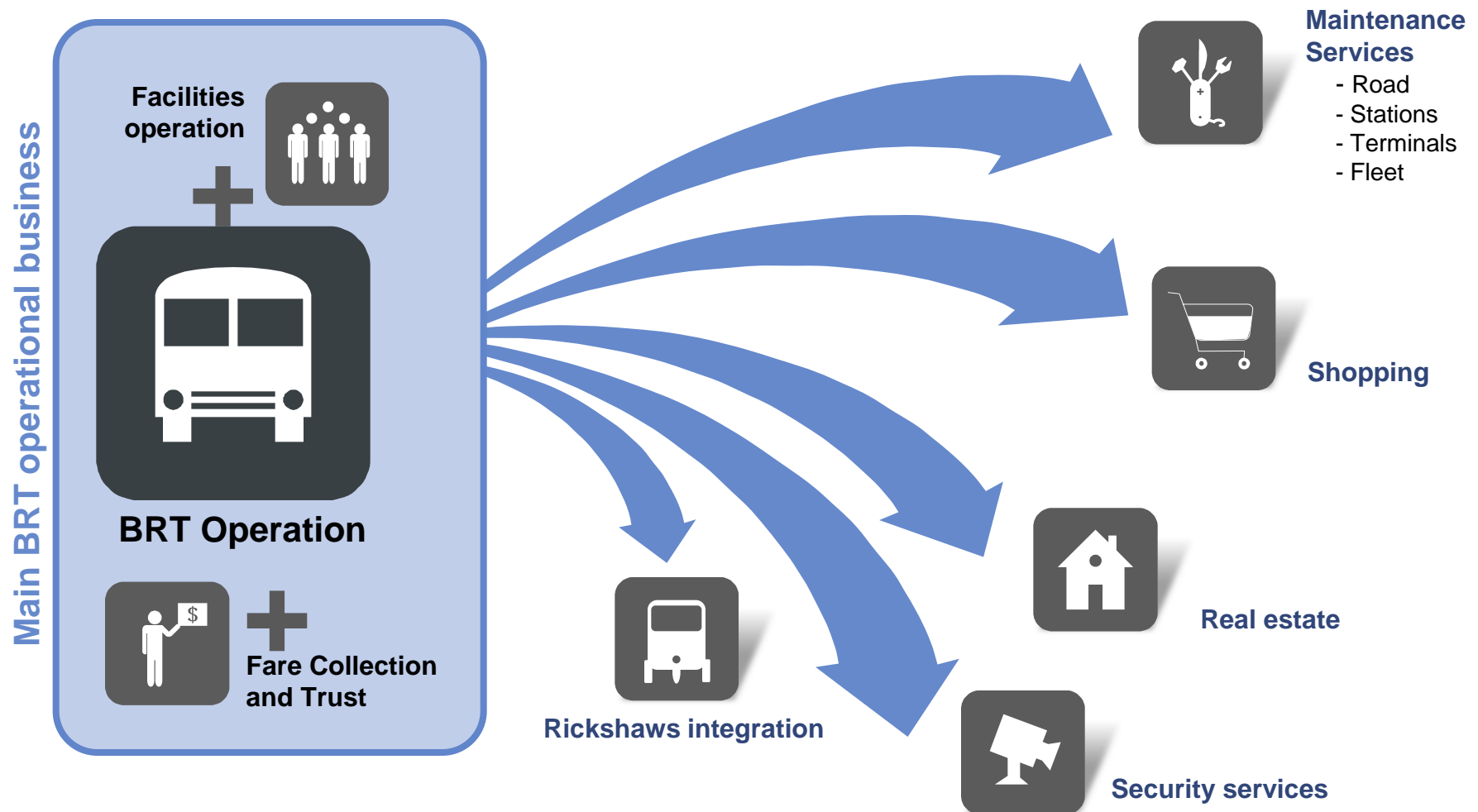
- Under the business model framework for the BRT system there exist five principal actors: the BRT Regulator, Trunk Route Operators, Feeder Route Operators, Fare Collection Company and Trust.
- Private concessions will be used to develop the system, including the operation of buses and the collection of fares.
- It is also possible to use concessions during the construction of the infrastructure. In this way, the policy makers can secure the investment required through private companies and therefore share the financial risk while at the same time maintaining control.



A joint participation between public and private companies can be expected in a number of BRT main and complementary business



Many other complementary activities can be sorted out from the core business of the BRT operation, and assigned to private companies



The relationship between public and private companies in BRT operations can be addressed through 5 main actions

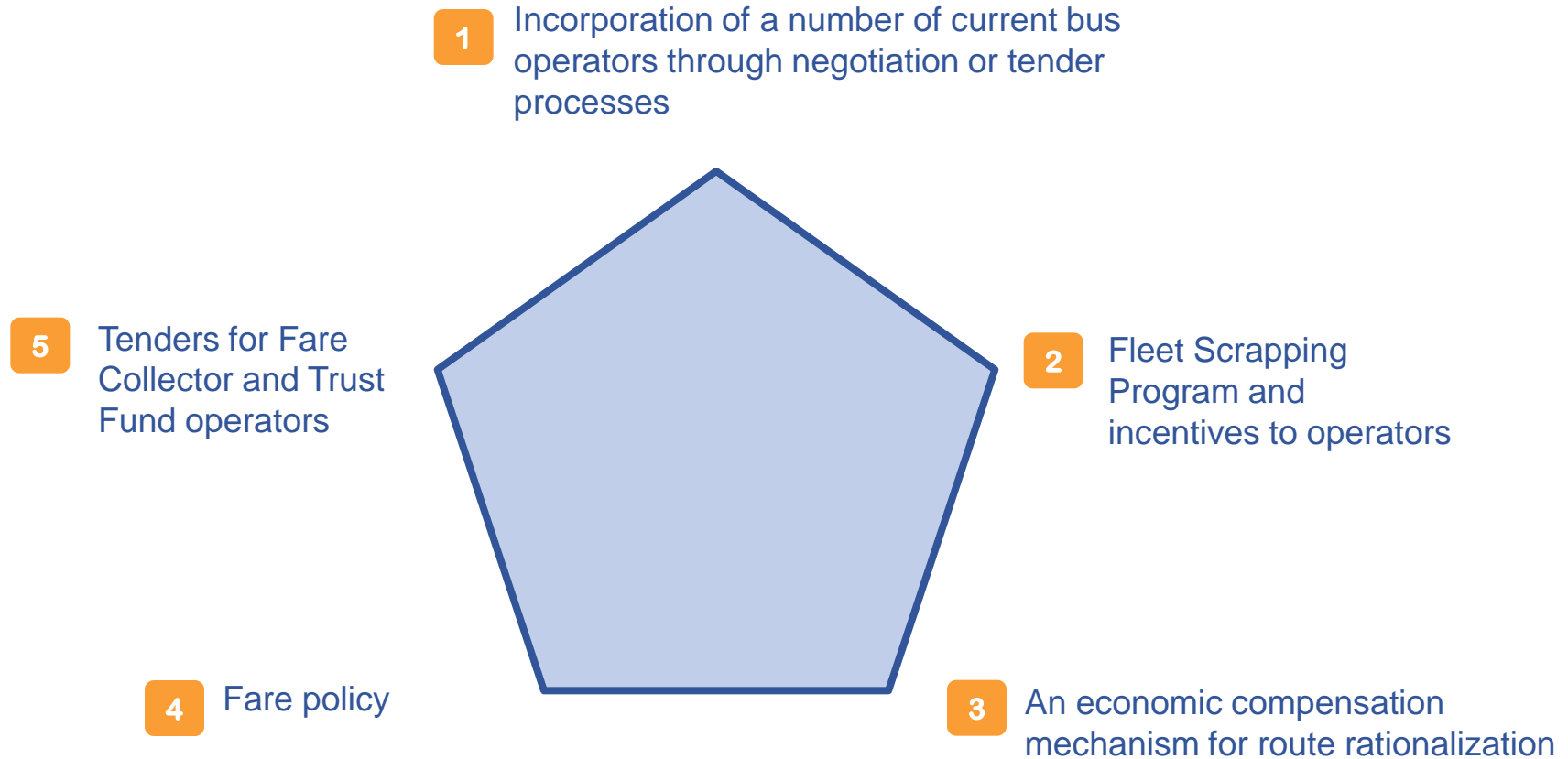


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- The institutional framework is a key element for a BRT implementation
- The most successful models have been generally based on the separation of Policy, Regulatory and Operational functions. A hierachized model is the best preferred option
- Leaving the institutional issues unaddressed most likely might result in unresolved constraints and obstacles to project implementation, thus reducing the effectiveness of the envisaged solutions to integrate urban and transport planning
- There are a number of opportunities to private partnership in the core and complementary business of the BRT operations
- Existing operators should be the preferred system operating unit for the BRT
- It is recommended to contract an external fare collection agency and/or clearing house to improve transparency in the distribution of revenues



Contact person

jeperez@alg-global.com

www.alg-global.com

BARCELONA
Tanger 98, 3ª planta
08018 Barcelona (Spain)
Tel: (+34) 93 430 4016
Fax: (+34) 93 363 0623
alg@alg-global.com

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