



GUIDELINES FOR IMPROVING TRANSPORT POLICY EFFECTIVENESS IN DEVELOPING COUNTRIES: A CASE STUDY OF SRI LANKA

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ABSTRACT

Efficient and effective policies pertaining to transportation is an important pre-requisite for satisfactory provision of mobility of people and goods; an essential attribute of an economy to ensure productivity, societal welfare and environmental sustainability. Explicit transport policies formulated in Sri Lanka for that purpose have been mainly ignored by the relevant authorities, even though approved by the government. Implicit policies represented by approvals for investments and recurrent expenditures have continued without critical analysis, in most cases becoming ineffective and obsolete. The blunting of these policy instruments has resulted in the transport sector operating for decades without an effective policy-based direction. The failure of the bureaucracy that is responsible for policy implementation has also been identified as a primary reason for this situation.

This paper provides guidelines based on established global best practices in policy formulation, implementation, monitoring, and review to improve the content of a transport policy and its potential for application towards meeting the country's mobility needs, as opposed to continuing the status quo in transport supply.

The paper also uses examples from the current practice of transport policy in Sri Lanka, typical of many developing countries, and identifying pre-requisites and laying down guidelines for efficient policy making as well as for improving processes and practices to be improved.

Keywords: *Transport Policy, Sri Lanka, Mobility needs, Policy formulation, Implementation, Policy Review, and Monitoring*

1. INTRODUCTION

A policy is generally defined as “*a course or principle of action adopted or proposed by an organisation or individual*”. Policies can be implicit: not written down, but adopted as practices over time. In most instances, allocating funds for State programs will imply the continuity of an implicit policy. Policies can also be explicit with enforceable legal provisions. Public policy can, therefore, be defined as laws, regulatory measures, courses of action, and funding priorities promulgated by a government or its representative agencies. All countries have a mix of these instruments for policy intervention in different areas of governance. Policy interventions, therefore, have become required only if there is a need for a change, a revision, or at least an improvement.

In the transport sector, these interventions would generally constitute legal access for investment and operation of transport services, their safety and security, fees, and fares and to cover matters of competition and regulation in the provision of these services. By nature of scope and impact, public policy is always complex as it is dynamic, evolving and subject to cognitive bias and reactivity. They are, therefore, complex systems and found, by Mueller [1], to be vulnerable to five pathologies (a) non-linear, (b) dynamic, (c) evolves and coevolved with other domains, (d) subject to cognitive bias, and (e) reactivity, also known as the *Lucas Critique* [2].

This paper focuses on land transportation, and discusses implicit and explicit transport policies, their implementation successes and failures, and it provides guidelines based on established global best practices in policy formulation, implementation, monitoring, and review to improve the content of a transport policy and its potential for application towards meeting the country's mobility needs, as opposed to continuing the status quo in transport supply.

2. LAND TRANSPORT POLICY IN SRI LANKA

Sri Lanka, as a middle-income developing country, has many mobility needs which have remained unfulfilled over decades. There have been several attempts at policy intervention in land transport using both explicit and implicit instruments. These have been introduced with changing political ideologies.

2.1. Explicit and Implicit Transport Policies

Transport policies adopted both explicitly and implicitly are briefly summarised in Table 1. It should, however, be noted that within the periods indicated, different governments have followed somewhat different policies, with some policies introduced and then withdrawn by subsequent governments. It is, therefore, an

assessment of the prevailing condition during the period and not a detailed narrative of all interventions.

Table 1: Political Ideologies and Associated Explicit and Implicit Transport Policy Interventions in Sri Lanka

Period	Prevailing Political Ideology	Explicit Instruments Introduced	Implicit Instruments Introduced
<u>Up to 1948:</u> Pre Independence	<u>Colonial Rule:</u> Transport positioned for economic advantage and administrative needs	<u>Infrastructure:</u> State-provided, self-regulated (Railway Ordinance, Thoroughfares Ordinance) <u>Services:</u> Bus transport, private regulated; Trucking unregulated; Hiring vehicles, regulated.	No subsidies are offered for any passenger services. Encouraged goods transport by rail
<u>1948-1977:</u> Post Independence	<u>Welfare Oriented:</u> Transport for improved mobility and a better quality of life	Nationalisation of Bus Industry; heavy taxes and restrictions on the import of private vehicles,	Targeted subsidies for government employees, students, and remote communities; Low fares and acceptance of general subsidies; political intervention in management, high taxes for petrol, less for diesel
<u>1978- to date:</u> Open Economy	<u>Mixed:</u> Neo-Liberal/Welfare	Opened bus service provision to small-scale private operators followed by increased regulation [3], deregulation of hiring vehicles; devolution of transport regulation and provincial roads administration to provincial councils; attempted Peoplisation of state bus services and re-nationalisation [4].	Transport services expected to make a profit; political interventions in management increase; general operating subsidies discouraged; private vehicle taxes reduced; motorisation encouraged together with intensive road building; neglect of investment for public transport.

(i) Explicit Transport Policies

Explicit policy statements for transport in Sri Lanka available for review are the following:

- Draft National Land Transport Policy, 2020 (unpublished, the version made available for comment)
- Sustainable Sri Lanka Vision 2030 & Strategic Path, 2018 [5].
- National Policy on Transport in Sri Lanka, 2009 -which is the current policy in force [6].
- Transport Policy, Sri Lanka, 1992 (replaced by the 2009 policy) [7].

A fresh initiative to formulate a national land transport policy in 2020 has seen two drafts, but no adoption.

(ii) Implicit Transport Policies

Different administrative processes have led to the approval of numerous implicit policies that have come into operation. Table 2 shows a selection of existing Implicit Policies on Transport being practised in Sri Lanka, with reasons for introduction, how they have been kept current, and how long they have been operational.

Table 2: Analysis of Implicit Transport Policies in Sri Lanka

Implicit Policy	Description of Service, Benefits, and any Issues	Established Justification or Review
Subsidised Student Travel through the issuance of a monthly season ticket	Introduced in the 1950s, offered to all students. The poorest mostly walk to school; being only usable on the state-operated buses makes their use limited and unreliable for school attendance.	No known review. It is continued through annual Treasury allocation.
State employees are provided significant subsidies on home-to-work travel through a monthly season ticket.	Introduced in the 1950s, offered to all government employees as a perk. Results in longer travel distances and significant uptake of rail capacity during peak periods and denying rail as an option for other passengers.	No known review. It is continued through annual Treasury allocation to Sri Lanka Railways to absorb this loss.
Subsidy offered to state buses operating on rural routes	Introduced in the late 1980s, based to offset routes with low revenue per km. There is, however, no quality criterion; typically, all unremunerative routes receive this subsidy acting as a general subsidy.	No known review. A performance-based program, 'Gami Saeriyā', was introduced in 2005, but was abandoned by the state bus operator due to reluctance to achieve stipulated standards.

Implicit Policy	Description of Service, Benefits, and any Issues	Established Justification or Review
Private Buses are not subsidised:	This is a policy practised since the latter 1970s and means that private operators serve only routes and trips that are profitable.	The policy changed in 2005 to negative concessions for school, rural, and night-time services.
Cabinet of Ministers approves Railway and Bus Fares.	Since the 1960s, fares have been used as political tools and kept lower than costs, disabling organisational growth, modernisation, and quality improvements in public transport.	Deregulation of the bus sector ended this in 1978. It was further revised by a Fares Formula and Policy in 2001. However, it continues unchanged for the railways leading to heavy financial loss
Petrol and diesel have different tax rates.	From the 1960s, diesel was sold at a concession to trucks and buses which used diesel at that time. Petrol, used by private vehicles, was taxed as a luxury item.	This gap has gradually closed nearly three decades after the entry of private diesel vehicles.
Cars and four-wheeled passenger vehicles are heavily taxed	After the liberalisation of vehicle imports in 1978, this tax curbed rapid motorisation but has been ineffective since vehicles are now seen as an investment. However, this has led to 65% of the fleet comprising 2 and 3-wheelers.	Vehicle taxes are seen only as a source of revenue and not reviewed as a measure of managing transport efficiency or fuel imports.
Duty-Free or Duty-Concession vehicle permits	Initially offered as a reward to state officers who chose to work in Sri Lanka instead of overseas in the 1970s. Progressively expanded by successive governments to cover most professionals, administrators, politicians, dignitaries, etc.	No known review. The foregone annual cost to the Treasury in 2019 has been estimated at LKR 94 billion [8]

Once set in motion to fulfil a policy objective of a government, these implicit policies remain in effect for decades without rigorous analysis by any branch of government. These unsustainable policies have significantly contributed to the overall deterioration in the quality of public transport and led to rapid motorisation, a high energy import bill, and road safety issues. There is no process yet to review any of these implicit policies or improve them.

2.2. Transport Policy Performance

Sri Lanka's most recent explicit land transport policy paper is from 2009 [6]. An analysis of its performance relative to the one hundred most significant policy

recommendations made therein and their degree of implementation, rated as [X] – No progress, [L] – Low Progress, [M] -Moderate Progress, and [F] – Fulfilled, over the last 13 years, is presented in the Annexure.

2.3. Transport Policy Failure in Sri Lanka

A policy may be deemed a failure, even if it is successful in some minimal respects, if it does not fundamentally achieve the goals that proponents set out to achieve. Opposition is excellent, and/or support is virtually non-existent [9].

However, in the case of the Transport Policy in Sri Lanka, only 3% of recommendations have been fulfilled [F]. Most of these are also initiatives that were already ongoing in 2009. The partially fulfilled [M] and [L] add up to a further 11%, making 86% indicating no progress [X]. Therefore, we can conclude that explicit transport policy implementation has been abysmal, indicating that Sri Lanka does not have an environment of policy-based interventions in its transport sector.

(a) Consistency of Explicit Policies

The most recent national transport policy draft, which includes a review of the different explicit transport policies, covered 33 major policy features. They were found to be well aligned with each other; covering 70-80% of these features in any one document, even though there were three new governments since 2009. Thus, the failure of the 2009 policy has been in its implementation and not in change of policy.

(b) Inconsistency of Implicit Policies

However, each of these elections saw different transport interventions proposed through election manifestos and subsequent cabinet approvals by the new government. None of these indicated any consultation with existing Transport Policy and was, in all cases, primarily proposals for projects and programs without an overall strategic plan or as a policy intervention. They mostly appear to be a long list of ad-hoc projects and programs seen as attractive for different stakeholders.

(c) Policy Blunders

An interesting parallel study would be to analyse the performance of such projects and programs introduced through a political process. Such implicit policies represented by these projects and programs at first sight also have not gone on to completion due to (a) deficiencies in technical, economic and financial feasibility or, in other words, design failure and (b) frequent changes in policy drivers such as ministers and secretaries of ministries.

As such, not only has there been a case of not pursuing explicit policy but also a parallel error of pursuing politically oriented policies on an ad-hoc basis.

King and Ivor [10] defined a policy blunder, as being different to a simple policy mistake, as "a case of a government initiative to achieve one or more stated objectives. According to Flyvbjerg [11], such measures fail to achieve those objectives, may waste substantial amounts of public money, and cause widespread human distress, which was eventually abandoned or reversed, and was foreseeable." The primary causes of such policy failures have been identified by him as:

- Corruption
- Incompetence
- Excess optimism
- Political incentives
- Nationalism

This forms the need for further research to determine policy consistency in political manifestos and what validity a previous explicit policy holds in such a scenario. The 2009 land transport policy appears to have been abandoned soon after the incumbent minister was changed in 2010. Though the same government came back into power, it has gone off on new projects and programs instead of aligning the new election manifesto to the transport policy developed the year before.

Hudson [12] noted that policy success is due not just to the policies per se but the entire process from policy formulation to policy implementation, monitoring, and review. Therefore, the present paper sets out a process and framework, as listed below, for future transport policy practice aimed at improved adherence of investments and interventions to an explicit transport policy in Sri Lanka and other developing countries facing similar structural problems.

- Policy Formulation (Design)
- Policy Implementation
- Policy Monitoring or Tracking
- Policy Review

3. GUIDELINES FOR POLICY FORMULATION

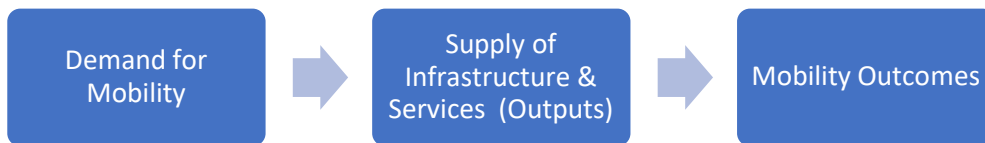
Reviewing policy failure in the transport sector leads to the following guidelines for improving policy formulation.

3.1. A policy should be outcome-based instead of only output-based

Most transport policies, both explicit and implicit focus on tangible transport infrastructure and service outputs as objectives. While the public may have an appetite for such output (which lends them greater political appeal) these are inappropriate policy objectives for sector development. The best policy objectives should be fulfilling user needs over the long term. In the case of a transport policy,

these needs are invariably mobility needs. Mobility is what is demanded. This is what the public requires in the form of personal mobility and mobility for goods. A successful transport policy should essentially become a successful “mobility policy”. Too often, transport policies focus on the supply side interventions without duly focusing on the demand side requirements that should be the objective. Mobility-based objectives would typically constitute:

- Solving urban traffic congestion and reducing lost hours
- Reducing road traffic fatalities and injuries
- Improving the options for using public transport by improving quality
- Improving access to rural communities
- Making transfers work seamlessly between different transport modes and operators
- Improving the efficiency of domestic freight transport through improved logistics networks and hubs
- Enabling roads to be used safely for walking and cycling and reducing non-motorised accidents
- Enabling the use of a single portal, mobile applications for transport service procurement and information



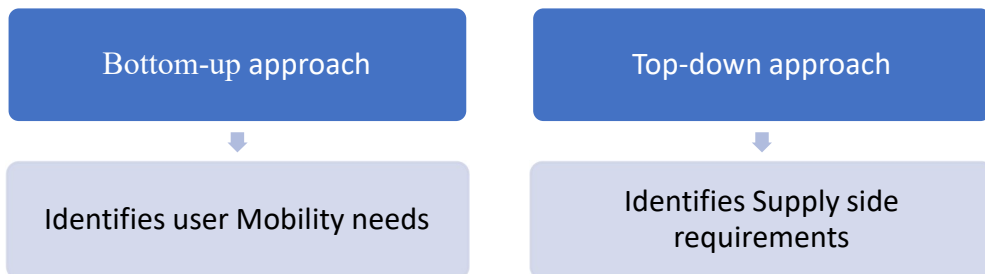
Policy interventions should improve the transport supply infrastructure and services to impact mobility outcomes positively. A transport policy must begin with a well-formulated *mobility policy* as a first step. A transport policy that only has projects delivering outputs and does not consider the user mobility requirements will invariably fail to satisfy the users.

3.2. A policy should be Bottom-Up and Top-Down

When policies are formed by those responsible for the transport supply, it generally becomes top-down, as it is developed by officials whose approach is to improve the infrastructure and services that provide for the mobility needs. Such policy formulation generally does lip service to any bottom-up user need inputs by allowing public comment for a period, a process most often seen as a legal or political obligation rather than a valued input to policy formulation. This is signified by scheduling such public inputs at the end of a policy formulation process rather than at the beginning. Most officials believe that the public is ill-informed; thus, the professionals and experts are the most capable of formulating solutions to problems

the public encounters. This concept, that ‘the generals know best’, is ill-suited for transport policy formulation, as officials and administrators may have little first-hand knowledge or experience as users of all the different forms of transport.

However, Araral et al. [13] observed that bureaucrats can greatly influence policy-making and are best placed to participate formally and informally in the policy-making process. They can even be the sole actor or leaders in the policy-making process and, therefore, pivotal in shaping the discourse of public policies. Different government styles and traditions allow different levels of influence from bureaucrats in policy making.



Bottom-up policy knowledge would be formed by reading newspaper articles on transport deficiencies and being familiar with the results of user surveys, research, and attending public seminars on transport.

Thus, policy formulation should be an integrated process that includes both the user needs perspective and the provider perspective. The consulted users should include individuals using different modes for different mobility requirements across the country. It should also include the corporate sector, which requires the mobility of personnel and goods. Researchers of mobility needs and civil-based organisations can provide good user perspectives. Transport suppliers, unions, regulators, and administrators are among those who can provide supply-side perspectives. In a country like Sri Lanka, the user representation is undeveloped and thus poorly represented. By default, the supply side perspective dominates policy formulation, often missing real mobility goals.

3.3. A policy should be strategic and not tactical

Policies should not focus on immediate problems that can be solved using existing provisions but on strategic changes required to address issues that cannot be solved in this manner. Too often, transport policy recommendations only include actions that can be implemented within the existing institutional, investment, and legal provisions. The following table captures the strategic and tactical interventions required to provide for the mobility requirements in Sri Lanka listed earlier.

Table 3: Strategic and Tactical approaches to Solving Mobility Issues

Mobility Requirement	Tactical Measures	Strategic Interventions
Solving urban traffic congestion and lost hours	<ul style="list-style-type: none"> • Improve Quality of Public Transport • Improve Traffic Management 	<ul style="list-style-type: none"> • Introduce Road Pricing • Introduce Car Restraint Measures in City Centers
Reducing road traffic fatalities and injuries	<ul style="list-style-type: none"> • Purchase high-tech equipment for Police • Provide a new curriculum for driver training/ testing 	<ul style="list-style-type: none"> • Legislate usage of camera detected violations as court-admissible evidence to enforce traffic laws
Improving the options for public transport use by improving quality	<ul style="list-style-type: none"> • Improve the routing and schedules for buses • Commence Park & Ride 	<ul style="list-style-type: none"> • Regulate quality standards and enforceability • Reform bus sector supply
Improving access to rural communities	<ul style="list-style-type: none"> • Ensure a minimum level of motorability on rural roads 	<ul style="list-style-type: none"> • Allow civil-based organisations to maintain rural roads
Making transfers seamlessly between different transport modes and operators	<ul style="list-style-type: none"> • Provide schedule information of different transport modes to a single IT portal 	<ul style="list-style-type: none"> • Legal provision for integrated ticketing and for sharing revenue between operators
Improving the efficiency of domestic freight transport through improved logistics networks and hubs	<ul style="list-style-type: none"> • Railway to enter into multimodal freight agreements with freight forwarders allowing warehouse facilities 	<ul style="list-style-type: none"> • Legal provision for open access for freight transport by railway • Set up a rail freight regulator
Enabling roads to be used safely for walking and cycling	<ul style="list-style-type: none"> • Implement a cycle path network in every city 	<ul style="list-style-type: none"> • Open bids for private investment for a micro-mobility cycle project

The Table 3 above separates under tactical, what can be achieved without new policy or policy interventions and could be carried out by redirecting available capital funds or as self-financed projects. These are tactical interventions where existing resources, institutions, procedures and opportunities can be used differently to meet needs and challenges. On the other hand, strategic interventions will be more policy-driven since they require changes to existing investments, organisational structures, or legal provisions, as illustrated above.

Most policy recommendations in Sri Lanka are found to be primarily tactical and technically should not have been included. They may instead be dealt with in strategic and annual plans.

3.4. A policy should identify existing measures that should continue and those that should be renewed or replaced

Table 4 summarises new policy requirements to address policy gaps, identified after a policy analysis, taking Sri Lanka’s current context into account.

Table 4: Transport Policies to Continue Vs Policies for Change – Sri Lanka

Mobility Requirement	Policies to Retain	Policy Change
Solving urban traffic congestion and lost hours	<ul style="list-style-type: none"> • Continue subsidy for suburban rail transport • Continue subsidy for school transport services 	<ul style="list-style-type: none"> • Legislation for Road Pricing • Legislation for Car Restraint Measures in City Centers
Reducing road traffic fatalities and injuries	<ul style="list-style-type: none"> • Motor Traffic Act 	<ul style="list-style-type: none"> • Legislation for Road Safety Audits
Improving the options for using public transport by improving quality	<ul style="list-style-type: none"> • National Transport Commission Act • SLTB Act 	<ul style="list-style-type: none"> • Setup Bus Modernisation and Reform Project
Improving access to rural communities	<ul style="list-style-type: none"> • Rural Roads Act 	<ul style="list-style-type: none"> • Cabinet decision to allow civil-based organisations to maintain rural roads and allocate required finances
Making transfers seamlessly between different transport modes and operators	<ul style="list-style-type: none"> • Central Bank Regulations on the issue of prepaid travel cards 	<ul style="list-style-type: none"> • Amend NTC Act to regulate integrated ticketing and sharing of revenue
Improving the efficiency of domestic freight transport through improved logistics networks and hubs	<ul style="list-style-type: none"> • Railway Ordinance for passenger transport 	<ul style="list-style-type: none"> • Railway Ordinance to be replaced by Railway Regulatory Act to provide for open access for freight transport on the rail and to set up a regulator
Enabling roads to be used safely for walking and cycling	<ul style="list-style-type: none"> • Road Development Authority Act • Motor Traffic Act 	<ul style="list-style-type: none"> • Central government cabinet decision on priority for non-motorised transport • Local Government Ordinance to allow user privileges on bicycle lanes

The above table shows the adequacy of existing policy instruments while identifying gaps that must be filled by revising existing policies or introducing new ones. A new transport policy is only required if existing measures are inadequate to meet current and future mobility needs or service provisions.

Policy renewals may be triggered by changing user requirements, changing economic conditions, new technologies, changing social or environmental conditions, new political ideology, or governing policy. Such revisions should also include implicit policies instituted through cabinet approvals, budget allocations, and other forms of good administrative decisions.

4. GUIDELINES FOR POLICY IMPLEMENTATION

Policy implementation is intended to achieve a set of desired outputs, goals, and outcomes. Ministries, regulatory agencies, and planning agencies are often in a position to influence sector policy-making and set the policy direction for a country.

A sector policy can be in the hands of a powerful ministry such as in charge of finance or planning or be placed under a President or Prime Minister who may have greater control over policy formulation. Such offices may have tremendous success in policy formulation, mainly if it is top-down. But they may fail in policy implementation, which the line ministries must essentially perform with bottom-up inputs.

While policy formulation is ultimately in the hands of elected political leaders, its implementation is in the hands of the bureaucracy, also called public administration. The bureaucracy is, however, a legitimate actor of the state overseeing policy implementation.

Therefore, understanding a policy is critical in undertaking responsibility for its implementation. Mueller [2] notes that poor policy performance could be set straight with more effort, resources, and goodwill. The following recommendations are made for improvement in Policy Implementation in Sri Lanka.

4.1. Commitment to policy-led decision-making

Policy, be it at a corporate or government level, is meaningful only if those that formulate policy commit to being guided by it. It is a form of self-regulation. However, if there is no such discipline, the policy becomes a document consulted only to justify actions aligned to it and conveniently ignored at other times. It is clear from the 2009 Land Transport Policy analysis that, in Sri Lanka there has been an overall disengagement between transport sector administration, planning, and investment with the stated policy.

This is not confined to the transport sector and represents a general departure from policy-led governance. Formulating policy for implementation in an environment where the establishment has no commitment or even a legal obligation to be policy-led is futile. Therefore, an explicit transport policy can only be implemented in an environment that has commitment or accountability for its implementation.

Such a framework for successful policy implementation should essentially include the following features:

- Legal accountability for subscription to policy:
A citizen should be able to seek legal intervention in any public project or program that is inconsistent with public policy.
- Administrative Processes that safeguard subscription to policy.:
There is a process that approves investments, projects, and programs and includes checks for policy subscription in all the steps from planning to implementation.

4.2. Competency of the Bureaucracy

The primary function of the bureaucracy or the public administration is to implement public policies, programs, and projects in order of priority. However, unlike projects and programs, which are less complex and often tangible, policies tend to be broad and vague, thus open to bureaucratic interpretation. Bureaucracy is generally not pre-disposed to take ownership of complex problems that may be fraught with challenges.

According to Araral et al. [13], different bureaucracies interpret policies to fit their views and simplify them to fit practicality during the implementation stage. The bureaucracy also adjusts rules and instructions that embody a policy to suit local contexts. Thus, a policy's original intent, as set by policymakers, is often altered due to the bureaucrats' interpretation of the policy [14].

Moreover, as policies are being further defined and designed during the implementation stage, bureaucracy can devise standard operating procedures or process-oriented policies. These can also affect the policy objectives as more attention may be given to the success of outputs as opposed to their outcomes.

Albrow [15] notes that bureaucracy needs to have a strong capacity and competence to be effective in policy implementation. Still, at the same time, it needs to be balanced in responsiveness to the public and higher authorities. This requires intense training, especially for senior bureaucrats, who should be charged with policy compliance and be held accountable through administrative procedures and legal obligations.

While a commitment to policy-led governance will significantly assist in developing the required competencies within its bureaucracy, the absence of commitment will be a significant demotivator.

4.3. Creative Models for Policy Reform

One of the key features of policy implementation is the revision of transport supply business models from time to time. Changes in political ideology, technology,

economic status, and social expectations require the transport supply to be revised from time to time to meet these changing expectations.

Many developing countries have State sector domination in transport infrastructure and service delivery. Trade unions often aggressively protect the status-quo and tend to be bureaucratic and inefficient. On the other hand, de-regulated transport services can also make them inaccessible for low-income users or compromise service quality and standards. Developing countries are likely to have a conventional transport supply, that has come down the years, as opposed to policy-driven models based on efficiency and equitability of delivery. Moreover, the state and the private sector provide mobility requirements in many shades of a dualistic supply environment. Their respective features could be compared as summarised in Table 5.

Table 5: Models of Ownership & Regulation in Transport Service Delivery

Service Feature	State-Sector Monopoly	Regulated Private Sector	De regulated
Motivation for Service Delivery	Service and Employ Centred	Service Centred	Profit Centred
Response to Capacity Enhancement	Very Slow	Slow	Fast
Quality Improvement	Self-enforced	Enforced by regulation	High with quality competition. Low otherwise
Efficiency in Resource Use	Poor	Constrained	High
Willingness to Take Risk and Innovate	Low	Modulated	High
Delivery of Public Service Obligations	High	Incentivised	Low
Basis of Costing Services	Affordable	Regulated	Market-Based
User Rights	Low	Moderate to High	Low to Moderate

There are, however, several constraints that prevent the entry of private investment in transport infrastructure and services. These can be identified as;

- High sunk costs and long pay-back periods involved in transport infrastructure increase the risk and uncertainty for private investors

- Lack of transparency in the process of investing may discourage reputed investors.
- The State may be reluctant to lose its political control over the vital infrastructure.
- Could pose issues for national security
- Service quality is not easily measurable, and quality regulation is complicated.

It is generally more successful when

- The product or production process is well established and observable
- Adequate competition can be ensured, and collusion avoided.
- The government bureaucracy is competent, and transparent government processes are available.

Table 6: Existing and Potential Transport Delivery Models for Sri Lanka

Transport Supply	Current Model	Models to be considered		
		Arrange Service	Supplier	Payment
Passenger Railway	State-owned Monopoly	State	State	User + State on PSO + cross-subsidise passenger with freight
Freight Railway	State-Owned Monopoly	Franchised by State	Private or JV	User
Bus Transport	Dual Unequal Supply	Contracted by State	Consolidated Private and State	User + PSO on delivery
Para Transit	Deregulated	Quality Regulation	Private	User
Road Freight	Deregulated	Consolidate Supply	Private	User

Table 6 above shows existing ownership and regulation models for the different transport sub-sectors in Sri Lanka and the means of reforming them. Policy Implementation requires creative business models to be developed through studying global best practices, insight into the local industry, and discussion with the key stakeholders. Reform models, therefore, become the tools that should be carefully developed by the respective bureaucrats using the respective technical expertise instead of relying on administrative experience alone.

5. POLICY MONITORING & REVIEW

There should be monitoring of policy adherence in all stages of public administration. This is a top-down function in a policy-led government, where there should be an office of policy monitoring under the Executive or the Legislature. Apex ministries such as those in charge of the subjects of finance, investment, and planning should be made accountable to enforce policy adherence by all line ministries at different stages of policy intervention. However, it could be the bureaucracy itself that may be the biggest stumbling block to policy adherence. Hall [16] observes that bureaucrats often prefer fine-tuning or improving existing policy rather than formulating and implementing a new policy. They may even oppose the latter as they cannot assimilate the new knowledge or competencies required. This common weakness leads to the continued use of sub-optimal or obsolete procedures [17].

Literature provides many policy evaluation models, such as goal attainment, side-effects, relevance, client-oriented, stakeholder, collegial, peer-review, and self-evaluation [13]. When a policy is ineffective in reaching its intended goals, a policy review process may need to be set up. Policy review is the process of regular resetting to ensure policy alignment to needs. In the case of a Transport Policy, a dedicated team will be required to do this as a continuing function rather than an ad-hoc intermittent process, as has been the case in Sri Lanka.

Policy revision can be separated into proactive and reactive revisions depending on what triggers a policy revision. The *proactive revisions* shown below are formulated before the problem appears. In comparison, *reactive revisions* are triggered by a crisis, usually created due to delayed policy revision or lack of policy monitoring.

(i) Proactive Revisions

- When a new government has made its policy statement in Parliament after reviewing policies that may have changed
- Periodically, at least every five years, after reviewing the effectiveness of current policies and review of global policies that arise due to changes in technology, economy, and other parameters.
- When a critical review of a strategic plan reveals a need for policy intervention

(ii) Reactive Revisions

- When there is an economic crisis and policy changes are enforced from above.
- When there is user, supplier, or regulator representation suggesting a revision of policy from below

Commissions are often set up to encourage policy learning and may also be used to educate the public about controversial policy issues or debunk beliefs and advertise recent research in the policy area under study [18]. In Australia, the Department of the Prime Minister and Cabinet has issued guidelines for policy proposals with significant implementation risks or challenges. In such cases, a complete implementation plan has to be developed during the drafting process covering seven domains: planning, governance, stakeholder engagement, risks, monitoring, review and evaluation, resource management, and management strategy. Each of these is further broken down and made available as implementation ‘toolkits’ [12].

Following such best practices, the transport policy implementation in Sri Lanka would require monitoring mechanisms at different stages, as illustrated in Table 7.

Table 7: Transport Policy Monitoring Responsibility Framework for Sri Lanka

Activity in Process	Responsible Stakeholder	Mechanism
Transport Strategic Plan	Transport Ministry	A Policy must be followed by a Strategic Plan, renewed every five years, even if the policy does not change. Strategic plan should ensure its complete alignment with existing policy. This should cover all sub-sectors of transport.
Development Plan for Agency/Sub Sector (may also be called Strategic Plan)	Agency	Must ensure alignment with both the transport policy and the transport strategy.
Request for Assistance from Foreign agencies	Department of External Resources	Must ensure alignment to the Transport Sector Policy and other national policies
Request for Proposals (RFP) for private investments	Ministry of Transport	Ensure alignment to the Transport Sector Policy as well as other national policies
Budget Proposals	National Budget Department	Ensure alignment to the Transport Sector Policy, Sub Sector of Agency Plans

6. CONCLUSION

The paper identifies the broader socio-political ideologies that have shaped the current transport policy environment in Sri Lanka. It has identified the key areas of failure of the Land Transport Policy 2009. The lack of attention to explicit policy

changes and over-reliance on tactical changes has been a key contributor to poor performance.

The paper provides critical guidelines to improve policy performance at each stage of policy intervention. The policy formulation or design stage requirements in a developing country context require focusing on outcomes instead of outputs, sufficient inputs that represent bottom-up representation, and avoidance of tactical interventions that can be carried out under existing policies and identifying new strategic interventions. In policy implementation, which is the area most vulnerable to policy failure, an overall commitment to policy-led governance is a prerequisite for policy interventions. The competency of the bureaucracy which is responsible for policy implementation is critical in ensuring the translation of concepts to projects and programs without losing intended goals and outcomes. Complex policy proposals may be vulnerable to being simplified for ease of implementation.

In developing countries, conventional supply models have long lived beyond usefulness and have not been revised. Innovative models are required for improved policy impact to solve critical mobility issues. The process of policy intervention is completed only when there is systematic monitoring and review, preferably of a proactive nature. The public administration processes should include checks and balances at each project approval stage to ensure subscription to explicit policy.

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ANNEXURE

Evaluation of Transport Policy Recommendations - 2009, Sri Lanka

Transport Feature	Significant Policy Interventions Recommended	Assessment of Policy Implementation			
		[X]	[L]	[M]	[F]
Railway Transport	Investment in suburban and long-distance train operations to improve physical capacity and ICT capability [L] to increase railway passenger share from 6% to 10% [X] and freight share from 2% to 5% [X] within 7 years supplemented by new rail links [X] was recommended to modernise [X] and expand the network [X]. Improve level of comfort and service [M], value-added services [X]. Fare rationalisation [X] is proposed to reduce the Treasury burden [X] together with a Railway Development Fund [X] and the creation of subsidiaries for non-core commercial ventures [X]. Develop non-fare box revenue [X]	11	1	1	
Omnibus Transport	To be restructured by consolidating small operators [X], strengthening regulation of standards [X], improving routing and scheduling [X], cost-based fare regimes [X], and providing employment security for bus employees [X]. Investment, including private investment [X] to be sought for developing and modernising bus terminals [L]. Regulators to be more transparent in the award of permits [X]. No general subsidies are to be provided [L]. Improve competency of regulators [X]. SLTB to operate routes in consultation with regulators [X]. Consolidate private bus industry owners [X] with Qualified Companies [X] and Omnibus Service Contracts [X]. De-incentivise crew earnings based on fare box [X]. Improve social standing and security for private bus employees [X]. Create a national database [X]. Reorganise route network [X].	16	2		

Transport Feature	Significant Policy Interventions Recommended	Assessment of Policy Implementation			
		[X]	[L]	[M]	[F]
Hiring Vehicles	Regulation of standards [X], publication of standard fare structures [X], and introduction of a public complaint inquiry process [X]. Adequate insurance cover for passengers [X]. Issue Hiring Vehicle Certificate of conformity [X]	5			
Vehicle Administration	Pricing policy for vehicles [X] and fuel [X], energy efficiency plan [X], encourage measures for reducing urban congestion [L]. Recover total public cost from private vehicles [X]. Use parking fees to develop off-street parking [X]. Encourage high occupancy vehicles [X].	6	1		
Non-Motorised Transport (NMT)	Encourage the use of bicycles [X], implement through financing schemes [X]; include cycle lanes on urban roads [X] and set up cycle park-and-ride facilities [X]. New road infrastructure to incorporate minimum NMT facilities [X]. Attention to improving safety [X].	6			
Goods Transport & Logistics	Invest in rail-based logistics centres [X] ICDs [X] and develop a sea-air hub for freight [X]; imposition of industry standards on safety [X]. Issue of Goods Vehicle Conformity Certificate [X]. Tax incentives to modernise fleet [X]. JVs with the railway for intermodal [X]. Improve enforcement of axle loads [X]. Develop rail-based logistics centres [X].	9			
Urban Transport	Develop a strategic plan for urban traffic management [X], specifically including providing more significant road space for high occupancy vehicles [X], increasing railway operations [X]; improving bus routing and services [X]; introducing road pricing [X], and rationalising parking fees [X]. Urban goods movement strategy [X]. Transit Oriented Development around terminals [X]. President's Committee on Urban Transport [X].	9			

Transport Feature	Significant Policy Interventions Recommended	Assessment of Policy Implementation			
		[X]	[L]	[M]	[F]
Subsidies for Transport	Improve service delivery of school transport services [L] and rural transport services [X] through community-based service monitoring programs [X].	2	1		
Transport Administration	Set up a transparent process for transport policy implementation [X], planning [X] and monitoring [X], regulation [X], and provision of infrastructure [X] and services [X], as well as encouraging public feedback [X]. Also, to streamline sector planning [X], Research & Development [X], and Human Resource Development [X]. Improve appointments to Boards of Management [X], and encourage professional qualification of senior staff [X].	12			
Energy Efficiency	Rationalise the pricing of fossil fuels [X], introduce incentives for hybrid [M] and electric vehicles [L], electrification of suburban railways [M] and road-based public transport [X], and fix pricing to reduce wasteful or avoidable consumption [X], and create a database for energy use [X].	4	1	2	
Safety and Security in Transport	Revise motor vehicle insurance legislation [X], establish a road safety secretariat [F], introduce safety improvement measures [X] such as road safety audits [X], and expand the Road Safety Fund for more comprehensive coverage [X]. Introduce modern technology and databases for reducing accidents [X] and reduce accidents at road-rail crossings [L]	5	1		1
Transport & the Environment	Introduce vehicle emissions testing program [F], revise vehicle tax structure to encourage less polluting vehicles [X], encourage less polluting fuels [F], move away from 2-stroke technology [M]	1		1	2
Total		86	7	4	3
Total (%)		86	7	4	3
Key: [X] - No progress [L] - Low Progress [M] - Moderate Progress [F] - Fulfilled					