

Dar es Salaam
Transport Policy and System Development
Master Plan

Technical Report 3

Institutional Reform of Urban Transport Management

June 2008

JAPAN INTERNATIONAL COOPERATION AGENCY

PACIFIC CONSULTANTS INTERNATIONAL
CONSTRUCTION PROJECT CONSULTANTS

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Dar es Salaam City Council
The United Republic of Tanzania

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Table of Contents

Chapter 1 Introduction

Chapter 2 Review of the Present Institutional Structure and Policies

2.1	Administrative structure	2-1
2.1.1	Central and Local Government Administrations	2-1
2.1.2	Administrative structure of Dar es Salaam	2-2
2.2	Overview of existing transport services	2-6
2.2.1	Public Transport - Daladala and Vipanyas	2-6
2.3	Underlying causes of daladala problems	2-7
2.3.1	Conclusions and lessons drawn from experience	2-8
2.3.2	Taxi and para-transits	2-9
2.3.3	Bicycles and walking	2-9
2.3.4	Road traffic	2-9
2.3.5	Road Traffic Act	2-10
2.3.6	Roads Act	2-11
2.4	Overview of Present Policy, Regulations and Organization for Public Transport	2-13
2.4.1	Stakeholders	2-13
2.4.2	Problems in urban transport policy and management	2-13

Chapter 3 Analysis of institutional and regulatory strengths and weaknesses

3.1	Problems and issues with transport policy	3-1
3.2	Problems and issues in transport control and management	3-1
3.2.1	Urban Transport Policy	3-2
3.2.2	Responsible organisations	3-2
3.2.3	Failure of organizations to achieve policy outcomes	3-4
3.2.4	Managing service delivery	3-5
3.3	Interim conclusions and recommendations	3-5

Chapter 4 Theoretical basis for organization of public transport

4.1	Traditional regulatory frameworks and why they fail	4-1
4.2	Developing management responsibility	4-2
4.2.1	Regulation vs. management	4-2
4.2.2	Delineating and defining roles and responsibilities	4-3
4.3	Structural principles for sustainability	4-6

Chapter 5 The Role and Structure of an Efficient Urban Transport Authority

5.1	The need for institutional change to meet new challenges	5-1
5.1.1	Strategic position of Dar es Salaam	5-1
5.1.2	Improving governance	5-2
5.1.3	A City capable of managing its affairs	5-2
5.1.4	Mission and objectives	5-3
5.2	General framework and overall implementation approach	5-5
5.2.1	Guiding principles	5-5
5.2.2	Integration of planning and development internally and externally	5-5
5.2.3	The position of DCC/DUTA in the policy framework	5-6
5.3	Phased implementation	5-8
5.3.1	A phased approach	5-9

Chapter 6 Establishing the Dar es Salaam Urban Transport Authority

6.1	DUTA development process	6-1
6.1.1	PHASE 1: Structural Phase	6-1
6.1.2	PHASE 2: Executive Phase	6-5
6.1.3	PHASE 3: Consolidation Phase	6-10
6.2	Roles and responsibilities	6-15
6.2.1	DUTA Board of Management and Advisory Board	6-15
6.2.2	Supporting departments for DUTA finance and administration	6-17
6.2.3	Divisions and their respective departments	6-18
6.2.4	Road and Traffic Infrastructure Division	6-21
6.2.5	Project Planning Division	6-26
6.3	Conclusion.....	6-29
6.4	Implementation issues	6-31

Chapter 7 The DART Agency

7.1	Introduction	7-1
7.2	The background of DART and its institutional arrangements.....	7-1
7.3	The role and responsibility of DART	7-2
7.4	The DART business model	7-6
7.4.1	Contract issues for the BRT operations – concessions, contracts and risk,	7-6
7.4.2	Discussion on options.....	7-14
7.4.3	Recommendation.....	7-15
7.4.4	Present DART planning status.....	7-15
7.5	Realization of the DART vision	7-16

Chapter 8 Implementation Monitoring: Indicators and Role of DART

8.1	Introduction	8-1
8.2	The path towards World City Status	8-2
8.2.1	Dar es Salaam: the Gamma vision	8-2
8.2.2	Benchmarking the evolution toward a Gamma city	8-4
8.3	Monitoring the development of transport in Dar es Salaam	8-5
8.3.1	Good governance	8-5
8.3.2	Logical Framework Approach and Project Cycle Management	8-7
8.3.3	Output-based Management and Performance Based Management	8-11
8.4	Risk Analysis	8-16
8.5	Conclusion and recommendation	8-21

Chapter 9 Centre for Transport Studies

9.1	Capacity Gap Assessment	9-1
9.1.1	Necessity of Centre for Transport Studies	9-1
9.1.2	Supply-side Analysis	9-2
9.1.3	Demand-side Analysis	9-5
9.2	CTS Development Plan and Schedule	9-7
9.2.1	Progress on Centre for Transport Studies	9-7
9.2.2	CTS Development Plan	9-7
9.2.3	CTS Development Schedule and Monitoring Factors	9-9

Appendices:

Appendix A: National Transport Policy Issues

Chapter 1 Introduction

This Technical Report on institutions and capacity development discusses the long-term sustainability conditions for the Dar es Salaam Transport Policy and System Development Master Plan and entrenches the future (transport) infrastructure developments in Dar es Salaam into a wider management- and function-based perception of transport the City.

The need for institutional and capacity development finds its rationale in the observation that several structural failures exist, notably:

- Lack of attention to formulating a defined urban transport policy for Dar es Salaam causing simultaneously a policy vacuum and a failure in urban governance;
- A fragmented planning process and lack of vertical and horizontal coordination between levels of government and departmental disciplines, creating a gap between concrete needs and actual development and a close to total absence of transparency and accountability;
- The fragmented planning process also is a principal cause for the failure to adequately deliver on policy objectives. This failure is further worsened by unclear lines of responsibility between planning and implementation;
- Operators providing services under a flawed business model with disproportionate risk.

The “Dar es Salaam Transport Policy and System Development Master Plan” formulates, in addition to infrastructure development recommendations, action plans in different areas such as urban planning, land use planning, environmental protection, etc.

Ample attention is given to one of the critical components for the success of the Master Plan, namely the efficiency of transport operations and management through *transparency*, *accountability*, and *good governance*.

This Technical Report formulates the (long-term) strategy for institutional and capacity development and focuses on:

- Integrated transport management system via a single Authority; and
- Optimized integration of public transport services into the transport system.

After a detailed review of the present situation, this Technical Report has following Chapters in addition to this introductory Chapter 1:

- *Chapter 2: Review of the present institutional structure and policy*
- *Chapter 3 : Analysis of institutional & regulatory strengths and weaknesses*
- *Chapter 4: Theoretical basis for public transport organization*
- *Chapter 5: The role and structure of an efficient Urban Transport Authority*
- *Chapter 6: Establishing the Dar es Salaam Urban Transport Authority*
- *Chapter 7: The DART Agency and BRT management*
- *Chapter 8: Center for Transport Studies (NCTS)*

Chapter 2 reviews the present organizational and institutional structure of agencies, administrations and other entities involved in managing and regulating transport in the city of Dar es Salaam. A preliminary analysis of strengths and weaknesses of the present institutional structure is conducted in *Chapter 3*.

Chapter 4 discusses a number of key issues that define the sustainability of public transport in the city while *Chapter 5* argues that a single Urban Transport Authority in Dar es Salaam is imperative to strengthen the city's long-term development.

Chapter 6 and *Chapter 7* presents in detail respectively the structure of the Dar es Salaam Urban Transport Authority, including the process to establish DUTA, and the way the DART Agency over time will integrate into DUTA and to what level this will affect / improve the management of Bus Rapid Transit services in the city.

Chapter 8 discusses monitoring activities that will be part of DUTA's responsibility in implementing the Master Plan.

Chapter 9 shows the development plan / program in detail of the Center for Transport Studies (CTS) that has been approved by the steering committee for this Study in 2007. National Institute of Transport has been designated as the responsible organization to establish CTS. The application form for technical assistance to this center from the Government of Japan (GOJ) has been prepared by NIT.

Chapter 2 Review of the Present Institutional Structure and Policies

This chapter contains an overview of the administrative and institutional structures that relate to urban transport and examines the condition of each of the various modes of travel and the relevant agencies responsible.

2.1 Administrative structure

The Government of the United Republic of Tanzania is a unitary republic formed by the union in 1964 of Tanganyika and Zanzibar. The Government of the United Republic of Tanzania (the main land of Tanzania) and the Revolutionary Government of Zanzibar jointly control all state authorities in the United Republic. Each Central Government has three organs: Executive; Judiciary; and Legislature that jointly have powers over the conduct of all public affairs. The Constitution of the United Republic of Tanzania, enacted in 1977, states that Tanzania aims at building a democratic society founded on the principles of freedom, justice, fraternity and concord. The Executive is accountable to a legislature composed of elected Members of Parliament and Representatives of the People. The Judiciary is independent and dispenses justice ensuring that all human rights are preserved and protected. The constitution hence provides for legislative supremacy of Parliament and independence of the Judiciary. It also embraces the principles of rule of law, separation of powers and pluralistic political system.

2.1.1 Central and Local Government Administrations

Administratively, the mainland of the United Republic of Tanzania is divided into 21 regions¹. Under the Regional Administration Act of 1997, each region has a Regional Secretariat headed by a Regional Commissioner as political representative and by a Regional Administrative Secretary as administrative representative; The Regional Administrative Secretary provides technical advice to the Regional Commissioner. The President appoints both positions. Although the Regional Secretariat has played an important role in regional administration, its power gradually shifted to local government authorities (LGA) under the year 1999 decentralization policy of the Local Government Reform Program (LGRP).

¹ They are: Arusha, Dar es Salaam, Dodoma, Ilinga, Kagera, Kilimanjaro, Kigoma, Lindi, Manyara, Mara, Mbeya, Mtwara, Mwanza, Morogoro, Pwani, Rukwa, Ruvuma, Singida, Shinyanga, Tabora, and Tanga.

Thus, the function of Regional Secretariat has evolved to a coordinating body between the central government and LGA.

The Administrative division of the region is districts², each headed by a district commissioner as political representative and a district administrative secretary as administrative representative. Again, the President appoints both positions. It can be argued that the regional and district administrative bodies operate as branches of the central government, i.e., Prime Minister's Office – Regional Administration and Local Government (PMO-RALG).

Under the Local Government Act of 1982, local government authorities exist for the purpose of consolidating and giving more power to the people to participate in the planning and implementation of development programs within their jurisdictions. There exist two categories of local government authorities: urban and rural authorities. Size of population, level of services and economic bases determines the division of urban authorities into towns, municipalities and cities. Rural authorities, commonly known as districts, are subdivided into wards and/or villages. All local government authorities have a mandate in their jurisdiction for two main functions: law and order; and economic and development planning. Each level of local government authorities, such as towns, municipalities, cities and districts, has council and people living in the jurisdiction elect the councilors.

2.1.2 Administrative structure of Dar es Salaam

Dar es Salaam has a city council headed by City Mayor, who is elected among the city councilors³. The Dar es Salaam City Council has an executive city director, who is responsible for all the technical and administrative matters within the jurisdiction. The executive city director is appointed by the President.

There are 5 departments in DCC, namely 1) Finance, Personnel and Administration, 2) Works, Fire and Rescue Service, 3) Waste Management, 4) Urban Planning, Environment and Transportation, and 5) Health Services Department as shown in **Figure 2.2.1**.

² There are 123 districts in Tanzania, the National Housing and Population Census in 2002.

³ There are now 20 Councilors comprising of 11 elected councilors from the three municipalities, 7 members from Parliament and 2 members nominated by Parliament under "Special Seats for women."

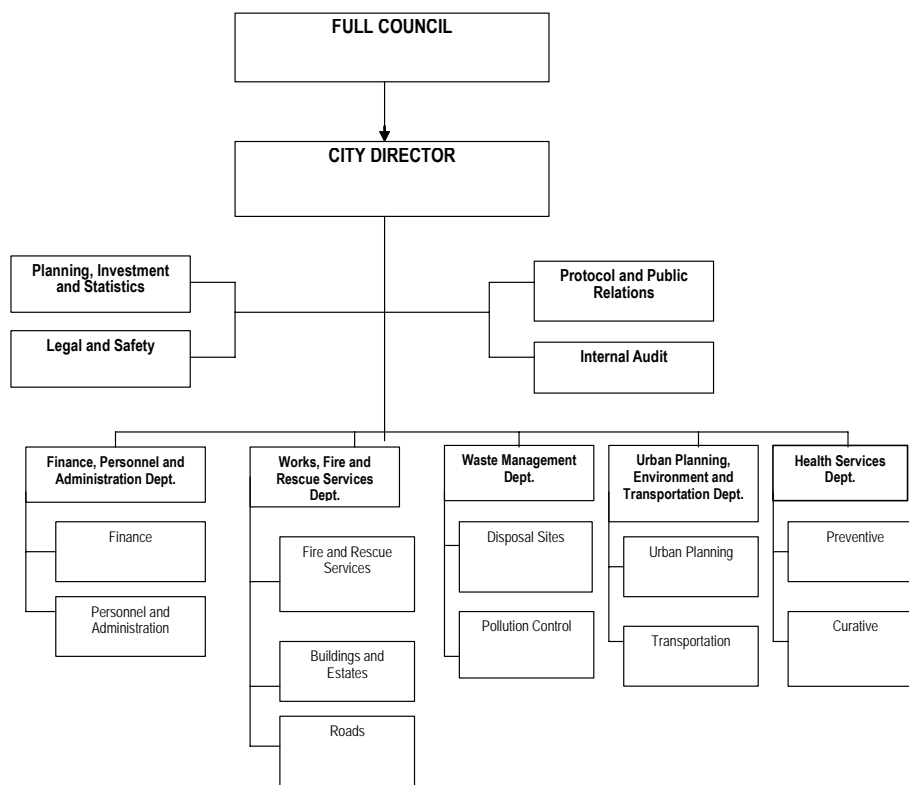


Figure 2.2.1 Administrative Structure of DCC

The Work, Fire and Rescue Service department is in charge of road administration in Dar es Salaam, however, actual administration work has been transferred to each municipality except the projects financed by international donor agencies since 2000.

Dar es Salaam City is composed of three municipalities: Ilala, Kinondoni and Temeke Municipality. Each municipality has a municipal council headed by Municipal Mayor, elected among the municipal councilors. Each councilor is a representative of the people living in the jurisdiction. Each municipality has an executive municipal director, who is a technical position to be responsible for provision and management of basic services, and planning and development activities within the jurisdiction. The Minister of Prime Minister’s Office – Regional Administration and Local Government appoints the Executive Municipal Director.

The Dar es Salaam City Council and Kinondoni, Ilala and Temeke municipal councils operate in the same jurisdictional areas. Thus, the City Council performs a coordinating role of three municipalities and prepares a citywide framework to enhance sustainable urban development. Each municipal council provides social and economic services to their residents, including measures to improve and accelerate local economic activities and public services in health, education, infrastructure development, urban development, etc.

Municipalities are further sub-divided into administrative units or ward, where at least one councilor is elected by voting from the people living in the ward. There are 73 wards in Dar es Salaam City: 22 wards in Ilala Municipality, 27 wards in Kinondoni Municipality, and 24 wards in Temeke Municipality.

Dar es Salaam simultaneously has a Region Secretariat headed by a Regional Commissioner and a Regional Administrative Secretary. The major functions of the Regional Secretariat are coordination between central and local government authorities; enforcement of policies enacted by the central government; and providing technical advices to the local authorities. Furthermore, the three municipalities of Kinondoni, Ilala and Temeke are also administratively districts headed by a District Commissioner and a District Administrative Secretary.

Accordingly, regional and district administrations as well as local government authorities, such as city council and municipal council, operate the same jurisdictional areas in the case of Dar es Salaam. **Table 2.2.1** illustrates the characteristics of the central and local government administrations. Some point out that central government strongly affects / influences any political decision at a city and municipality level in spite the decentralization policy undertaken since 1999.

Road Administration

There are two types of roads in terms of administration, namely national roads and those under local government (municipality). The national roads are under jurisdiction of Ministry of Infrastructure Development (MOID), and whose executing agency named TANROADS is in charge of road construction and maintenance work. While local roads in Dar es Salaam are under jurisdiction of municipalities, namely Ilala, Temeke, and Kinondoni. Each municipality has own engineers for its road administration purpose. The Dar es Salaam City Council (DCC) manages cross border issues among the municipalities, for example solid waste management, traffic management (traffic police) and some major road development and maintenance.

Ministry of Infrastructure Development

The MOID is responsible for all major infrastructure development in Tanzania, including airports, seaports, railways and national road. TANROADS, as a technical arm of the ministry, has been in charge of all national trunk road system development since its establishment in 2000, while the Ministry is in charge of policy making of road infrastructure development as an upstream organization.

Table 2.2.1 The Central and Local Government Structure

	Central Government Administration	Local Government Administration
National Level	Ministries, including Prime Minister's Office – Regional Administration and Local Government (PMO-RALG)	
Region/City	Regional Secretariat, Regional Commissioner, Regional Administrative Secretary	City Council, headed by City Mayor, City Director
District/Municipality	District Commissioner, District Administrative Secretary	Municipal Council, headed by Municipal Mayor, Municipal Director
Ward		Ward Development Committee headed by Councilor
Village (rural area) or Sub-ward (urban area)		Village Council

Source: The JICA Study Team

TANROADS

The Chief Executive Officer (CEO) is head of the Chief Executive's Office, which consists of three advisory support units, namely legal, internal audit and procurement. Under the CEO, there are four divisions headed by Division Directors, namely, Finance and Administration, Maintenance, Development, and Engineering. For road administration purposes, the country is divided into four zones namely, Lake, Central, Coast and Southern Highlands. There are 21 regional offices in each region, headed each by a Regional Manager.

As one of the TANROADS regional offices, Dar es Salaam Regional Management Office (DRMO) is in charge of trunk road maintenance work in Dar es Salaam and at present operates with 23 staff.

SUMATRA

The Surface and Marine Transport Regulatory Authority (SUMATRA) is a multi-sector regulatory agency established by an Act of Parliament (No.9) of 2001 to regulate Rail, Road, and Maritime transport services. The mission of SUMATRA is to promote, facilitate, and ensure availability of efficient, safe, fair, reliable, and environmentally friendly transportation services in the surface and maritime transport sub-sectors through competition, fair trade practices, and the provision of requisite information to stakeholders.

The SUMATRA Act 2001 sets out the several roles of the Authority. The basis of roles are to seek economic efficiency by effective competition while protecting interests of the consumers, financial viability of suppliers and availability of regulated services to all consumers including low income, rural and disadvantaged consumers.

Among the role and functions of the Authority, the road transport activities include licensing of all motor vehicles with carrying capacity of seven persons and above, which are bus services. Although being a regulatory and licensing body, SUMATRA has become involved more closely in the management of the daladala service by default, mainly because no other party takes responsibility. Therefore with very limited resources for this task and with little prospect of success, SUMATRA is burdened with a regulatory role that seeks to ensure that:

- That buses are legally compliant;
- That vehicles are well maintained;
- Smooth boarding and alighting at the designated bus stops to avoid hindrance to ordinary traffic;
- Driving manner of buses especially daladala should be in order; and
- Buses are supposed to be not so old and tidy.

In spite of the regulation of the Authority, the actual number of buses operating on the roads in Dar es Salaam is estimated to be approximately 6,000 whereas the licensed buses number only 4,500.

Police Department

The Police Department under the national ministry is the main authority for traffic control and traffic management activities on roads. There are about 330 (165 officers x 2 shifts) police officers dispatched to intersections and normal sections of roads to observe, control, and regulate traffic during morning and evening peak periods as well as during daytime. Information collected during traffic control and management activities is transmitted to the Commander of Police in Dar es Salaam to receive instructions if necessary. In addition, police officers on motor bikes and patrol cars collect information. However, the equipment for the purpose of traffic control is limited.

The organization of Central Commander of traffic police located in CBD Dar es Salaam is as presented in **Figure 2.2.2**.



Figure 2.2.2 Traffic Police Organization

Currently there is one unit in the HQ of Police playing as a role of Commanding Police Center handling emergencies including traffic accidents, crimes etc. Each road administration body such as TANROADS for trunk roads and municipalities for urban and local roads development and maintain traffic control devices such as traffic signals, signs and markings. Coordination between Ministry of Infrastructure Development, Police Department and local governments are essential and required for effective traffic management in the city.

2.2 Overview of existing transport services

2.2.1 Public Transport - Daladala and Vipanyas

An outline of the history and problems with the commuting transport in Dar es Salaam is reviewed in Technical Report No. 2. The present system is characterized by poor standards of comfort and safety, convenience and dignity for bus travelers, with a very negative impact on city traffic through competitive behaviour by daladala drivers (over speeding, over crowding and accidents) causing aggravation at all levels. Public transport issues rate highly as a concern for citizens who suffer poor travel conditions with long waiting and commute times and high cost of travel relative to income levels (10-20% of income)

However on the other hand, the fares are too low for the commercial operation of a daladala bus and drivers in particular area caught between the owners 'hiring fee' and making enough revenue to cover fuel and reach a basic take-home wage. The insecurity of the driver and conductor employment situation is a major cause of attracting low skilled workers which is an underlying factor in the poor standard of customer service offered. The precarious financial condition for drivers and bus owners means that vehicles are poorly maintained and offer suffer breakdowns. It is also a prevalent practice for daladala drivers to cut trips short, forcing passengers to alight and pay another fare to complete the journey on another bus.

The regulatory body SUMATRA who issues licenses is hard pressed to regulate the daladala industry as there are between 6,000 and 7,000 vehicle operating most of which are individually owned. DARCOBOA is the associations of Daladala owners who provide some cohesive representation represent interests of the daladala owners

The fragmented ownership in the bus industry and the inability to regulate causes of the industry to be unmanageable and this is a primary cause of poor service delivery. Further to this is the inherent structural flaw where a high level of risk is carried by the operators and together with the inefficiency of small bus operations for large passenger volumes, creates marginal returns and an inability to invest in larger vehicles.

Poor public transport infrastructure also as an impact on safety and convenience as many of the daladala terminals are in disrepair, with poor lighting, security and cleanliness. Students also suffer discrimination as the student fare is set at 50 shillings causing the daladalas to refuse travel creating a very stressful situation for student travelling each day. This in turn impacts on families who have to make special arrangements (at higher cost) to ensure children can travel to school safely. Women, the elderly and disabled also suffer discrimination and abuse in the competition for space and seats on buses.

2.3 Underlying causes of daladala problems

Many of the problems of daladala operation are a result of the ownership and management structure and there are various types of daladala owners in Dar-es-Salaam listed by Kanyama et al. (2004:69) as:

“three categories, namely i) retired people, ii) people with low-incomes, iii) civil servants. On the whole, most owners of daladala buses have a relatively unstable financial situation. While some owners may have other employment, others depend solely on one or two daladala operations to support their families (Kanyama (2004:69).

Kanyama et al. assess that invested capital of Tshs 18million into a 30-seater bus earns about Tshs 6 to 7 million per month, surmising capital recovery period of about 3-4 years. This recovery period is too long for a daladala operator to obtain adequate return and the contribution of rising fuel prices, currency devaluation and inflation are factors that affect negatively affect the business.

Some owners divest the operating risk to the driver/conductors by contracting out the bus for a fixed daily fee, leaving the driver to earn sufficient revenue to retain a surplus to live on after paying the owner the daily fee. This leaves the driver with little option but: to over-speed in an attempt to increase the number of journeys; cramming passengers to increase trip loads; and increase hours of operation. If hours of operation are fixed by demand, speed and cramming passengers becomes the only variable by which they can survive (Rizzo 2001:146)

The government decree, which allows school students to pay 50 shilling instead of the normal 250-300 shillings for boarding, places the cost of the social policy firmly on the daladalas resulting in them refusing entry to students or allowing them to occupy seats.

Competitive forces and the need to survive are thus the operating culture of the daladalas. The fact is that regulated fares (by market force or government control) necessitate speeding in order to maintain a competitive edge in a competitive market (Rizzo2001:144). Economic hardship amongst drivers result in many malpractices and misbehaviors often attracting the most desperate and unqualified persons to operate buses; it is reported that over 80% of daladala drivers are employed without contract or fixed wages leading them to have a low sense of esteem in carrying out their duty. Cases are known where drivers contract for a bus and then subcontract it to another unqualified person to operate (for a middleman fee) thus adding to the desperation. It is also reported that in 1992, 93% of fatal accidents in Dar es Salaam were a result of daladala (Daily news 17.5.1994) cited in Rizzo (2001:144).

Presently SUMATRA assigns routes to daladala operators and is making efforts to better control the industry. However, the sheer logistics in managing approximately 7,000 daladalas is a daunting task and success is not assured. Fares are ‘regulated’ in the sense that the operators feel they must have permission to increase fares but it is uncertain that SUMATRA can prevent fare increases, although ‘unapproved’ fares suffer under market competitive pressures, meaning that it may take an ‘official’ line to bring all operators fares to another level to avoid fare undercutting. Recently rising oil prices have created additional pressure to increase fares to cover costs and operator associations are negotiating with SUMATRA to substantially increase fares.

2.3.1 Conclusions and lessons drawn from experience

There are various influences that have contributed to the present situation; unregulated competition in the market (undersupplied at peak and oversupplied in off peak) and the exploitive labor relations between employees/owners and casual labor is symptoms of larger dysfunctionalities. The role of privatization policy has played a major role and Rizzo (2001) informs that privatization of bus services was a demand of the IMF where the final tranche of the 1986-89 structural adjustment loans were withheld due to insufficient progress in market liberalization. (p140). This is a key point as it can be argued that the predominance of the daladala occurred not just through the inaction of government, and its incapacity to meet in meeting travel demand; it was in fact poorly managed policies of privatization and deregulation. The role of external agencies in promoting structural reform is also discredited as

their ideology and conditionalities have produces very poor results. Rizzo makes a strong criticism of this, stating that:

“In place of over-idealized conceptions about their supposed universal benefits, the privatisation and deregulation of the Dar es Salaam transport system has led to the emergence of sharp conflicts, both between employees and employers, and between workers and students, fiercely competing over the distribution of the costs and benefits of the market.” (Rizzo 2001:150)

2.3.2 Taxi and para-transits

There are taxis (white license plates) operating in wider Dar es Salaam, the registration of taxis falling under the responsibility of the local government (municipalities) that raises revenues through taxi license fees.

Bajajis are the three wheel vehicles that hold two passengers and operate in about five different localities throughout wider Dar es Salaam but operate purely on an informal basis without any form of control or jurisdiction. SUMATRA has indicated its unwillingness to formally recognize their operations through the issuance of licenses, not wishing to promote their use.

However Bajajis do play a part in ensuring accessibility, especially for those unable or unwilling to walk long distances to bus stops especially during wet weather when many of the walking tracks are not conducive to easy use.

2.3.3 Bicycles and walking

The BRT proposal includes an extensive pedestrian and Cycleway component to encourage non-motorized transport (NMT) options, thereby making urban accessibility and mobility improvements an integral part of the BRT urban redevelopment.

It is important however to consider public transport accessibility and connectivity in terms of the ‘whole of trip’ experience. This means the public transport option includes the time and distance to the nearest bus stop or BRT station and the question of walking and cycle access (and safety) is an important factor and one that reaches deep within the suburban housing areas where people live.

Planning NMT alongside a BRT corridor is a good initiative as there is a critical need to improve space available for NMT especially alongside busy traffic corridors but NMT should also aim at extending BRT benefits into communities. The challenge to make transport accessible is to develop good quality access routes and paths to the trunk system.

2.3.4 Road traffic

In the field of road traffic, the primary policy objective is to develop appropriate institutional and organizational arrangements for further efficient road use. One of the actions is to enhance capacity of the relevant organizations in order to coordinate the traffic control devices and traffic management tools that are under jurisdiction of different organizations.

Development of a good road traffic legal structure is an initiative that meets such requirement. There are two pillars of legal structures among other related laws and acts dealing with traffic control, management and safety: the Road Traffic Act of 1973 as amended and the Road Act, 2007. The former mainly deals with road traffic related regulations and the latter deals with road management from road administrative point of view as the name implies.

2.3.5 Road Traffic Act

The Road Traffic Act of 1973 and amendments, together with other related legislations, are the basis of road traffic related management and activities developed with the purpose of improving quality of road traffic and safety. The overall objectives of the Road Traffic Act of 1973 were to provide the necessary tools to reduce both fatal and property accidents, which increased rapidly. The increase rate had reached an alarming state and therefore new legislation was imposed to reverse the trend. The 1973 Act was designed to the following functions:

- To abolish and replace the Traffic Ordinance;
- To improve provisions for the regulation of road traffic;
- To simplify prosecution of offences;
- To provide minimum penalties for some road traffic offences;
- To provide mandatory cancellation and suspension of driving licenses and qualification for holding or for applying for a driving license;
- To establish the National Road Safety Council with the responsibility of advising the Government on all matters pertaining to road traffic and to educate the people on road safety; and
- To empower the Minister responsible for road traffic to make regulations related to the management of traffic.

However, the objective of reducing traffic accidents has not achieved. On the contrary, road accidents have continued to increase year after year despite the existence of the Road Traffic Act, 1973 and its several amendments.

The Road Traffic Act of 1973 is divided into eight parts. Part I deals with principal matters such as the title of the Act, interpretation, administrative matters and others. Part II provides mainly registration of motor vehicles. Provisions related to driving licenses are contained in Part III. Use of motor vehicles is written in Part IV. This part describes the manner in case of passing vehicles, speeding or driving unreasonably slow, which may cause obstruction to traffic on the road or annoying to other road users, and other detailed offences and penalties with the amount of fine.

Part V deals with the article on control of traffic. Control of traffic depends partly on traffic signs and police signals. The Act empowers the Engineer-in-Chief to cause traffic signs to be erected or marked on the ground (s64) including pedestrian crossings (s65). The Minister is also empowered to make

regulations for temporary speed restriction (s67), closure of a road (s68), restriction of traffic on use of a road (s69), restriction of use of a road to one way traffic (s70), setting aside parts of a road as special parking areas.

Provisions of enforcement under Part VI include those relating to the duties of Police Officers to regulate traffic (s73), to keep record of traffic offences that shall be public records (SS74 & 75), and the duty of the Inspector General of Police to submit annual traffic accidents and safety reports to the Minister. Police officers have power to demand producing a driver's license

Part VII deals with establishment of the National Traffic Safety Council. Part VIII deals with miscellaneous matters. A police officer is also empowered, among others, to arrest without warrant, any person in charge of a vehicle whom he witnesses committing any offence under the Act.

2.3.6 Roads Act

This Act could be referred to as the Road Act, 2007. The main objectives of this Act are to stipulate the right and responsibility of public organizations in charge of road planning, development, maintenance, operation, and management. Part II of the Act stipulates the Ministry's responsibility in road management as follows:

1. To formulate road policy;
2. To cause to be prepared and coordinate the implementation of roads investment and development programs based on economic criteria;
3. To prepare guidelines, standards, and specifications for road works and monitoring the performance of the road network;
4. To promote and foster capacity building in road sector;
5. To promote involvement of the private sector in development, maintenance and management of roads; and
6. To perform any other function as the ministry may determine.

However, the Ministry can appoint a road authority for the purpose of implementing this Act by notice in the Gazette. The road authority shall be responsible for the development, maintenance and management of roads and related facilities. More specifically, the road authority shall;

1. Develop roads based on the national roads investment and development program;
2. Prepare and implement short and long term road maintenance program;
3. Negotiate concession agreements with private sector entities to facilitate financing and development of selected roads in accordance with guidelines prescribed by the minister;
4. Adopt a harmonized approach on technical standards for the promotion of the sustainable road network;

5. Carry out from time to time such necessary engineering, traffic and economic studies as it may consider necessary for the maintenance and improvement of the road network;
6. Undertake research or collaborate with any research organization with a view to facilitate the road authority's planning, development, and maintenance activities;
7. Control vehicle usage on roads with the aim of providing safe and adequate infrastructure for road transportation commensurate with the economic development of the country;
8. Conduct and maintain inventories and other relevant surveys for all road under its jurisdiction; and
9. Maintain and update the road management system.

Other articles in this Act are;

- Road classification and declaration (Part III);
The public road network in Mainland Tanzania is classified as national roads (primary and secondary) and districts roads (collector roads, feeder roads, and community roads).
- Execution of road works (Part IV);
Among other rights of the road authority for the purpose of road construction, the authority may give orders prohibiting the use of any public roads by any class of traffic, and otherwise regulate or restrict the use of a public road by erecting traffic signs in a special case.
- Road safety (Part V);
The road authority shall ensure that the necessary safety facilities be erected and regulated on the public roads for the safety of traffic.

The road authority shall prescribe speed limits for all roads or sections for the Ministry approval.

The road authority shall ensure to the safety during design, construction, maintenance and operation by providing sidewalks, overhead bridges, zebra crossing markings and other facilities.

- Roads of access (Part VI);
- Restrictions on use of roads (Part VII);
When works of repair, preserving or protecting the surface of the road, the road authority may temporarily restrict or prohibit the use of the road or part of it. In this case, the road authority shall give reasonable public notice of its intention. The restriction shall be performed in such manner by issuing warnings and directions either by written or printed notice displayed at some conspicuous place or by word of mouth by erection of barriers.
- Financial Provisions (Part VIII);
- Offences, Penalties and Recovery (Part IX);
- Miscellaneous Provisions (Part X).

2.4 Overview of Present Policy, Regulations and Organization for Public Transport

The policy framework is the starting point that will determine all outcomes as it establishes a set of frameworks that will guide the implementation through allocation of resources, budgets and also plays a large part in determining the behaviour of the implementing bodies.

The present policy frameworks for public transport in Dar es Salaam are the National Transport Policy 2003 and the SUMATRA Act (2001). A new set of regulations applying to road transport (bus operators) is being formulated by SUMATRA and as at 2007 is under the Minister's approval process.

The order establishing the DART Agency being THE EXECUTIVE AGENCIES (THE DAR RAPID TRANSIT AGENCY) (ESTABLISHMENT) ORDER, 2007 is the latest subsidiary legislation under Section 3 of the Executive Agencies Act (CAP.245) that establishes the DART agency for the implementation of BRT.

2.4.1 Stakeholders

The key stakeholders with a direct hand in the public transport sector are:

- The Ministry of Infrastructure and Development (MOID) setting national policy;
- The Prime Minister's Office - Regional Administration and Local Government Office (PMO-RALG) represented through Regional Commissioners, setting strategic policy and guidelines and assigning responsibilities;
- SUMATRA as the regulator of public transport under its wider responsibilities;
- Dar es Salaam City Council, Urban Planning, Environment and Transportation having regulatory authority over Public Transport to coordinate cross cutting issues;⁴
- The newly established DART agency;
- DARCOBOA (the daladala association representing about 30% of daladala operators);
- The remainder of daladala and vipanya operators supplying transport services.

2.4.2 Problems in urban transport policy and management

The major failure in policy and regulation is the lack of direct responsibility for urban transport as a function; however, this is being addressed with the development and formation of the DART agency and the implementation of BRT. While it could be deemed unnecessary to reiterate issues that are already being addressed by the formation of DART, it is worthwhile to assess the existing situation in terms of the policies and organizations that have contributed to it. This assessment will also serve to create a backdrop to assess the role of DART in addressing these problems and identify additional institutional amendments which may be required.

⁴ The Local Government (urban Authorities Act 1982) [Cap 288 R.E.2002]

The main issue to date has been the lack of specific formulated urban transport policy for Dar es Salaam and references within the National Policy (2003) that do pertain to urban transport are based on identifying certain problems that become the basis for policy direction. But, while the policy identifies problems adequately and sets some objectives to remedy these problems, it lacks the conclusive frameworks necessary for these objectives to be achieved. In some cases, the nominated indicators (for success) are indicators of strategy but do not confirm to what extent objectives have been reached.

In summary, there are three identified problem areas within the policy and these are:

1. The lack of attention to defined urban transport policy for Dar es Salaam causing a policy vacuum and a failure in urban governance;
2. A fragmented planning process and lack of coordination, vertically and horizontally between levels of government and departmental disciplines;
3. Failure to achieve policy objectives in planning and implementation.

The issues are further analysed in *Chapter 3*.

Chapter 3 Analysis of institutional and regulatory strengths and weaknesses

3.1 Problems and issues with transport policy

The previous chapters identifies 3 key areas of problem with the National Transport Policy, being the lack or defined urban transport policy, the weakness in coordination of efforts to enact the policy and the gap between policy and ‘ground reality’ as far as implementation is concerned.

The first problem (lack of urban transport policy) has partly been addressed through setting the strategic policy direction of DART. This Master Plan study is also part of a comprehensive approach to addressing the needs of urban transport.

Having a defined policy also helps toward the coordination issue as it serves as a cohesive bond under which all players are directed according to policy. This highlights the need for an active and objectives-based strategic policy, where policy defines outcomes and how success will be measured. An outcomes-based management approach is vital to ensuring service delivery.

The failure of policy to translate into the intended results is a constant problem which requires some attention to the policy framework itself and also the organs assigned the responsibility to execute the policy. On the former, a discussion on the specific weaknesses in the policy is included under Appendix A to identify where the policy fails and can be improved. On the latter, it can be said that any policy is impotent without capable and coordinated management to bring its vision to reality. Policy needs to be translated into strategic initiatives and tactical action to ensure delivery.

This section outlines the specific problem areas and responsible parties but also raises a discussion on ‘contractual’ relationships that are required to ensure accountability for performance. Unless there is a ‘contractual’ understanding that sets contractual terms and then measures performance on common agreements and expectation outlined, then results will always be incidental.

3.2 Problems and issues in transport control and management

The management of urban transport as a function is almost nonexistent in Dar es Salaam specifically due to:

1. The lack of attention in the NTP to urban transport specifically for Dar es Salaam thereby giving responsible agencies little guidance.

2. There are many players involved across the spectrum of urban transport - between municipalities and also national authorities cross-cutting into local affairs. This has resulted in a fragmented planning process and lack of coordination, vertically and horizontally between levels of government and departmental disciplines;
3. Failure to achieve intended policy outcomes;
4. Service delivery being difficult to control and regulate.

3.2.1 Urban Transport Policy

The strategic policy direction of DART is a good step for urban transport development but needs to be developed as part of an integrated Urban Transport Policy.

Ultimately it is the role of Government to set out a total vision for the city' transport and development and this study, being the Transport policy and System Master Plan is a good platform upon which to develop this vision and policy.

3.2.2 Responsible organisations

Presently there is a serious lack of clarity and consistency in the responsibility and authority of each unit and national, city and municipal public authorities all have their particular area of influence and control with little coordination between them. This lack of institutional responsibility is the major cause of the failures in transport planning and management in the city today. Particularly noticeable is the lack of integration between various parties as they 'regulate' transport. Major gaps exist in responsibility, and where tasks are assigned there is a major shortfall in resources to carry out the task.

There are four ways by which responsibilities are diluted, being:

- Fragmentation of policy and responsibility:
 - Different and multiple agency involvement will cause disfunctionalities with little incentive for 'ownership'.
 - Divided responsibility of the city road network between TANROADS (national) and Municipalities.
 - In public transport management with BRT being under DART Agency (PMO_RALG national ministry) & daladala under SUMATRA (MCT- national ministry).
- Duplication of responsibilities:
 - TANROADS responsible for managing traffic signalling, signage and safety on trunk roads, and
 - DART is responsible for managing orderly traffic flow, redesigning intersections, improve traffic management (also on trunk roads).

- When BRT (DART- PMO-RALG) builds and operates a BRT on the national trunk Road (TANROADS –MOID), who maintains the thoroughfare?
- Gaps in responsibility:
 - Numerous uncertainties in responsibility;
 - Lack of integrated planning (between agencies/ functions and between transport and land use)
- Multiple responsibilities:
 - Many strategic initiatives under NTP have multiple implementing agencies - who then is accountable?

Present responsibilities and control are assigned according to the following:

- Ministry of Infrastructure (MID) manages the traffic program (signage and markings);
- TANROADS is the Roads Agency responsible only for trunk roads, and they control and maintain signs and traffic lights. Work is contracted to TEMESA (who also maintain equipment) but only on trunk roads;
- SUMATRA regulates supply & standards of public transport through licensing, amongst its other air, rail and maritime transport responsibilities;
- DCC has one transport person within the Department of Urban Planning Transport and the Environment but commands little resources;
- The policy of ‘Decentralization and Devolution’ to Municipalities has been particularly damaging to DCC as it has fragmented responsibilities in a sector where integration is already lacking.
- The DART Agency responsible for establishment, implementation and operation of the BRT with some wider traffic management responsibility.

The role and function of the Dar es Salaam City Council

Despite the specific mention of integration and coordination in the NTP as issues to address, the role of Dar es Salaam City Council in achieving this is undermined. This has occurred seemingly for two reasons; firstly it concedes authority to national ministries for local issues under a centralized approach and secondly devolves functions to local municipality level under the decentralization policy.

This centralization/decentralization approach fragments the urban planning and management function, and robs the DCC of its essential integrating and coordinating role. Specifically this is illustrated by the bypassing lines of authority, being:

- DART agency reports directly to PMO-RALG although it has a clear assignment for BRT development in Dar es Salaam. Furthermore, there it is unclear what its exact role in light of its

“responsibilities” which involve simultaneously these of an Agency (establishing and controlling BRT) and of an Authority (e.g., traffic management, parking management or road safety); and

- Direct line of authority and reporting from PMO-RALG to municipalities
- National agencies having direct control over local functions (SUMATRA, TANROADS, MOLHSD)

The role of the DCC should be recognized & strengthened to improve effective coordination of local government functions.

As can be seen in the assignment distribution (authority) of all public authorities involved in urban public transport, decision-making, investments, system management, and (traffic) control are complicated and require major coordination and participation both vertically and horizontally, a coordination which at present is weak or totally absent.

The role of SUMATRA

Particularly the regulatory role is managed by SUMATRA a multi-sectoral regulatory agency¹ with charter “to promote, facilitate and ensure efficient, safe fair, reliable and environmentally-friendly transportation services, through competition fair trade and provision of requisite information to stakeholders”².

As mentioned in the previous chapter, SUMATRA has taken a default role in managing the daladala but with minimum resources faces a daunting task. The sheer logistics in regulating approximately 7,000 daladalas is a daunting task in itself and regulation and enforcement has a limited capacity to control happenings ‘on the ground’. Consequently, SUMATRA’s is limited to issuing bus licenses and there is only a cursory look at route allocation³ as to where those licenses will operate. Also there is a very unclear (or nonexistent) responsibility for route planning as SUMATRA sees this is a Municipality function, and when the municipalities do not involve themselves, SUMATRA by default assigns routes to licenses. Presently the fares are ‘regulated’ but only in the sense that the operators feel they must have permission to increase fares. However, it is uncertain that SUMATRA can prevent fare increases, although ‘unapproved’ fares suffer under market competitive pressures, meaning operators rely on SUMATRA to support industry calls through DARCOBOA to increase fares ‘officially’ to bring all operators fares to another level to avoid fare undercutting.

3.2.3 Failure of organizations to achieve policy outcomes

There may be many contributory factors in why organizations fail to implement or deliver on policy expectations. Examples could include a volatile operating environment, an inadequate assessment of

¹ Established by an Act of Parliament (n0. 9) of 2001 coming into force on 20th August 2004.

² Mission statement in information leaflet on SUMATRA titled ‘About Us’

³ Interview with SUMATRA July 2007

risk and inadequate strategy, unclear expectations etc.

In the implementation of policy, more attention is needed on the ‘contract’ between policymakers and implementing agencies. This includes any form of real or implied agreement between the policymaking authorities and those who execute and implement policy, including the policy directive itself (will allocated resources), the organization’s charter, or a specific contractual document. The contract can be specific or implied, formal or informal, but sets the rules and expectations for implementation.

Contracts also imply enforcement, which is the link that closes the loop on a contractual relationship. A contract (of whatever nature) sets rules and expectations, assigns responsibility, resources and risk, has a monitoring function, sets accountability and can enforce its intent as specified in the contract conditions and terms.

Government policy should also adopt the ‘contract approach’ in assigning resources and responsibility for implementation. Performance-based contracting in public service delivery is becoming a well established approach to this issue, and a good example in Dar es Salaam is the reforms contained in the Local Government Reform Programme under PMO-RALG which seeks to firstly, develop the link between financing development and performance in key areas financial management and participation and budget discipline, and secondly, to ensure national policies and regulations are complied with. Building the autonomy and capacity of local government authorities is also a key objective to develop these concepts.

3.2.4 Managing service delivery

The difficulty in controlling service delivery results in a chaotic and substandard public transport system that commuters suffer on a daily basis.

Any analysis will show that the problems within the industry and its service delivery are due to the fragmented structure of the industry (many individual owners which are difficult to regulate), the marginal economic viability, and a lack of cohesive planning and management of the system.

Efforts at more regulation and better enforcement are unlikely to succeed in the longer term as firstly it conflicts with the pressures to ‘survive’ that ingrains the behaviour of individual operators and secondly, as the city is dependent on the private operators, removing unsafe or illegal vehicles will result in a chronic supply shortage. In the end, the hands of the authorities are tied unless the structural dysfunctionalities in the system are addressed.

3.3 Interim conclusions and recommendations

Four main conclusions are reached on the basis of the analysis, these are:

First, the strategic policy in the NTP fails to connect with implementation on the account of a number of things, namely that it does not address structural flaws in the industry, leading in some cases to an insufficiently capable strategy to address these flaws. And when a strategy is outlined it is incapacitated

by having multiple agencies charged as responsible for implementation which then requires major coordination between multiple parties and unclear commitment of resources.

The *second* issue is the cross-cutting of multiple agencies in any area of urban transport which results in the dilution of accountability either through fragmentation and division of responsibility, gaps where responsibility is unclear or where more than one agency carries responsibility and there is no one agency accountable. These factors lead to scenarios where everybody is responsible yet nobody is accountable.

The *third* factor that stands out is the failure of management. Regulation and policy alone will not implement policies and programs or be able to effect change. In many ways the often repeated goal of ‘good governance’ is in fact the need for good management – the ability to construct organizations that function effectively (and with adequate resources) to meet their set objectives. Effective organizations are not complacent with failure and accountability should also be a familiar discipline for managers; being ‘called to account’ for failures as they occur, not necessarily to penalize but in the least that failures can provide lessons so the problems are addressed.

The *fourth* factor flows directly from the development of effective organizations where the expectations for performance on these organizations are clearly outlined in a form contractual relationship that clearly assigns roles and responsibilities and defined measurable outcomes. Inherent in this approach is a clear vision enshrined in the policy, a strategic policy developed at executive level and tactical policymaking devolved to operations level where it can best adapt to the operating environment. At each level there is a defined ‘contractual’ relationship via policy and contractual mechanisms. These concepts are expounded in Chapter 4.

The above conclusions lead to a number of recommendations.

Firstly, it is recommended that the approach to policy implementation be reappraised so that the connection between policy, strategy, resources, responsibility and accountability are clearly established.

Secondly, there needs to be integration and coordination between the organizations responsible to implement, manage and control the process. (see Box 1). As the sphere of urban transport is a complex and interwoven set of issues and sectoral interests, it is recommended that a Dar es Salaam Urban Transport Authority (DUTA) be established with the purposes of integrating and coordinating efforts between the multiple players and to extend this into cohesive planning carried out by professionals within the Authority. DUTA would require a wide representation of stakeholders through a Board of Management so all vested interests are taken in to accounts and the will to cooperate is fostered through a joint ownership of programs and a single line of accountability to the authority.

DUTA is the facilitator of the strategic policy set by central government, translating it into a set of coordinated policies across the sectoral agencies that relate to urban transport and across the sometimes competing considerations of economic, social and environmental factors. It will provide a lean and efficient umbrella organization to coordinate the implementing agencies.

Given that DUTA is established to bring cohesion to the planning and execution process, it leads to a

discussion of the nature of the execution agencies that deliver services at ground level. Unless there is a significant change in the way these agencies operate, the DUTA will make little real difference at service level.

The following discussion focuses on public transport as it is a fundamental issue for Dar es Salaam although many of the principles apply to other spheres as well.

Box 1:

The terms INTEGRATION and COORDINATION in this context have separate and distinct meanings:

Coordination is managing the tradeoffs between objectives and multiple actors and how leadership and participation gets balanced.

Integration is arranging together of individual actions so that the outcomes have 'added value' through their combined effect (where $2+2=5$).

Chapter 4 Theoretical basis for organization of public transport

This chapter specifically discusses the organization and management of public transport as one component in the transport arena that is most difficult to manage. It can be argued that if this part of the transport task is well managed, the rest is also manageable.

This discussion leads directly into the organization of DART as the public transport ‘operator /system manager’¹ role in managing the private sector in the provision of public transport services.

4.1 Traditional regulatory frameworks and why they fail

The traditional way of managing public transport services is through regulation of individual operators as per the permit or license system. The greater the number of operators that exist (as in the case of daladala) the more difficult management becomes. Also enforcement becomes a challenge as the regulator often does not have the enforcement means to address violations and service failures.

The present system is a typical unplanned model of regulation, which attempts to regulate individual operators and through this attempt to develop a ‘system’ contrary to the economic forces that see Dar es Salaam’s daladala /vipanya buses all fight for their own survival. While route networks are referred to as a system, this is far from the case, as the buses are a collection of single economic units, collecting single fares for single trips and offer little integration other than the use of common terminals. Furthermore, enforcement is from the police, who have no role in regulation just in enforcement over a range of operational and safety issues. A common occurrence is that when failures occur, the police are blamed for lack of enforcement. **Figure 4.1.1** demonstrates the absence of management in the irregular model compared to the management mechanisms shown in the regular model.

In the case of Dar es Salaam, the present regulatory body for urban transport is SUMATRA and their present role embodies the full regulatory function to individual operator level. The success of such a role is tempered by the massive task of controlling in excess of 7,000 daladala vehicles and larger buses, many of which are individually owned and operated (many with hired drivers) but in most cases

¹ In some later sections referring to the role of the Urban Transport Authority, DART is referred to as an ‘operator’ which is relative to the overall management role of the UTA where DART is responsible for service delivery at operations level. This does not conflict with its system management role where it manages the public transport ‘system’ as the ‘operator’ notwithstanding that it subcontracts service providers to operate the buses themselves.

owners do not own more than 2 vehicles. Under these demanding circumstance and considering the relatively limited resources available to SUMATRA to monitor & enforce, there is likely to be a considerable gap between the expectations outlined in regulation and what happens ‘in service’.

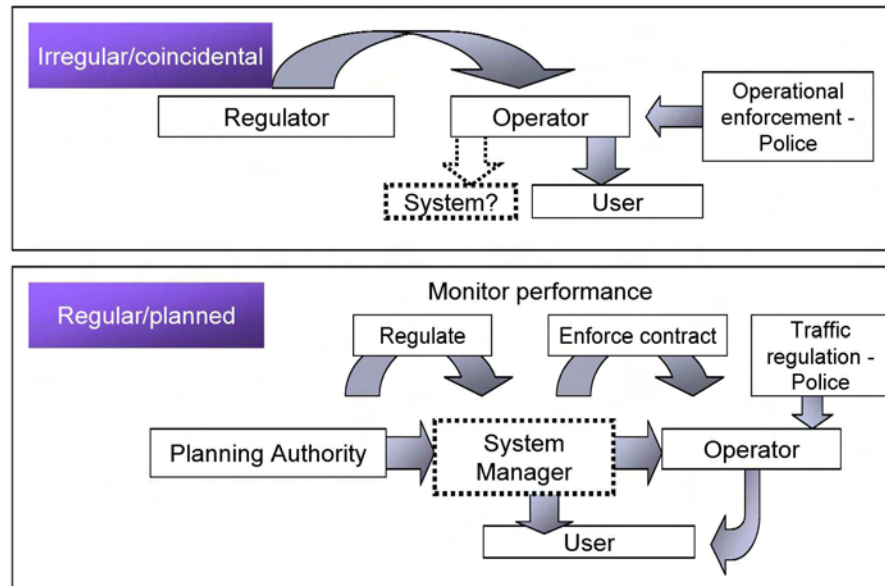


Figure 4.1.1 Comparison of regulation versus a planned management model

4.2 Developing management responsibility

4.2.1 Regulation vs. management

To develop an effective framework of control and management requires an organizational structure that clarifies responsibilities and accountability through a clear separation between regulator, manager and operator in both definition and function.

For the sake of clarity it is necessary to make a distinction on the term of regulator. Typically this term is loosely applied to the body that sets policy and then regulates its delivery (through a subservient implementing party). The term policymaker could also be used in this context and it is distinct from the more narrow definition where a regulator functions specifically as a licensing body. So for the purposes of this discussion, the term regulator denotes a policymaker/ regulating role.

Importantly, the difference between regulator and manager should be clearly understood. Essentially the difference is that the regulator sets policy and operational guidelines (through regulation) but carries little or no operational risk, which is transferred to the operator under license or permit. This is the cause of much of the imbalance and poor behavioral and service outcomes of the present system.

Management in public transport is referred to a ‘system management’ where an entity manages the network and takes operational risk, contracting in service providers (operators) under conditions of contract. The system manager has in fact, a stronger hand than a regulator as it can contractually enforce the detail of the contracts.

Sustainability of the system is embedded in the relationship between the system manager and the operator as ongoing financial viability, which will rely on good incentives being in place to govern behavior and a careful assignment of risk to ensure all parties are able to manage the risk assigned to them in the business arrangement.

The role of the ‘system manager’ is to integrate planning, management and control across the whole network. The system manager can be a state entity, but can also be the product of a PPP arrangement. Above all it must be capable, autonomous, and accountable (and can perform best when free from political interference). Its business is guided by strategic policy set by government to achieve set and agreed objectives.

4.2.2 Delineating and defining roles and responsibilities

Separating the roles of owner, regulator, manager and operators is best done in by assigning responsibilities according to what each entity is ‘good at’ and creating appropriate incentives to guide their behavior and action. In a very general sense, governments are good at setting strategic policy, but poor at micro areas of tactical policy where financial accountability is weak. Operators are often more capable at cost control but less capable at service development.

The role of the Owner (DCC)

Essentially the ‘government’ is the owner of the public transport system assets, and in the case of Dar es Salaam is the DCC which is responsible to ensure its assets are protected and utilized to its optimum capacity and for the viability and sustainability of the system and its service delivery to the city. It is usual that the city, given its wider responsibility divests the responsibility of transport management to a more specialized Authority. The present administrative weakness of the DCC can in fact be addressed by establishing an Urban Transport Authority under its organization. This Authority is concerned with strategic policy and regulation managing this function on behalf of the City.

The role of Urban Transport Authority (Regulator)

This entity is a senior body that is highly representative across all stakeholder interests and government departments relative to the total activity and arena of urban transport. Typically, a Board of Management in the form of a Transport Authority would conduct this task, being representative of government and setting Strategic Policy to guide the line agency responsible for system management and operations. The SUMATRA Agency as the current regulator would take on a pure regulatory (not policy) role, enforcing statutes e.g. licensing, vehicle safety and enforce national standards.

A Board of Management would ensure an integrated approach; being representative from all relevant city and national agencies who are stakeholders in urban transport (DCC, Municipality Representatives, Police, Urban planning, Environment etc). A role for SUMATRA would be optional on whether as a regulator it could operate independently, while maintaining a policy input to board decisions.

Strategic Policy for the bus system must incorporate a set of measurable objectives (as goals to reach).

The Authority must ensure funding mechanisms are in place to align with fare levels it may propose and its service level guidelines. It will assign the ‘right to operate’ to the system manager (not individual operators). Other than ensuring funding mechanisms are in place (budgets, subsidies, indicative fare scales) the Authority does not carry financial responsibility, assigning this to the system manager.

Government, through its Transport Authority sets Strategic Policy but its strength in setting operational guidelines may depend on its financial capacity. In other words, if it requires a social level of service that is not within the commercial ability of the system to provide, it would need to financially support the social component of service.

Its Strategic Policy will set guidelines for:

- Route design;
- Service parameters (fare policy, service frequency, passenger comfort standards, safety standards);
- System specifications and system branding;
- Planning for future services including service and system expansion.

Its role will include:

- Monitor system performance, and by implication, the system manager’s performance;
- Develop urban development policy & plans that support bus network integration with the city (footpaths, traffic management).

The Role of Manager

The role of the ‘manager’ is either that of a ‘business manager’ of the BRT or, if a wider system network is managed, then they are the ‘system manager’. In each of these roles, the function is similar.

Guided by the strategic policy set by the Authority, the system manager develops tactical policy to manage the business of public transport in the most effective and efficient way. The system manager takes a commercial and business-like approach to maximize revenue and to minimize costs within the framework of strategic policy. The key performance measure for the system manager is financial performance achieved through customer satisfaction/revenue growth and managed costs.

The system manager contracts the operation of the buses through a performance-based contract to bus operators who perform services according to the requirements as specified in the contract. As the system manager has total responsibility for the performance of the business, they monitor and enforce the conditions of the contract. Much of the regulator responsibility of the previous regulatory role is thus taken over by the system manager. **Figure 4.2.1** shows how DART fulfils the role of system manager and the relationships with other players.

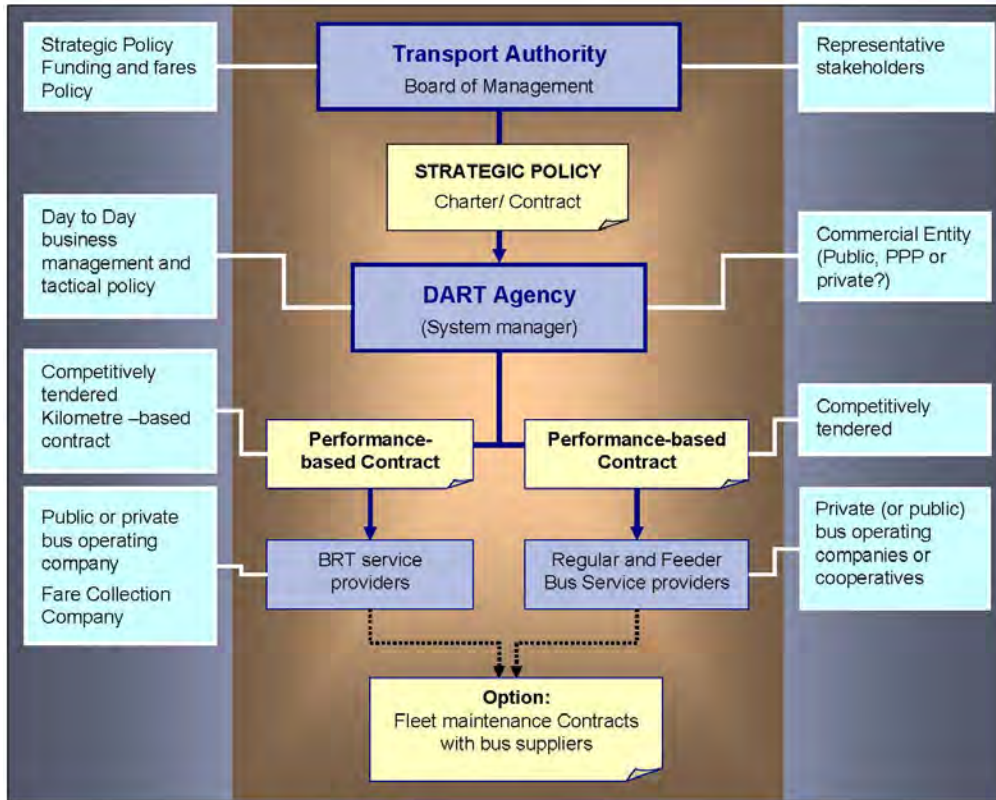


Figure 4.2.1 System Management Model

Note that a number of options exist for the arrangement under which private operators are contracted to the system either by way of a performance-based contract (where the system manager takes the bulk of the patronage risk) as opposed to a franchise arrangements where the operator is given an exclusive right to operate under set regulatory conditions. There is a marked difference between these two options and various hybrid arrangements are also possible, but essentially the best arrangement is one where each player is assigned the risk they can manage. More discussion on this subject is contained in Technical Report 2 under a discussion on Sustainable

In summary, the function of the system manager includes:

- Development and management of bus operation performance-based contracts (PBC) and being ‘Party A’ with ‘Party B’ bus operators;
- Specifying service levels and standards in each contract along with terms and conditions of contract;
- Planning and route network development;
- Managing fare policy;
- Management and maintenance of system infrastructure and information systems;
- Monitoring system performance and contractor performance;
- Survey data and user feedback;

- Benchmarking system cost recovery;
- Safety standards;
- Enforcement of standards;
- Revenue control and financial management.

The role of Operator

The role of the operator is to perform services according to the specifications and standards of the contract. There is a clear client/principal relationship in place and very clear expectations stipulated in the contract. It also defines the responsibilities and duties of both parties in the contract and therefore provides the basis for investment. The system manager can enforce the condition and service requirements under contract.

The performance-based contract is managed by the system manager through the mechanism of a 'Regulatory Procedures Manual' (RPM) being an agreed 'yardstick of procedures' for the management of contract. The RPM can be adjusted from time to time to cater for changing circumstances, but is aimed at providing consistent and fair guidelines in dealing with contractors.

The franchise system of contracting out bus services often is used in 'commercial' situations. However, a detailed analysis of these franchise options generally finds less scope for control by government in a franchise than in a more 'contractual' relationship. The success of a franchise relies on the capacity of the bus operators to develop services, which they may or may not have. The profit motive is often contradictory to service obligations and therefore a more sophisticated relationship with government is required to achieve better balanced outcomes. It is generally difficult to remove poorly performing franchised operators whereas under contract conditions can be enforced.

4.3 Structural principles for sustainability

The above discussion on the theoretical frameworks to achieve viability and sustainability builds into a set of structural principles, being in summary:

1. A strategic policy must be set which integrates and coordinates all aspects of urban development and planning;
2. The system needs to define single responsibility and accountability;
3. Risk and responsibility must be appropriately assigned between parties (government and agency); No party should carry risk it cannot manage;
4. The responsible agency needs adequate resources (self generating revenue mechanisms or allocated budgets) to perform its task;
5. The institution needs to be involved in setting its own internal business strategy in accordance with strategic policy guidelines;

6. The necessity of a sound business model that delivers efficiency, sustainability, value for money (and integrated value-added benefits), prioritization, economic, social and environmental benefits;
7. Use of performance/outcomes-based contract to specify and document the undertakings of both parties and establish the working relationship between them. Normal contractual conditions will specify general terms and conditions while the specifications of service outlines the quantity of service, payments as well as performance indicators, and the monitoring and enforcement conditions;
8. The contract is commercially oriented in that it is fully funded to provide its services. No public service obligations or implications cloud its task and responsibilities;
9. Key Performance indicators must relate clearly to outputs and outcomes (deliverables, measurable data) as evidenced in service delivery, or outcomes (quality of life indicators) showing policy objectives are being met.

The order establishing the DART Agency addressed in detail many of above principles and outlines in considerable detail the objectives and methodologies of implementation and administration of the agency. At a higher level DUTA will provide direction and coherence across all sectors so they operate harmoniously.

A full discussion of the role and functions of the DART Agency and the function of an Urban Transport Authority are discussed in *Chapter 7*.

Note:

- That the relationship between all parties from DUTA down to the service provider is effectively contractual (even between DUTA and DART).
- That the Urban Transit Authority is placed under the DCC in keeping with the principle that the DCC must be strengthened in its responsibility. Bypassing DCC with lines of responsibility to national ministries erodes local capacity and the essential governance of the city. The role and representation of the DCC in the Board of Management however, is not overbearing (but may hold chairmanship) and the Authority would operate semi-autonomously from the DCC.

Chapter 5 The Role and Structure of an Efficient Urban Transport Authority

5.1 The need for institutional change to meet new challenges

5.1.1 Strategic position of Dar es Salaam

Dar es Salaam is the principal economic center of Tanzania and the city will undoubtedly further expand its pivoting economic and social role. The “Dar es Salaam Transport Policy and System Development Master Plan” upholds the vision that the city will evolve over time to reach world city status. The city will be(come) a principal regional gateway for Tanzania and surrounding (landlocked) countries linking the city and region to other predominantly European and Asian world cities (**see Figure 5.1.1**).



Figure 5.1.1 The central role of Dar es Salaam (long-term vision)

Transport is a key element of the national and city prosperity with The World Bank arguing that successful “...urban transport systems ought to increase commercial and labor market efficiency, increase access to amenities, and make changes in the scale and form of urban agglomerations possible, all without undue adverse effects on the environment.”¹

¹ http://www.worldbank.org/transport/ut_ss.htm

As outlined in previous chapters, the existing complex organizational and administrative structure is counteractive to the further (long-term) development of the city and to its present and future role as gateway for the region. Improving the institutional framework for the development, management and control of the city's transport system is imperative and a principal obligation for policy makers with the aim of improving transport through integration and efficiency and promoting *good governance*.

5.1.2 Improving governance

To set underlying theme to the development of the institution such as the Urban Transport Authority it is worthwhile to review the terminology and meaning of *good governance* as it is a term used freely to express all good intents but not always specific as to what it implies.

The World Bank / International Monetary Fund (IMF) refers to good governance as the effort to build "*efficient and accountable public sector institutions*" via the fight against corruption, promotion of transparency and accountability in decision making, upholding human rights, national-level coherence between ministries, decentralisation, legal reform, regulation/deregulation, etc. According to the European Commission² good governance includes:

- *Openness* – Public institutions should work in a more open manner and actively communicate about activities and decisions in a language accessible and understandable to all;
- *Participation* – Quality, relevance and effectiveness of policies depend on citizens participation from conception to implementation;
- *Accountability* – of persons involved in the legislative and executive processes;
- *Effectiveness* – with timely delivery of what is needed on the basis of clear policy objectives and an evaluation of future impact
- *Coherence* – to ensure a consistent approach within a complex society and that must be achieved via political leadership and a strong responsibility on the part of the Institutions.

5.1.3 A City capable of managing its affairs

The increasing urbanization of Dar es Salaam has created new challenges for urban management and the old vestiges centralized government is inadequate for the complexity and diversity of today's modern city. But decentralisation as a favoured concept has proved to be a pendulum swing to the opposite direction because, while it improves local participation, it disintegrates harmonious policymaking across the wider and ever expanding urban area.

An objective balance thus needs to be found, and this includes building capacity at City level to coordinate and manage functions which are the common asset of the whole city. The function of the Dar es Salaam Urban Transport Authority (DUTA) is based on four fundamental concepts that will guide the future management and development of the urban transport system:

² Commission of the European Communities. 2001. *European Governance – A White Paper*. Brussels, 5.7.2001; COM(2001) 428 final.

1. Vision and Direction through strategic policy;
2. Management that assigns responsibility and fosters accountability;
3. Efficient networks that manage costs and delivers best value; and
4. Viable business models that give incentive for good performance.

In the next paragraphs, the principal concepts of the (DUTA) will be highlighted, therewith setting the framework for the detailed design of the new Authority in the following Chapters. The concept also pays the necessary attention to the relationship between DUTA and the organization responsible for the development and management of the BRT.

5.1.4 Mission and objectives

At the outset it should be clear that the concept of DUTA, as proposed here is not that of a large monolithic Authority doing everything in relation to transport.

To the contrary, it is an efficient coordinating body comprised of major stakeholders through a Board of Management and an advisory board and an efficient executive planning arm that provides strategic guidance, control and planning for the line agencies under the Authority who execute and implement policy.

A proposed statement of responsibility that will define the mission of the Authority and its individual Divisions (and in line with the National Transport Policy) is:

“The design, management and executive control of the urban transport system in Dar es Salaam with the objective of: providing safe, reliable, effective, efficient and fully integrated transport infrastructure; operations that best meet the needs of travel and transport; improved levels of service at lower costs; and supporting government strategies for socio-economic development whilst being economically and environmentally sustainable.”

In that perspective, the role of DUTA is clearly specified, acting as intermediate and coordinating Authority between national policy and the agencies responsible management and control of city transport and its development with the obligation to:

1. *Design the best urban transport system:* DUTA will study the functioning of the transport system, identify bottlenecks and problems, and produce concrete solutions for its improvement. These solutions will inform the regulatory and policy decisions made by government and develop into Regulation supported strategic policy to the executing agencies.
2. *Coordinate all players:* DUTA will organize and coordinate all agencies responsible for service delivery by setting objectives-based strategic policy, resources and budget and overseeing at a high level that objectives are being reached.
3. *Control the urban transport system:* DUTA through its strategic coordinating role will work to guarantee the best operational conditions of the urban transport system for both system users and

service providers and for those assigned to maintain existing and / or constructing new infrastructures and / or services.

Considering the above role of DUTA, it is thus clear that DUTA is neither an executing agency nor a system operator, but is managing policy, coordination and high level control.

This central position will also allow integrating transport with city land use / planning. DUTA will therewith pursue a “... *proactive aggressive approach in advance-planning and implementation of large-scale land transportation measures ... as part of the overall land development master plan, considering economic, social as well as traffic operational impacts ... with respect to requirements for sustainable development.*”³

The specific objectives of DUTA can be expressed as follows:

Objectives:

- To support and promote the socio-economic development of Dar es Salaam.
- To guide the urban growth in the planned direction and realize orderly urban development.
- To improve transportation services in existing and newly urbanized areas.
- To provide a variety of transportation services to meet every kind of demand.
- To pursue transport efficiency and economies.

Targets:

- Satisfy present and future transport needs.
- Pursue people’s equal accessibility to transport services as a basic human right.
- Improve traffic and pedestrian safety.
- Minimize total transport cost.
- Improve urban environment and conservation of nature and historical places.

Basic Strategy

- To use existing facilities efficiently and effectively.
- To shift demand from private mode to public mode(s).
- To limit private car use, in particular in the CBD and main corridors.
- To introduce wherever possible the “user pays” principle.

The Dar es Salaam Urban Transport Authority is a local body solely for the purpose of planning and coordinating the affairs urban transport within the boundaries of Dar es Salaam. Other urban centres nationally should consider their own needs and develop their own local structures.

³ T. F. Fwa. *Sustainable urban transportation planning and development – issues and challenges for Singapore*. Center for Transportation Research, Dept of Civil Engineering; National University of Singapore, 2005 – Internet paper

5.2 General framework and overall implementation approach

5.2.1 Guiding principles

The general framework for the Dar es Salaam Urban Transport Authority will be structured according to the key components of good governance as illustrated in **Figure 5.2.1**.

To create / guarantee an equal level playing field for all actors and to establish a system free from corruption, processes and structures need to be transparent and the actors involved accountable for their decisions and actions. All information relevant to the urban transport system should be freely available and directly accessible to all citizens and this information should be at their disposal in easily understandable formats and accessible media.

Easy access to information (transparency) is an imperative for improving management and increasing control that will facilitate holding decision-makers and managers accountable for their decisions and actions.

Accountability and transparency can be enhanced through responsiveness and inclusiveness via which the needs, demands, hopes, and fears of affected persons are considered during project preparation and implementation which are key tools to achieve transparency.

It can be argued that transparency and accountability is essential if DUTA is to achieve cooperation of all participants such as the line agencies.



Source: Study Team on the basis of UNESCAP, EU

Figure 5.2.1 Principle of Good Governance

5.2.2 Integration of planning and development internally and externally

The principal concept of the Urban Transport Authority is to achieve full integration of all components directly or indirectly influencing the urban transport system (**Figure 5.2.2**).



Figure 5.2.2 Integration function of DUTA

The creation of an efficient and integrated Urban Transport Authority is imperative to improve the unavoidable balancing act of urban transport policy makers and managers between 2 opposing groups of equally important influences being economic factors and societal factors. This is most pronounced at the level of policy-making and regulations where the needs of the economic actors and investors must be balanced with the needs of the citizens and the environment.

There is also a balance to be achieved at the executive level between the introduction of modern technology and technical applications (in transport) versus the cost and rationale for introducing them. The economic actors will push for high-quality and high-cost technologies while the public authorities will have to balance this against the needs of its citizens and the capacity of the public budget to provide the capital investment and guarantee maintenance (not only financially but also human resources – expertise).

An adequate balance can only be organized via the establishment of DUTA and this initiative is the only way to ensure that all stakeholders have an input, and a benefit from the transport system in Dar es Salaam so one sector does not profit at the expense of the other.

5.2.3 The position of DCC/DUTA in the policy framework

DUTA can be proposed as a semi-autonomous authority, under the framework of DCC responsibility for city transport management, but DUTA in its functional capacity liaises directly with the national ministries, particularly the PMO-RALG and the MOID. This relationship is shown in **Figure 5.2.4**.

The network of relationships in effect, should work, as DUTA is responsible for facilitating national transport policy and objectives set under national ministries, and also working to achieve the transport and development objectives of the DCC.

This arrangement is designed to re-engage the DCC into its essential role, and gives DCC the capacity (through DUTA) to grasp its responsibilities.

The alternative of placing DUTA directly under the Prime Minister’s Office (PMO-RALG) has also

been considered, and while this would be a feasible option (with perhaps the perceived advantage of being under the wings of a strong ministry) it may not properly address the issue of building capacity and reengaging the DCC to its responsibility under legislation. Solving the urban governance issue requires a strengthening of local government and placing DUTA under the framework of DCC gives the DCC a key coordinating role and a better pool of expertise to assist it to achieve improved urban governance capacity.

DUTA is the intermediate coordinating body between national policy and implementation linking all urban planning issues with all modes of urban transport and from this develops a strategic urban transport policy, supported by an integrated process of transport planning and coordination. The conceptual policy framework for DUTA is shown in **Figure 5.2.3**.

While the Strategic policy is developed at DUTA level, the tactical policies (governing day-to-day decisions) are made at agency level so that its ‘management and control’ can be optimized to adapt to its operating environment. The tactical policy of the agencies however is always guided by the Strategic Policy set by DUTA.

Within the organization of transport DUTA takes an intermediary and coordinating role as outlined in **Figure 5.2.4**. although detailed refinements may be required in the local context.

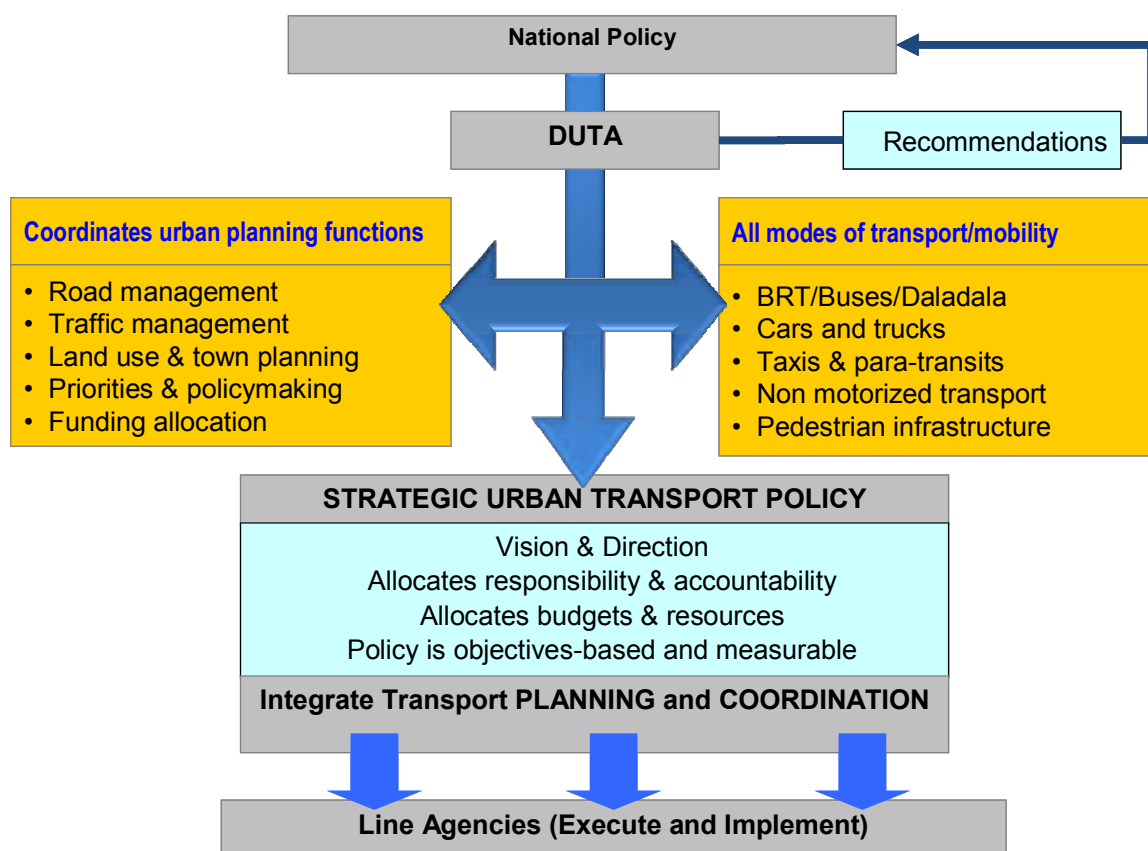


Figure 5.2.3 The role of DUTA in the policy framework

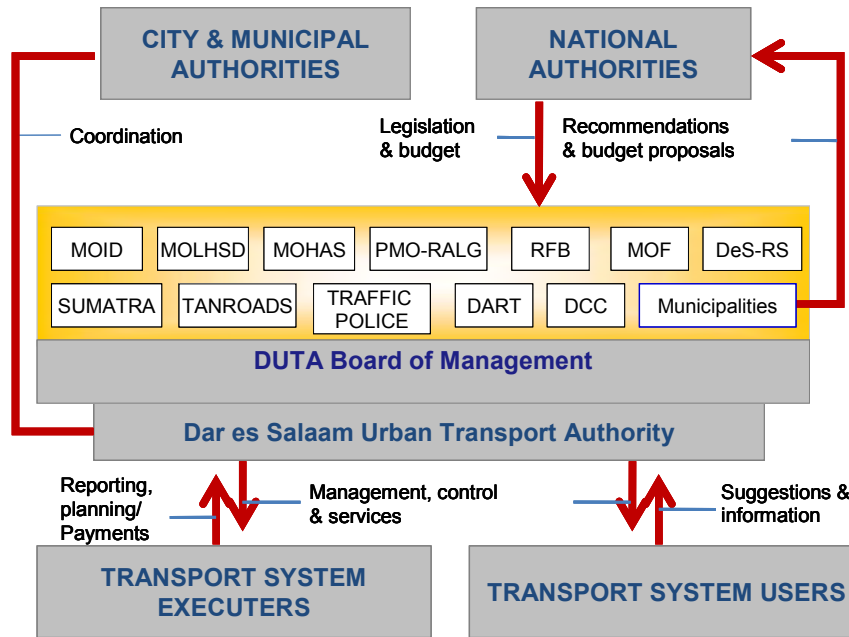


Figure 5.2.4 The coordinating and intermediary role of DUTA within the organization of transport

5.3 Phased implementation

An accepted theoretical model defines distinct and separate roles between the regulatory levels (policymaking) governing an executive strategic planning level to a management and control level which manages the operational level where services are provided. Under the present Dar es Salaam situation these levels are either nonexistent or indiscriminate as illustrated in **Figure 5.3.1**. The figure demonstrates that:

1. The role of the city has been nearly totally eliminated via a process of centralization of responsibilities to national authorities and decentralization of responsibilities to the municipal level.
2. Both the national and municipal authorities have regulatory and operational responsibilities for which in many cases the boundaries are unclear and / or overlap.
3. The centralization of control and the decentralization of local functions and responsibilities (municipalities) have fragmented responsibility for transport planning and the implementation of policy.
4. There is a lack of executive level planning or at least it is undefined where this occurs.

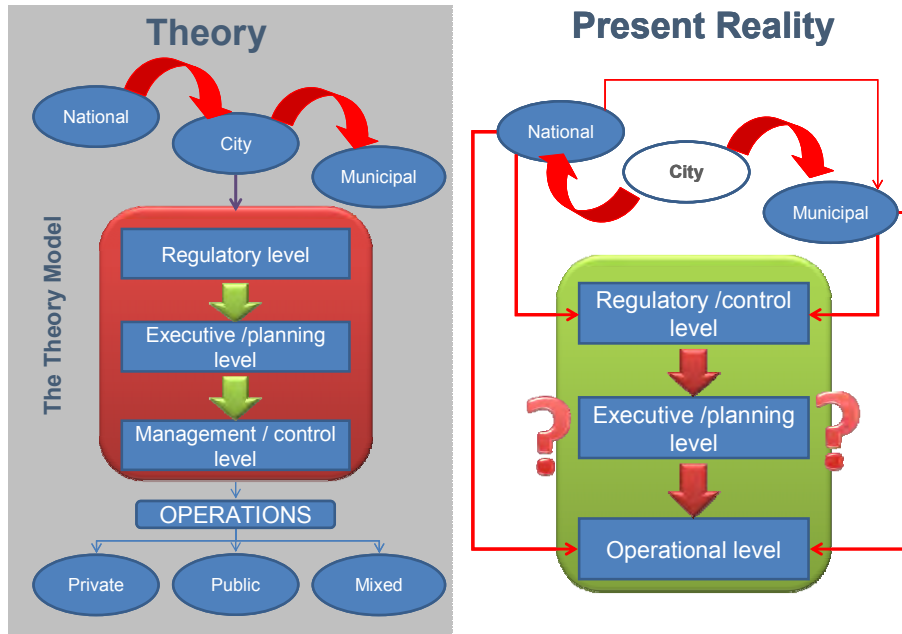


Figure 5.3.1 A phased approach: discrepancy between theory and reality

5.3.1 A phased approach

The path from an in-principal agreement to the formal establishment of the Authority is long and complex, paved with many hurdles. The Study therefore recommends a phased approach to implement the structures DUTA and uses an inclusive and participatory approach to achieve a high sense of ownership across all those involved. By its nature the DUTA is a highly representative body working for the common good.

Three phases are foreseen in the process of establishing the DUTA:

The structural phase: where the framework is set and coordination between all stakeholders introduced. This phase involves concrete steps but does not alter the present structure and / or authority. It thus focuses on preparation and coordination.

The executive phase: initiates the process towards sustainable change. It in particular expands the coordinating role of the Board to an integrating and developing role of the new Urban Transport Authority. In this phase DUTA will also establish Planning Divisions that will manage the consolidation phase involving the line agencies in their respective areas.

The consolidation phase: the third and final phase in the process and consists in fully developing the Authority and all attached structures. In particular it introduces and completes the structure that will allow the Authority to fully take responsibility for urban transport in Dar es Salaam by developing the planning expertise within the DUTA. It finalises the reassignment of responsibilities amongst the agencies bring all functions under its purview.

In a broad and theoretical sense, the phases are described in the following section with a more detailed description outlined in Chapter 6.