

ADB Transport Forum Manila

Effective Institutions and Governance

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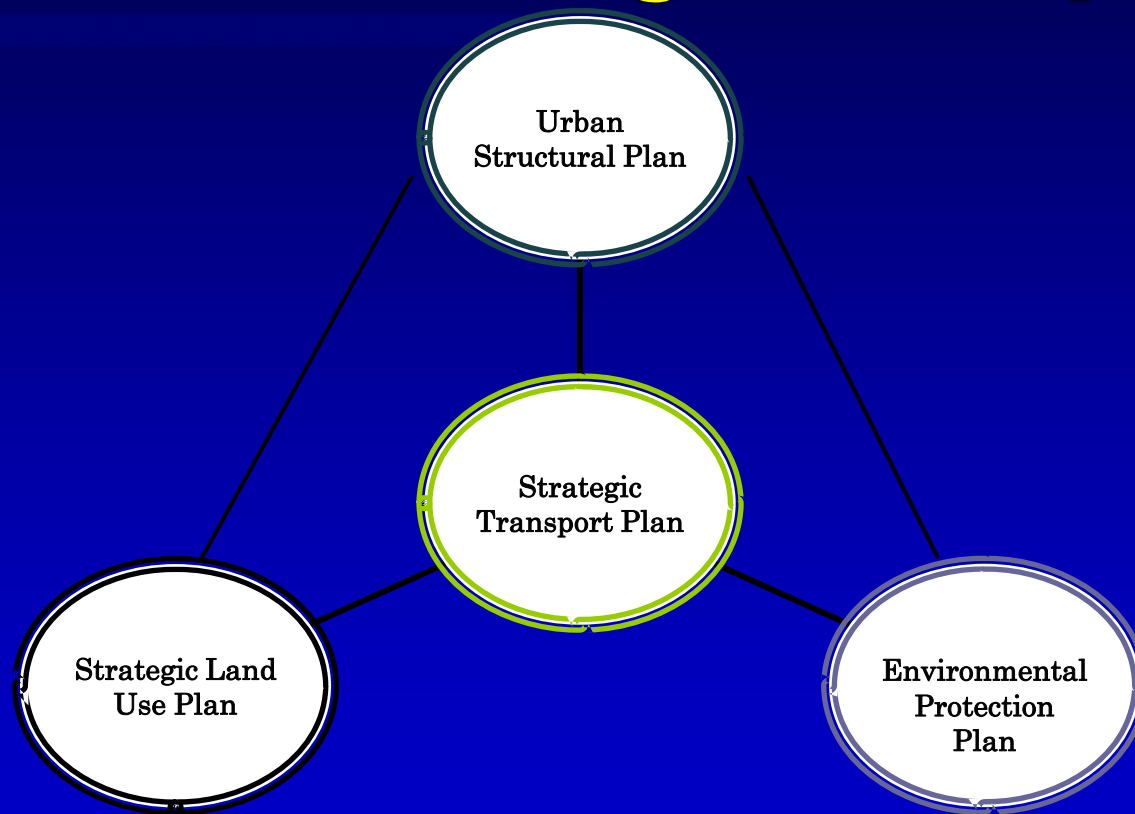
Introduction

- The aim is to identify how institutions and governance arrangements can facilitate Sustainable Urban Transport (SUT).
- While every city has unique characteristics, there are consistent approaches that lead to sustainable solutions – albeit solutions that require careful tailoring to meet local needs.
- This presentation first considers general approaches, and then city-specific approaches.

General Approaches – Need for Integration (1/2)

- The core message for integration is the existence or creation of a single city authority with powers over its commuter catchment area.
- Transport solutions require a package of measures for full effectiveness – when these can be implemented because powers are vested in the same organization, major improvements become possible. The following figure illustrates the influence of strategic transport powers in the developing city.
- The city authority needs to coordinate with central government.

General Approaches – Need for Integration (2/2)



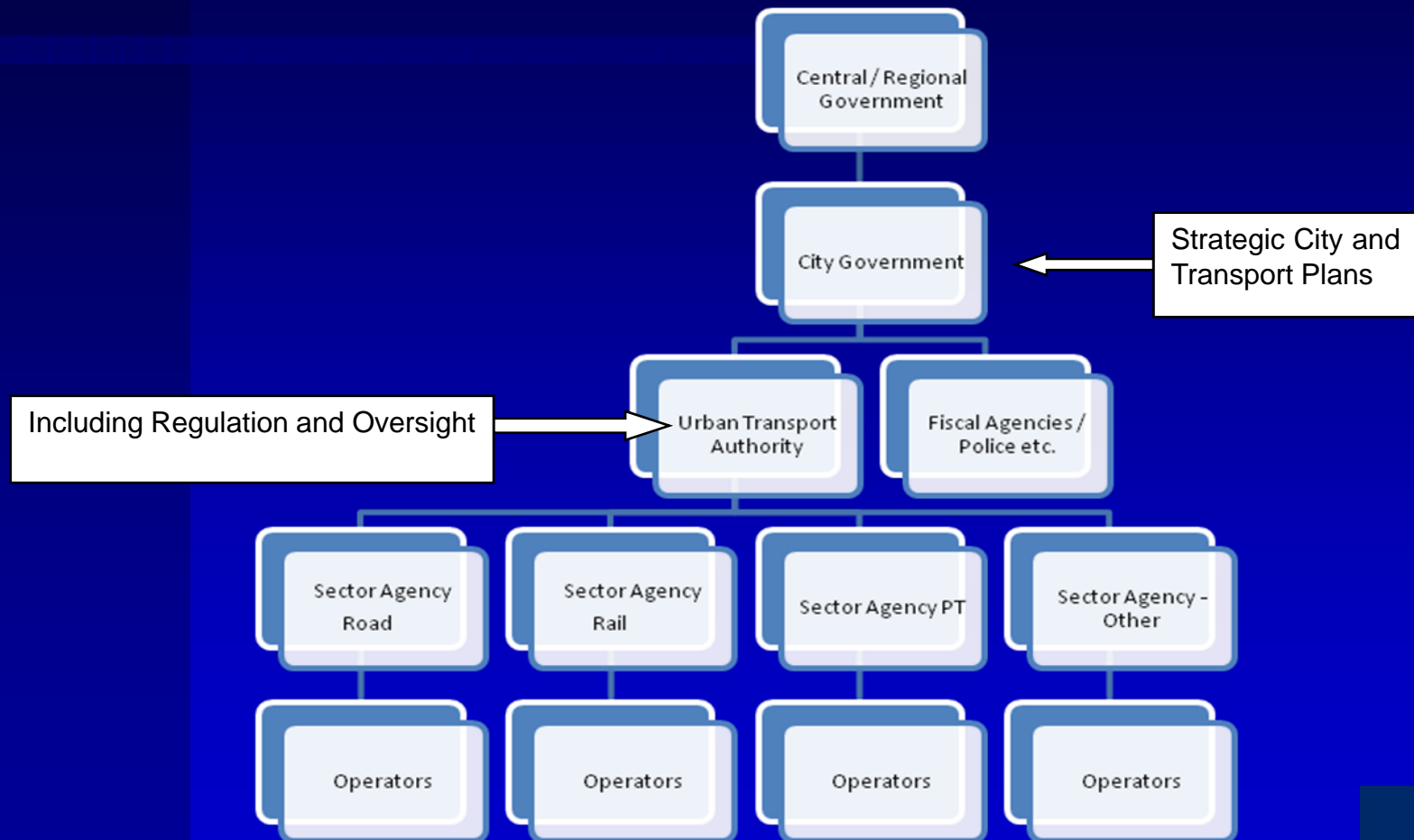
CITY AUTHORITY POWERS FOR EFFECTIVE MANAGEMENT

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General Approaches - Organization Structure and Responsibilities (1/2)

- The governance structure in the figure on the next page provides an outline of a typical arrangement that can provide a strong basis for SUT and has the city authority responsible, among other things, for transport and strategic planning with substantial financing powers.
- This is not intended to be prescriptive, and in any event, will often take time to achieve, evolving as responsibility by the city authority is demonstrated and trust is built with the central government.

General Approaches - Organization Structure and Responsibilities (2/2)



TYPICAL INSTITUTIONAL STRUCTURE FOR SUT

General Approaches - Governance Requirements (1/2)

- From the governance viewpoint, the starting point is the establishment of an appropriate enabling environment at the city level.
- This environment needs to be based on accountability, participation, predictability, and transparency (“APPT”).
- Effective governance then demands an appropriate allocation of responsibilities between/among various tiers of government and nongovernmental entities.
- Allocation and recognition of responsibilities ideally needs to be accompanied by a complementary enhancement in financial authority.

General Approaches - Governance Requirements (2/2)

- Sustainability requires purposeful, integrated, and consistent approaches to functions such as planning, technocratic management, fiscal realism, and the establishment of an effective civil service.
- While legacy conditions may impose constraints, an institutional structure that reflects the themes of integration, sustainability, and pragmatism needs to be specified and adopted.
- Related analyses necessitate capacity development, organization for decision making and management, and subsequent implementation processes are assessed in relation to “implementability” and locus.

City-Specific Approaches (1/2)

- Transferring these general approaches to specific cities presents sizable challenges. It is not possible to adopt a “panacea” approach.
- The starting point for application of city-based institutions and governance initiatives should be a *diagnostic study* of the focus city.
- Effective capacity building is necessary and partnership opportunities between cities and IFIs can provide firm foundations on which sustainability enhancing elements can be built.

City-Specific Approaches (2/2)

- There is no single “best” model, but there are good practices. These good practices define the strategic direction that is essential for proactive city management.
- Institutions and governance issues are complementary prerequisites for achieving effective SUT.
- Since there may not be an ideal solution to these institutional/governance issues, pragmatic approaches are sometimes necessary to make progress.
- Lastly, since SUT demands pragmatism, the identification of a reasonable, location-specific action plan and implementation program could mean that progress is iterative rather than linear.

For More Information

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