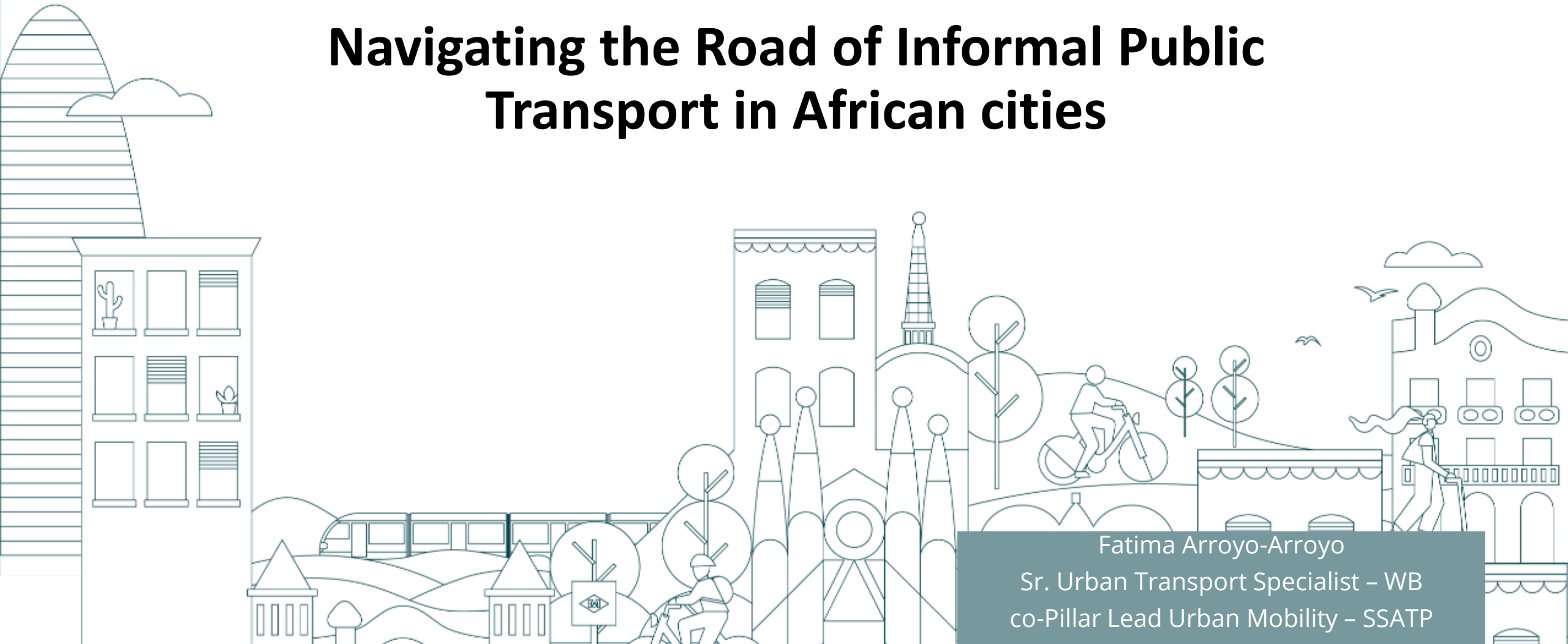


Navigating the Road of Informal Public Transport in African cities



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Fourth Development Plan (DP4): 2022-2026

Digitalizing and Decarbonizing the Transport Sector in Africa

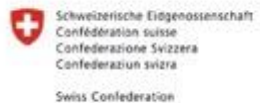


REGIONAL
CONNECTIVITY
AND ECONOMIC
INTEGRATION

SUSTAINABLE
URBAN
MOBILITY AND
ACCESSIBILITY

ROAD
SAFETY

RESILIENT
ROAD ASSET
MANAGEMENT



United Nations
Economic Commission for Africa



Thematic Area 2 - Sustainable Urban Mobility & Accessibility

Objective

Further the development of sustainable urban transport policies to create more equitable and liveable cities

- 1 → Support to national and local urban mobility policies development;
- 2 → Support Reforming/Improving the informal public transport sector and leveraging digitalization to improve the efficiency of PT (fare collection systems);
- 3 → Support to institutional strengthening, leadership awareness and new skills development in urban mobility.



MODES OF INFORMAL PUBLIC TRANSPORT IN AFRICA

Photo of small minibus



Photo of large minibus



Photo of shared taxi



Photo of mototaxi



INFORMAL PUBLIC TRANSPORT IS THE BACKBONE OF MOBILITY IN AFRICAN CITIES



City	Formal Passenger Transport			Informal Passenger Transport		
	Commuter Rail	BRT	Formal Bus	Minibus	Shared sedan Taxi	Moto-taxi
Accra	No	No	Yes	Yes, primary	Yes	Yes, but not permitted
Antananarivo	No	No	No	Yes, primary	Yes	Yes, not permitted
Bamako	No	No	No	Yes, primary	Yes	Yes, not permitted
Cape Town	Yes	Yes	Yes	Yes, primary	Yes	No
Dakar	Yes	In construction	Yes	Yes, primary	Yes	Yes
Freetown	No	No	Yes	Yes, primary	Yes	Yes
Gaborone	Yes (intercity)	No	Yes	Yes, primary	Yes	No
Kampala	No	No	Yes	Yes, primary	Yes	Yes
Kigali	No	No	Yes, primary	Not permitted in the city	No	Yes
Lusaka	No	No	Yes	Yes, primary	Yes	Yes
Maputo	Yes	In development	Yes	Yes, primary	No	Yes, not permitted
Maseru	No	No	Yes	Yes, primary	Yes	No
Nairobi	Yes	In construction	Yes	Yes, primary	No	Yes
Nouakchott	No	No	Yes	Yes	Yes, primary	Yes

Legend Yes, primary mode Yes Under development/ construction No

FORMAL VS. INFORMAL TRANSPORT

- There is not a binary distinction between informal and formal
- Even within ‘informal’ systems there are ‘formal’ arrangements, and vice versa.
- Informality of service, authority and organization
- Whole spectrum of industry organization

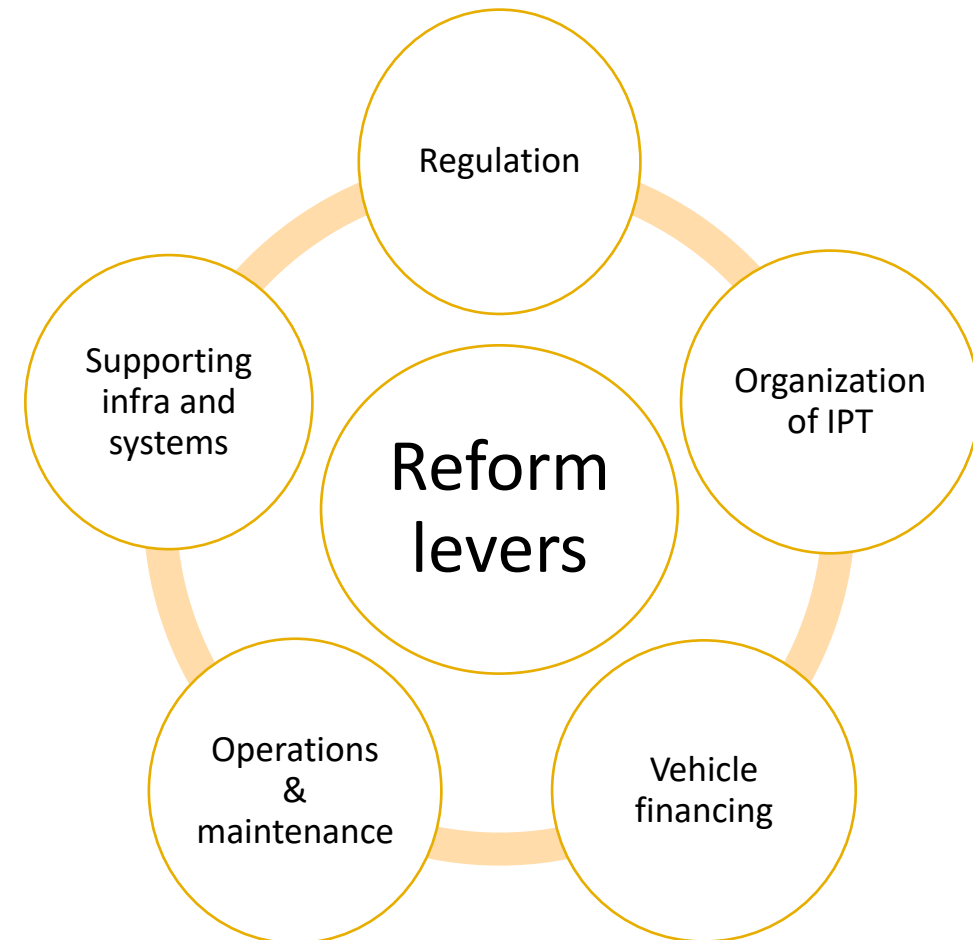


BUSINESS MODEL

- Business models:
 - Daily rental (dominant)
 - Owner-driver
 - Work-to-own
- What are the implications?

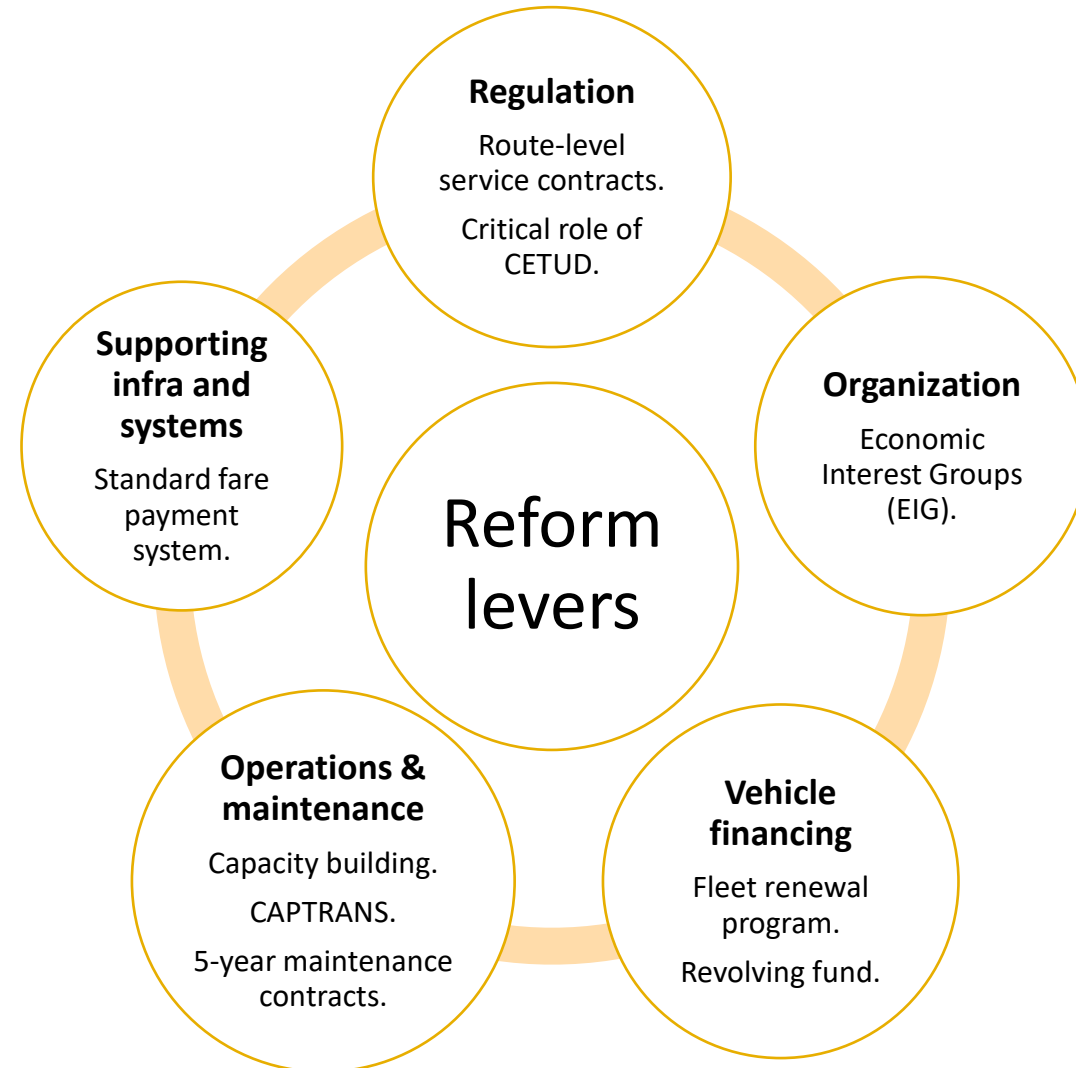


EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA



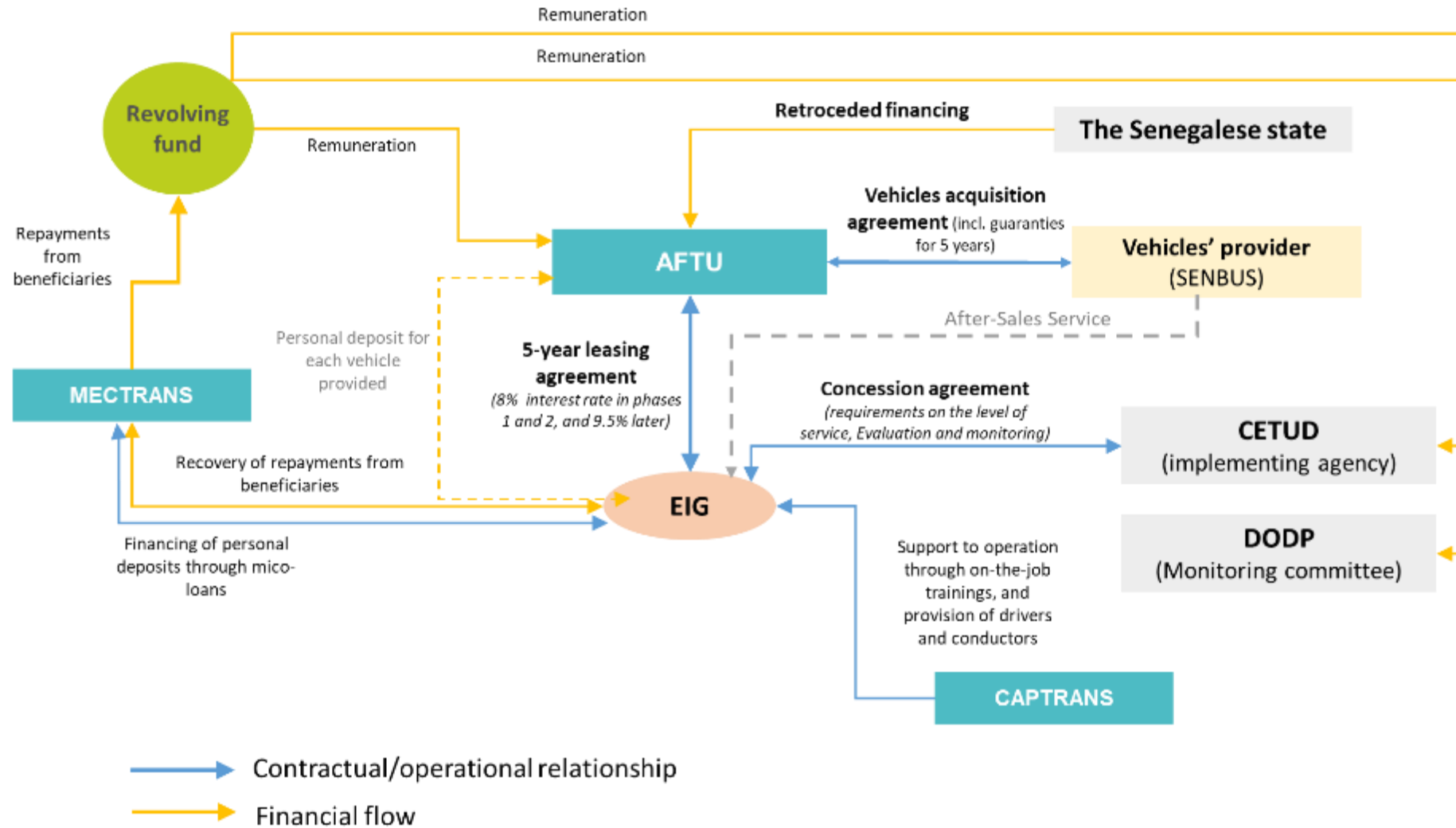
EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA

Dakar



EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA

Dakar



EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA

Renewal phases and dates	First phase (2005-2008)	Second phase (2008-2010)	Third phase (2013-2019)	Fourth phase 2019/in progress
Number of vehicles	505	406	700	710 (538 already delivered)
Beneficiaries	9 EIGs, 245 operators	14 EIGs, 342 operators	14 EIGs, 597 operators	14 EIGs
Funding source	World Bank (IDA)	Exim Bank	Local commercial bank	Local commercial bank
Type of guarantee	Mutual guarantee fund (AFTU) + escrow account	Mutual guarantee fund (AFTU) + escrow account	Revolving fund (7.6 million EUR)	Revolving fund(7.6 million EUR)
Unit cost (EUR)	32,366	33,893	35,573	37,405
Funding amount (million EUR)	16,3	13,5	24,8	26,5
Funding (million EUR)	World Bank: 12.2 AFTU: 4.1	PRC: 10.2 AFTU: 3.3	Commercial banks: 18.6 AFTU: 6.2	Commercial banks: 20 AFTU: 6.5
Beneficiary	Senegal National Govt.	Senegal National Government	AFTU	AFTU
Mode of transfer to the operators	5-year leasing by AFTU	5-year leasing by AFTU	5-year leasing by AFTU	5-year leasing by AFTU
Financing Condition	Interest rate: 8% Duration: 5 years after 3 months deferment	Interest rate: 8% Duration: 5 years after 3 months of deferment	Interest rate: 9.5% Duration: 5 years after 3 months of deferment	Interest rate: 9.5% Duration: 5 years after 3 months of deferment
Loan repayment rate	99%	91%	95%	

Dakar



EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA

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Achievements:

- Successful vehicle financing and repayment process increased the trust in the business model
- Innovations in the use of a revolving fund, leveraging commercial banks financing
- Professionalization of operators and capacity building
- AFTU program replication in 13 secondary cities in Senegal and private initiative in Touba

Challenges:

- Increasing non-compliance of operators with operation conditions
- Strong competition from informal operators
- Diminishing EIG control over their members
- Application of labor regulation
- Maintenance and supporting infrastructure

EFFORTS TO ENHANCE INFORMAL TRANSPORT IN AFRICA



LESSONS LEARNED

1. Informal transport helps broaden the service offering
2. Reform programs need to be adapted to the levels of formalization
3. The impact of reforms on the business models, viability and margins of the various stakeholders need to be adequately considered
4. Need to learn and adapt
5. Government actors must give direction and enable or drive implementation. Opportunities of bottom-up approaches
6. Importance and need for capacity building





Thank you!

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Thank you!

