A Study of Urban Transport - Institutional, Financial and Regulatory Frameworks in Large Sub-Saharan African Cities

Presentation of Final Report
Background

• Need to improve urban transport
• Perception that institutional, legal & regulatory changes are needed
• Need to draw lessons from experience in different cities, to see what works & what doesn’t
Study Activities

• Visits to 4 cities
  – Dakar
  – Douala
  – Kampala
  – Nairobi

• Two teams: economist & bus operations expert

• Interviews & discussions with government & private sector

• Focus groups with transport users & operators

• Workshops in 4 cities to review findings
Study Objectives

- Reformed bus policy framework
- Policies to improve urban bus services
- Institutional & financial arrangements suitable in different environments
- Options for strengthening legal & regulatory framework
- Conditions for Bus Rapid Transit
- Performance parameters
Urban System Requirements

- Affordable
- Safe
- Journey times reasonable
- Good service quality
- Environmental quality
- Satisfactory working conditions
- Institutions to ensure sustainability:
  - Adequate financial resources for fleet renewal
  - Operational efficiency
  - Effective enforcement
  - Monitoring of system performance
Findings - Cities

• All large 2 – 3 million
• All growing
• All face severe financial pressures
• All congested
• All dependent on informal sector
• Different political-economic traditions, but
• Widespread dissatisfaction with urban transport services
Findings – Roads and Traffic Management

• Road conditions vary from fair to very bad
• Road maintenance is under-funded
• City shares of road expenditure do not reflect share of traffic activity (veh-km)
• Need to improve traffic management
  – Parking & vending controls
  – Traffic lights
  – Public transport priorities
  – Traffic discipline
Findings – Informal Sector (1)

• Informal sector provides almost all public transport services in all cities

• Definitely disorderly, but
  – Relatively cheap
  – Flexible
  – Dense coverage

• Large numbers of operators makes it very difficult to regulate
Findings – Informal Sector (2)

• Generally uses second-hand vehicles
• Reluctant to invest in new vehicles
• Generally financially self-sustaining
• Attempts to eliminate informal operators in Douala had unexpected consequences: taxis replaced minibuses
Findings - Conventional Bus Services

• KBS surviving, if not thriving
• SOCATUR (Douala) & DDD (Dakar) both in severe financial & operational difficulties; problems arise from
  – Fare controls
  – Operational inefficiencies
  – Congestion
  – Competition from informal sector
Findings - Rail Services

- Urban rail services only in Dakar & Nairobi
- Limited services & small contribution to overall public transport system
- Neither system is financially self sustaining
Findings – Regulatory Framework (1)

- Different approaches in East & West
- East tends to market based solutions
- West tends to formal regulatory approach
Findings – Regulatory Framework (2)

• Kampala & Nairobi
  – LTB has power to allocate routes to operators
  – In practice, routes are operator selected; though operator associations may play role
  – Fares are unregulated
  – No service quality conditions imposed
Findings – Regulatory Framework (3)

• Douala
  – Routes & fares for SOCATUR set by MoT

• Dakar
  – Routes & fares for DDD & minibuses set by MoT; but
    • Fares negotiable in practice
    • No formal system of allocation of routes to operators
  – CETUD trying to reform sector, with
    • Combining small operators into “cooperatives” (GIE)
    • Allocating routes to GIE
    • Financing new vehicles; but
    • Progress is slow
Findings - Enforcement

• Economic regulation very difficult
• Vehicle inspection systems not generally effective
• Traffic discipline not effectively enforced
• But – recent experience in Nairobi suggests that enforcement of vehicle regulation is possible
Overall Performance - 1

• Affordability – mixed; some potential passengers cannot afford
• Safety – driver behaviour erratic
• Journey times – congestion & route structure mean slow travel
• Quality of service – general dissatisfaction
• Environment – emissions potential health hazard
• Working conditions – long hours for drivers
Overall Performance - 2

• Sustainability
  – Informal sector financially self-sustaining, but poor service quality
  – Big bus companies cannot replace fleets
  – Institutional arrangements do not promote orderly or efficient systems
  – Enforcement of traffic & vehicle regulation is lax
  – Little or no regular monitoring of system performance
Lessons Learned - 1

• Importance of infrastructure
  – Poor quality roads & lack of capacity reduce productivity of urban transport fleets
  – Funding needs to be increased to reflect importance of urban transport in national system

• Existing regulation should be enforced
  – Control parking and vending
  – Vehicle inspections
Lessons Learned - 2

• Long-term dangers of fare control
  – If fares are too low, operators cannot replace or properly maintain vehicles

• Role of informal sector
  – Disorderly, but flexible & efficient
  – Major employer
  – Governments need to work with (not against) informal sector
Lessons Learned - 3

• Consolidation of small operators
  – Formation of larger groups will facilitate:
    • More orderly services & service quality standards
    • Financial stability & introduction of newer vehicles

• Use of Big Buses
  – In principle, more efficient, but:
    • Work best on high volume, uncongested, routes
    • May need protection from minibuses
Lessons Learned - 4

• Monitoring system performance
  – Basic statistics not collected
  – At present, impossible to say if situation is getting better or worse
Options for Change – Road System

• Infrastructure
  – Increase funding for maintenance
  – Rehabilitate existing roads
  – Small-scale capacity expansion
  – Consider BRT & LRT (can be very expensive)

• Traffic Management
  – Enforce existing regulations on parking, vending etc.
  – Junction design
  – Bus priorities; junctions & bus lanes
Options for Change – Route Structure & Allocation (1)

• Continue with existing system; advantages are:
  – Competitive
  – Reasonably efficient
  – Flexible
Options for Change – Route Structure & Allocation (2)

• Licensing authorities can develop / impose a route structure (either complete or partial)
  – Allows imposition of service quality conditions;
  – Ensures full coverage; but
  – Will work best if small operators combine;
  – Will require institutional strengthening of licensing authorities
Options for Change – Route Structure & Allocation (3)

• Route franchises can be allocated by agreement / negotiation with existing operators
• Route franchises could be tendered through bidding on:
  – Highest fee / lowest subsidy
  – Lowest fares
• Regular re-tendering gives operators incentives to remain efficient
Options for Change - Fares

- Fare controls tend to damage the passenger transport industry in long-term
- Subsidies are not sustainable
- Fixed fares could work as part of a franchising system, providing there was regular re-tendering (when fares could be re-negotiated)
Options for Change – Service Quality

• Need to improve vehicle inspections on safety grounds
• Could move towards improved standards of comfort / cleanliness
• Orderly dispatch at terminals could improve service regularity
Options for Change – Efficiency Measures

- New and larger buses should be cheaper to operate; but
- Decision should be left to operators
- Introduction of large buses will require;
  - Bus operating companies large enough to fund & maintain new large buses; or
  - “Rolling stock” companies to lease buses to operators; and
  - Formal route structure, with exclusive rights to high volume routes
Improvement Strategies – Short-term

• Traffic management
  – Parking control enforcement
  – Vendor control enforcement
• Vehicle inspections
• Overloading controls
• Increase funding for road maintenance
Improvement Strategies – Medium-term (1)

- Traffic management
  - Junction improvements
  - Bus lanes
  - Bus priorities at junctions
- Road repair & rehabilitation
- Staged introduction of route structure & allocation / licensing
Improvement Strategies – Medium-term (2)

• Staged introduction of formal route structure & allocation procedures
  – Operators restricted to licensed route
  – Licences renewable after (say) 3 years
  – Standards of comfort cleanliness imposed
  – Operators set fares & frequency
  – Operators encouraged to form route associations / cooperatives
  – Route associations to incorporate
  – Bidding for licences to be introduced at first or second renewals
Improvement Strategies – Medium-term (3)

• Advantages of new licensing system
  – Encourage formalization of informal sector;
  – Provide basis for enforcement of quality standards
  – Operator consolidation should facilitate fleet renewal
  – Regular re-tendering will encourage efficiency; but

• Licensing authorities will need strengthening
Improvement Strategies – Long-term

- Institutional development; consider introducing:
  - Metropolitan Road Authority
    - Road infrastructure & traffic management
  - Metropolitan Public Transport Authority
    - Development of public transport (all modes)
    - Licensing operators / enforcement
  - Metropolitan Transport Authority
    - Combining Road & Public Transport responsibilities