



Overview of different forms of organization of the road administrations in the world

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- **Are you in competition?**
- **Legitimacy for a Road Administration**
- **Two viewpoints: owner perspective and customer perspective**
- **Responsibilities of a Road Administration**
- **Outsourcing & role of the Road Administration**

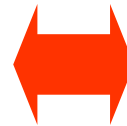
Public 'Competition' Long Term Assignment of Tasks

Department of
Transport (DOT)



**Strategic
Network Management**

Public
Road Administration
(RA)



Other (decentralised)
RA's

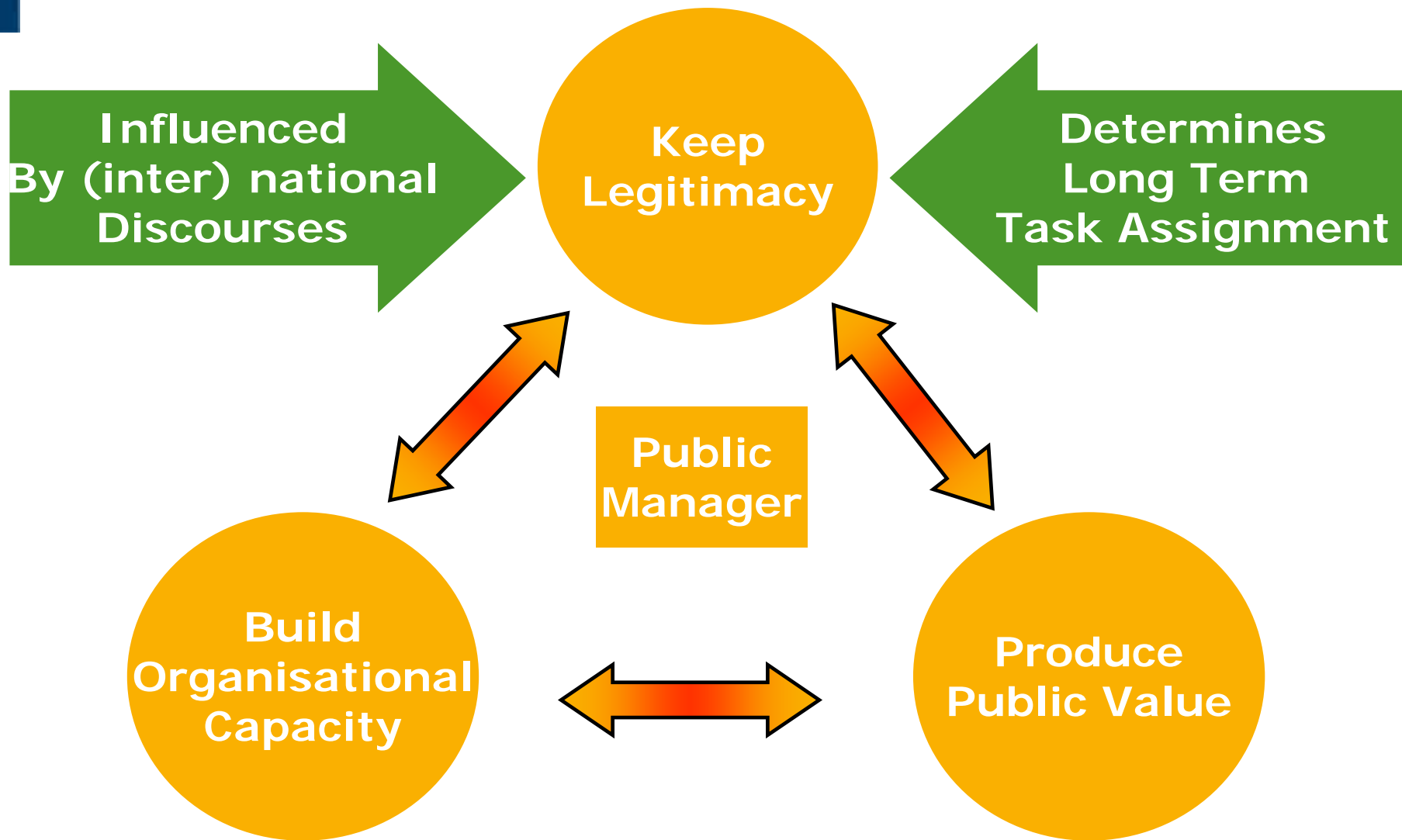
**Operational
tasks**



Private Sector

**Area & Corridor
Responsibility**

Challenges for a Public Manager: The Strategic Triangle



Discourse on organisation of Road Administrations

Conclusions of TC 1.3 Performance of RA's

- **Discourse is the general opinion of politicians, civil servant top management and other important stakeholders like institutional financial organisations**
- **Organisations in the same field tend to 'mirror' behaviour**
- **Discourse depends on**
 - ➔ Local political preferences for the organisation of the public sector
 - ➔ International trends like New Public Management
 - ➔ Past performance of the Road Administration
 - ➔ Level of trust in performance of the local democratic system
- **Depends less on**
 - ➔ Development of the road infrastructure
 - ➔ Development of local economy
 - ➔ Desired road transport policy outcomes
- **THERE IS NO SIGNIFICANT EVOLUTIONARY CORRELATION BETWEEN THE DEVELOPMENT STAGE OF A ROAD NETWORK / ECONOMY AND THE ORGANISATIONAL STRUCTURE OF A ROAD ADMINISTRATION**

Examples

- **The Swedish Road Administration acquires more tasks due to good past performance, outsourcing less**
- **African countries often reorganise the field of road management more vigorously than many European countries as required by institutional financial organisations, outsourcing much**
- **Some European and US states tend to depend on the performance of the democratic system, outsourcing little**

Owner and Customer perspective of Ministry: Two distinctive roles

**Supervisor/
Owner**

- Acts as supervisor on**
- **Good governance**
 - **Long term continuity**
 - **Quality of the organisation**

**Road
Administration
Function**

Client

- Acts as supervisor on**
- **Required products and services**
 - **Value for money**

Owner perspective

Level of independence from national/federal government

Core Ministry	Decentralization Within Government		External Decentralization			Privatization	
	Contract Management	Agency as Part of Government	Independent Agencies	Regional or Local Government	State Owned Stock Company	Financial Participation, PPP	Fully Privatized

More political responsibility

More responsibility of independent board's

Hierarchical mechanisms

Market Mechanisms



Level of Decentralisation within government

Government department directly accountable to the Minister:

Belgium, Benin, Canada-Quebec, Chile, Denmark, Japan, Lithuania, Mexico, Minnesota, Mongolia, New Zealand, Romania, Sweden, Uganda, Scotland, Switzerland, Wales, Zimbabwe

Decentralisation within government:

Burkina Fasso, Croatia, Czech Republic, England, Finland, Hungary, Netherlands, Norway, Poland, Slovak Republic,

Private company:

Portugal (state-owned), South Africa (state-owned), France, Italy

Tasks of Road Administrations

Activities	Count of RA's		
	By your own organisation	Through procurement	Both by your own organisation and through procurement
Development of national transport policy (also for other modalities or road networks)	12	1	
Development of road network policy	25	1	
Developing rules and regulations	19	2	1
Planning and development	24	2	1
Construction and reconstruction	6	20	
Maintenance	8	17	2
Operation	9	12	5

Example: traditional organization

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More political responsibility

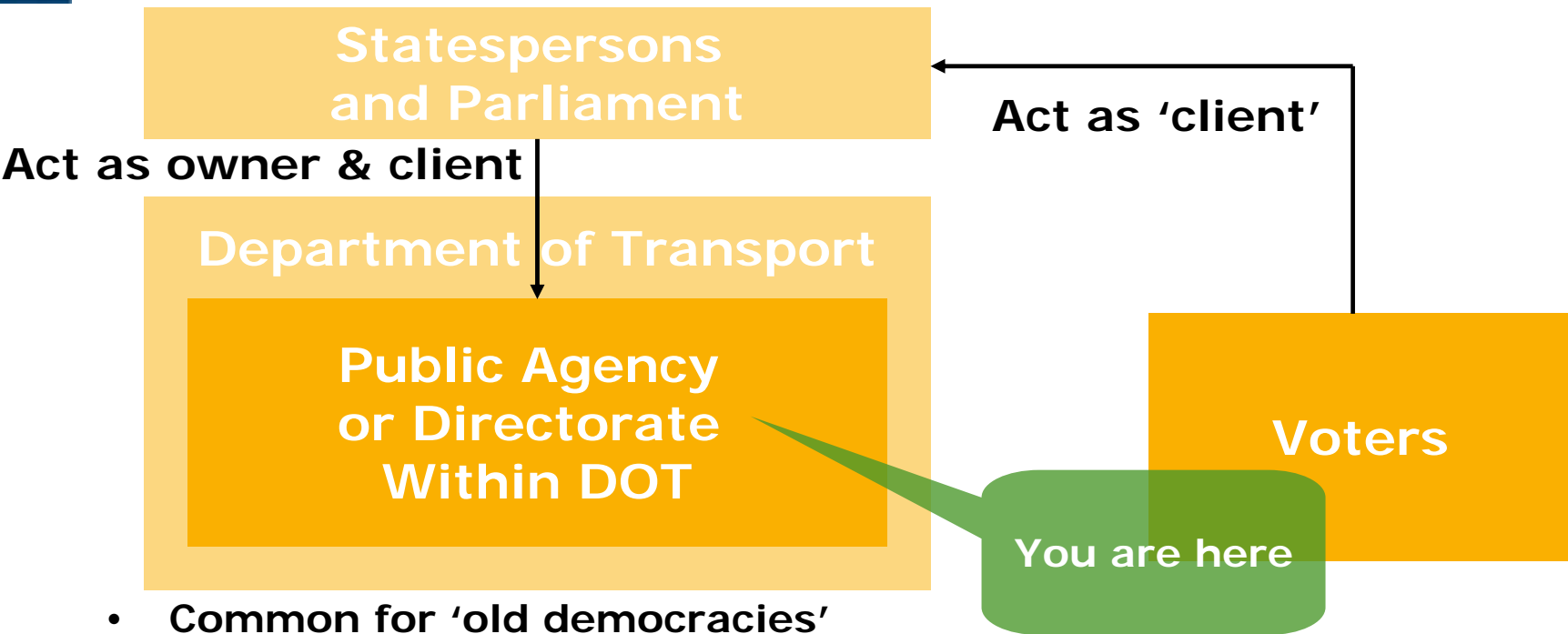
More responsibility of independent board's

Hierarchical mechanisms

Market Mechanisms



Example: traditional public configuration



- Common for 'old democracies'
- No independent board: appointed and released by politicians or departmental top
- Statespersons bear responsibility for RA activities
- Strong hierarchical mechanisms and possible 'pseudo' market mechanisms like performance contracts

- Some Western European Countries
- Some US states

Example: reformed organization

Core Ministry	Decentralization Within Government		External Decentralization			Privatization	
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More political responsibility

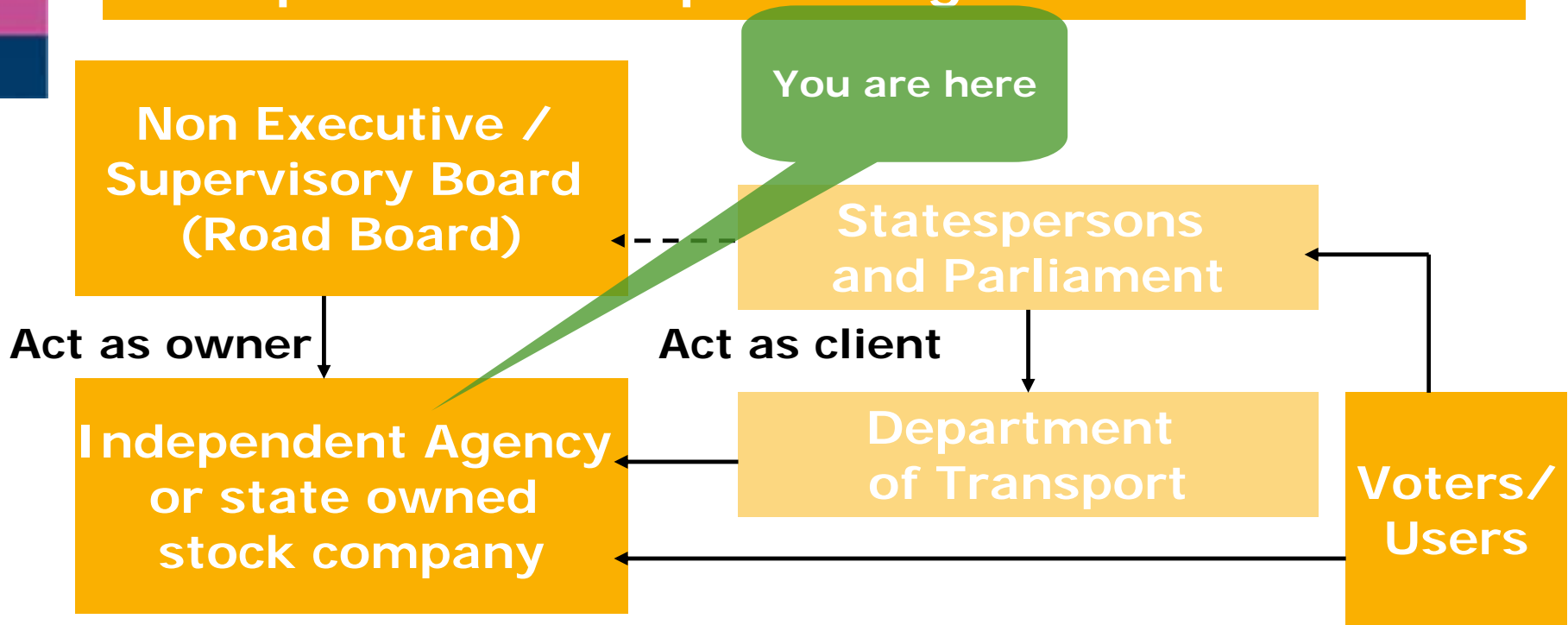
More responsibility of independent board's

Hierarchical mechanisms

Market Mechanisms



Example: reformed public organisation



- Common for 'newer democracies'
- Independent executive board: only supervisors are appointed and released by politicians or departmental top
- Statespersons bear no direct responsibility for RA activities
- Market mechanisms and indirect hierarchical mechanisms
- Some Eastern European & African Countries
- New Public Management Countries
 - ➔ New Zealand
 - ➔ South Africa

Example: privatized organization

Core Ministry	Decentralization Within Government		External Decentralization			Privatization	
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More political responsibility

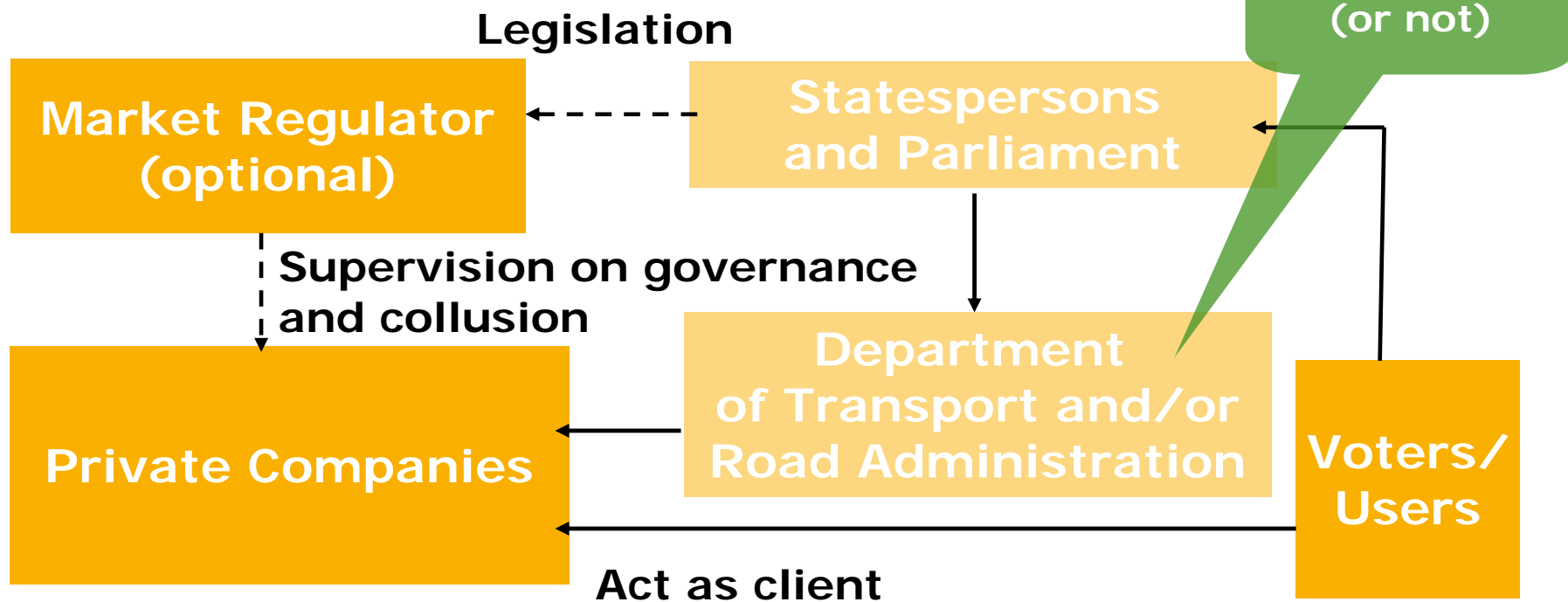
More responsibility of independent board's

Hierarchical mechanisms

Market Mechanisms



Example: private organisation



- Independent executive and non executive board
- Statespersons bear no direct responsibility for RA activities
- Only market mechanisms

- Some Western Countries
 - ➔ France
 - ➔ Italy

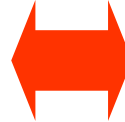
Impact on 'public competition'

Department of
Transport (DOT)



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**Operational
tasks**



Private Sector

**Area & Corridor
Responsibility**

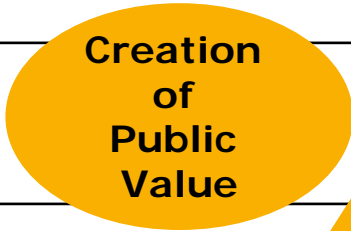

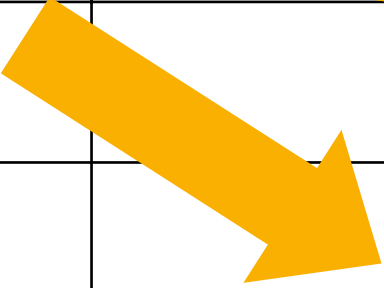

Role of the public RA & outsourcing

- **Strategic:**
 - ➔ Translate desired transport policies into long term & strategic planning
 - ➔ Translate strategic planning into output packages
 - ➔ Contract management on output packages
 - ➔ Coordination of operational delivery, public or private
- **Operational:**
 - ➔ Keep coordination of delivery of projects and services
 - ➔ Contract management for certain activities like capital investment projects, maintenance, user charging and traffic management
- **Strategic and operational**
- **EXTINCTION**
 - ➔ Department of transport has strategic role
 - ➔ Operations are contracted out through PPP, privatisation or through decentralisation

Challenges with outsourcing & decentralisation

New legitimacy for a national road administration

The Road Administrator as coordinator, process manager and creator of leadership in the field of road management

	Public Sector	Not For Profit Sector	Private Sector
National/ Federal Level			
Regional Level			
Local Level			
Grass root Level			



Solution?

Remain Coordinator of Road Management !

Prove yourself through best practice coordination

Challenges with outsourcing & decentralisation

Legitimacy for a national road administration

- **Process management, sharing and creation of public value**
 - Is more than contract management and policy control or management control, Network of Road Management
- **Translation of transport policy into strategic planning into output packages for projects and services**
 - But can also be done by department of transport
- **Life cycle approach for capital investments and maintenance**
 - But alternative is the use of DB(F)M, or more advanced PPP solutions
- **Road capacity management for maintenance and traffic management**
 - But alternative is DBFMO
 - But problems arise between intersections managed by different contractors (functions, areas or corridors)
- **Funds and performance management when corridor and area independent user charging exists**
 - E.g. a national user charging organisation, without DBFM responsibility