

## Scenarios for location of the Africa Transport Policy Program (SSATP)

1. This note presents scenarios to help decide on the location of the SSATP during the Third Development Plan (2014-2017). These elements will be considered during the SSATP annual meeting in Addis Ababa on Dec 11-12, 2012.

### Introduction

2. The mid-term review of the SSATP carried out late 2011-early 2012 identified three key strategic orientations to enhance the impact of the program:

- a. Need for increased ownership and anchorage of SSATP in Africa;
- b. Better align SSATP with PIDA and other recent initiatives; and
- c. Make SSATP more demand driven.

An analysis of institutional options for the location of the SSATP recommended that SSATP become a shared program coordinated by AfDB with AfDB, WB and ECA as executing agencies.

3. The mid-term review also recommended locating the program in Africa for more direct support from the program and better interaction in particular with decision makers in Africa, increased capacity for advocacy work through more direct and more frequent contacts with countries and Regional Economic Communities (RECs), closer supervision of activities on the ground for better quality of results and better participation in country/regional/ continental events for better coordination with other initiatives.

### Description of options

4. In order to better assess the existing options, the following scenarios were built based on two parameters:

- Overall budget available for SSATP: Three options of 5-year total budget are considered:
  - o US\$ 10 million (about half of the current budget): This may cover the cluster on emerging issues and specific needs and either (a) one priority cluster of activities<sup>1</sup> or (b) priority activities in all clusters.
  - o US\$ 20 million (10 percent lower than the current budget of the DP2): This option would add more priority clusters or more priority activities. The geographical scope of the program would increase covering more countries and the capacity development activities would cover more institutions in more countries.
  - o US\$30 million: Similar to the previous option with more priority clusters or more priority activities and more countries.
- Level of decentralization to Africa: Three options are considered:
  - o High decentralization: All staff is located in Africa.
  - o Medium decentralization: Similar to high decentralization with the exception of Program Manager and one Program Assistant.
  - o Low decentralization: Only field managers are located in Africa. Field managers are the interface between the SSATP and its stakeholders and provide field support to the thematic leaders.

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<sup>1</sup> Three cluster of activities are proposed for the 2014-2017 period: (a) integration, connectivity and cohesion of regional corridors and national and rural networks; (b) urban mobility and accessibility; and (c) road safety.

5. In the high and medium decentralization options, the total number of staff is increased compared to the option of low decentralization. The justification is that staff in the field has to carry out the equivalent of the activities of non-decentralized staff plus additional activities which correspond to the added value of having staff in the field. Presence on the ground allows more participation in country/regional/continental events giving more visibility to the SSATP but also importantly strengthening the link between the SSATP and other initiatives such as the PIDA. This also facilitates the advocacy work by having a closer and more frequent relationship with the stakeholders (more frequent short missions) which is more difficult when staff is not decentralized (less frequent long missions). Presence of SSATP staff on the ground also allows working more closely with the various experts recruited for the program activities, for example being present for inception missions and for key deciding events during the course of the activities. This will result in closer supervision and better quality of outputs. The experience under the current program shows that these additional activities can take a significant amount of time requiring additional staff. The assumption is to have one additional task leader in the field in the option of an SSATP budget of US\$20 million and two additional task leaders in the option of an SSATP budget of US\$30 million (see details in annex).

### Comparison of options

6. The comparison of option shows that the decision on the location of the program is about value for money. The decision to locate the program in Africa (medium and high decentralization options would reflect the assessment that, for a given budget, the added value resulting from increased presence in the field in the medium and high decentralization option (even though less resources would be available for activities due to higher management costs) would exceed the added value resulting from more resources available for activities in the low decentralization option due to lower management costs. In summary, the options can be compared as follows:

High and medium decentralization options	Low decentralization option
Higher management costs	Lower management costs
Less resources for activities	More resources for activities
Added value resulting from increased presence in the field	Added value resulting from more resources for activities

7. To carry out the same program of activities in all options, the budget would need to be comparatively higher in the high and medium decentralization options than in the low decentralization option.

8. Preliminary cost estimates show that the costs of the high and medium decentralization options are higher than the cost of the low decentralization option. Two reasons explain this result: field benefits given to staff in the field are higher than the savings on travel costs obtained by replacing international trips with local trips; and the program management team would include additional staff in the high and medium decentralization options to carry out additional tasks arising due to the presence of staff in the field. At the same time, for a given budget, higher costs for management in the high and medium decentralization options result in less activities compared to the low decentralization option and the loss of the added value that would have been brought by these activities.

9. This analysis assumes that the SSATP remains hosted by the World Bank. The World Bank has expressed its preference for a scenario where some staff would remain in Washington. This would benefit the SSATP team by providing access to the world-wide knowledge produced at the World Bank in particular on emerging issues.

10. This note does not assess the added value of each option as this depends on the content of the DP3 and the objectives given to the SSATP. The additional elements that may help in taking a decision are as follows:

- The first element is related to capacity development. The document presenting the strategic orientations for the SSATP proposes to strengthen the capacity development (CD) activities in the DP3. CD will aim at strengthening the capacity to implement SSATP results going beyond policy development. CD activities would be limited to a number of priorities as comprehensive CD is costly. High and medium decentralization would help achieve the objective of the CD strategy as CD requires close consultation with stakeholders, building partnerships and careful management of subsequent steps such as assessment of capacity gaps, identification of remedial action plan, development of a network of capacity builders and training facilitators and evaluating the impact of capacity development.

- The second element is about the choice discussed in the CD strategy between wholesaling and knowledge brokering as opposed to retailing. The first role would give more importance to partnerships aiming at building capacity in a larger number of countries while the second role would see SSATP more deeply involved in CD in a limited number of countries.

- The third element is related to results. The annual meeting will discuss how far the SSATP can go in terms of implementation versus facilitation during the DP3. During the DP2, SSATP remained in a facilitating role although the results framework was revised after the mid-term review to give an increased focus on results. Implementation is also critical for the sustainability of the program activities. The medium and high decentralization options would facilitate the support from SSATP towards implementation due to greater presence on the ground in particular for advocacy work by helping building commitment to the new policies and by facilitating and strengthening the dialogue on new policies. However, implementation is costly and takes time. The focus on results would require greater selectivity and allocation of resources to a lesser number of activities therefore resulting in loss of added value coming from activities which will not be carried out. Similarly to capacity development, the choice will also need to be made between wholesaling and retailing in terms of SSATP support to implementation to decide on the balance between SSATP direct role (retailing option) and reliance on partnerships (wholesaling option).

- The fourth element is the way the staff is decentralized with two possible options:

- scatter the staff across several regions; or
- keep the staff in a single hub.

The first option has the benefits of a location of the staff closer to the stakeholders. The second option has the benefit of more cohesion in the team and development of a common culture which will be important to shift from a culture of outputs to a culture of results.

### **Next steps**

11. The next step to take the decision would be to identify the content of the DP3 based on the budget scenarios. For each scenario, priorities would then be identified which would fit within the available budget for activities depending on the decentralization option. The decision would be taken by comparing the outcomes of each of the options.

**Annex: Staffing for options for location of SSATP in Africa**

	5-year SSATP Budget		
	US\$10 million	US\$20 million	US\$30 million
Low decentralization	Program Manager HQ Thematic Leader HQ Field Manager CO Program Assistant HQ Editor/Translator HQ	Program Manager HQ Thematic Leader HQ (2) Field Manager CO (2) Program Assistant HQ Program Assistant CO Editor/Translator HQ Communication specialist HQ	Program Manager HQ Deputy Program Manager HQ Thematic Leader HQ (3) Field Manager CO (3) Program Assistant HQ Program Assistant CO Editor/Translator HQ Communication specialist HQ
Medium decentralization	Program Manager HQ Thematic Leader CO Task Leader CO Program Assistant HQ Program Assistant CO Editor/Translator CO	Program Manager HQ Thematic Leader CO (2) Task Leader CO (3) Program Assistant HQ Program Assistant CO Editor/Translator CO Communication specialist CO	Program Manager HQ Deputy Program Manager CO Task Leader CO (8) Program Assistant HQ Program Assistant CO Editor/Translator CO Communication specialist CO
High decentralization	Program Manager CO Thematic Leader CO Task Leader CO Program Assistant CO (2) Editor/Translator CO	Program Manager CO Thematic Leader CO (2) Task Leader CO (3) Program Assistant CO (2) Editor/Translator CO Communication specialist CO	Program Manager CO Deputy Program Manager CO Task Leader CO (8) Program Assistant CO (2) Editor/Translator CO Communication specialist CO

HQ: Staff based at headquarters; CO: staff based in field office.

Field managers in the low decentralization option have a reduced technical role working in support of the thematic leaders but they handle all the contact/coordination additional activities which are the added value of a presence in the field. In this option, the task management responsibility rests with the thematic leader. In the medium and high decentralization options, the contact/coordination activities are spread between more staff in the field leaving more time to each staff for technical activities. These slightly different roles justify the change in title between field managers and task leaders who have more task management responsibility. In the US\$30 million option, the presence of a deputy program manager allows to replace thematic leaders by tasks leaders at a reduced cost.

With a range of 0.44 to 0.6 staff per million of dollar, the SSATP management team is comparable to other programs managed by the World Bank. The management team of the Water Partnership Program includes eight staff<sup>2</sup> to manage a US\$23 million 3-year budget (a ratio of 0.6 calculated on a 5-year period) without the equivalent of the SSATP Thematic leaders/Field managers/Task leaders and a narrower scope of work as all tasks are managed by World Bank task team leaders funded by the program. The Energy Program also managed by the World Bank has a 34-member team for an average annual budget of US\$22 million (a ratio of 0.3) with a scope of work similar to the SSATP.

The estimates above do not include the cost of procurement, financial management and trust fund administration. These costs have been absorbed by the World Bank as part of its contribution to the SSATP under the DP2. For that, the World Bank waived the management fee collected under previous phases of the SSATP prior to the DP2. The cost of this administrative support increases with the total

<sup>2</sup> Program Manager, Program Coordinator, Communication Officer, Financial manager, Publications Officer, M&E Officer, Resource Management Assistant and Program Assistants.

budget of SSATP and the quantity of work may justify recruiting staff fully dedicated to and funded by the SSATP in the case of a US\$30 million 5-year budget.

The cost estimates do not include the cost of World Bank task leaders funded by the World Bank as part of its contribution to the SSATP. These costs are included in the costs of activities.