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HOW TO INSTITUTIONALIZE PUBLIC TRANSPORT EFFECTIVELY

Jaspal Singh

International Association of Public Transport, UITP

 @TheJaspalSingh



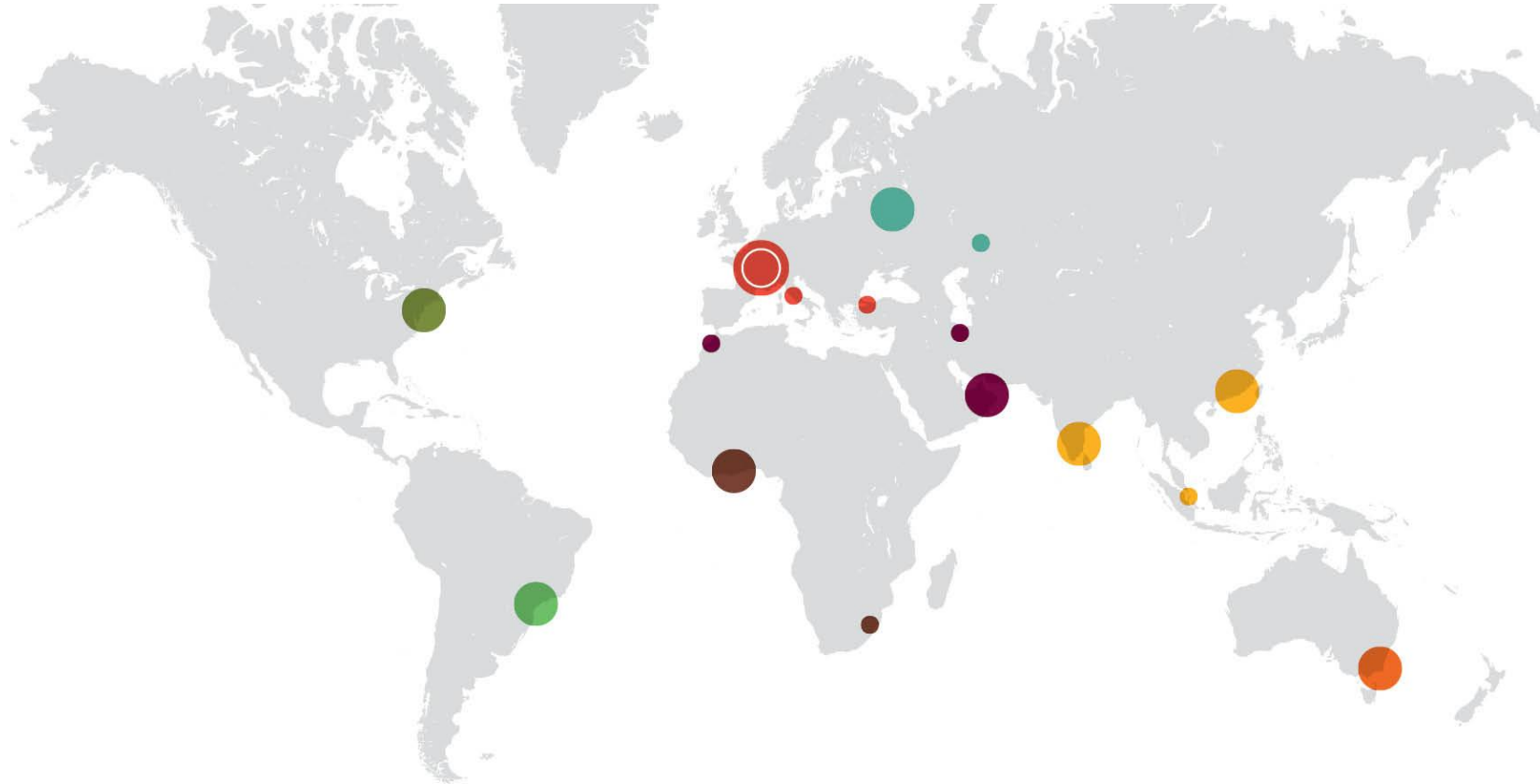
INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT





A WORLDWIDE ASSOCIATION

16 regional offices, 2 centres for transport excellence



EUROPE

- Brussels, Belgium | UITP Main Office, Europe Regional Office, Central & Eastern Europe Liaison Office
- Rome, Italy | Liaison Office
- Istanbul, Turkey | Liaison Office

EURASIA

- Moscow, Russian Federation | Regional Office
- Astana, Kazakhstan | Liaison Office **NEW**

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- Hong Kong, China | Regional Office
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A DIVERSE MEMBERSHIP

1600 member companies
from **100** countries

- Operators
- Authorities
- Policy decision-makers
- Research institutes
- The public transport supply and service industry



OUR MISSIONS



We engage with decision-makers, international organisations and other key stakeholders to **promote** and **mainstream** public transport and sustainable mobility solutions.



We **inspire excellence** and **innovation** by generating and sharing cutting-edge knowledge and expertise.

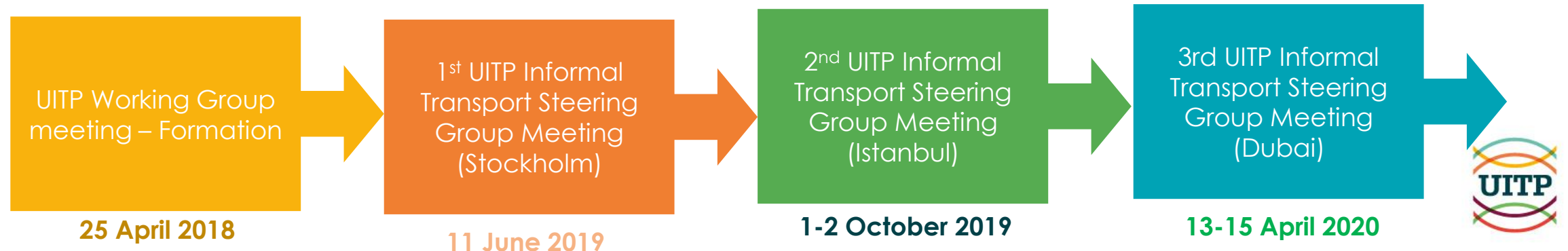


We bring people together to **exchange** ideas, find solutions and forge mutual beneficial business **partnerships**.

➤ UITP INFORMAL TRANSPORT STEERING GROUP

Main Objectives of Steering Group:

- Steering UITP activities on the relevant topic at global level
- Facilitating networking and exchange between members specific to formalisation
- Compiling, developing and building international knowledge
- Benchmarking projects and experiences
- Focusing on hot issues, analyzing and promoting innovations,
- Stimulating debates and interactions
- Preparing advocacy arguments and positions



MEMBERS



UITP PUBLICATIONS

March 2019

Driving change: reforming urban bus services

A policy paper of the EBRD's Sustainable
Infrastructure group



With support from UITP



POLICY BRIEF

ESTABLISHING A PUBLIC TRANSPORT AUTHORITY (PTA) IN AFRICAN CITIES

NOVEMBER | 2018

INTRODUCTION

Organizing Urban Mobility Systems is a complex issue as it depends on the context. In the last Trends Report, UITP looked at different cities all over the world to demonstrate the challenges to advice on a specific form of organization regardless of cities specific circumstances. While there is a global awareness of the need to improve the structures and the processes that underpin the delivery of mobility infrastructures and services, the diversity of solutions and arrangement prevails at the local level. Still, there is some promising practices. One of them is the establishment of a Public Transport Authority (PTA).

This paper argues for the establishment of Public Transport Authorities (PTAs) in Africa and forward some principles to do so based on the Organising Authorities Committee (OAC) of UITP and SSATP experience.



ORGANISING URBAN MOBILITY SYSTEMS: A "GLOCAL" CHALLENGE

Mobility related challenges are increasingly becoming "wicked" problems. A wicked problem is a societal issue that cannot be formulated in a definitive or universal manner because there is no statement that can contain all information regardless of the context. This refers to the fact that the problem translates differently from place to place. To provide an illustration of a wicked problem one can mention how transport interventions affect the health of citizen beside other social and economic concerns. The way people move generates feedback loops, setting the scene for road accidents, air quality related illness, obesity, cardio-vascular diseases and other Non-Communicable Diseases (NCD) such as diabetes. In Africa, health concerns manifest in terms of road safety and security. The incidence of injuries is increasing partly due to the rapid growth of motorised transport and could be mitigated with measures such as education campaigns, drivers training, road design and maintenance, vehicle safety checks, separation of pedestrian from vehicle traffic and speed limit as well as the enforcement of road traffic legislation and law. Looking back, it is now possible to affirm that such conditions are due to a decoupled decision-making process that systematically favoured road infrastructures, regardless of the possible systemic effect that transports interventions could have on the city and the urban environment. This put organizational issues to the fore and call for change, breaking away from organizational path-dependencies.

To put it differently, cities increasingly face global issues

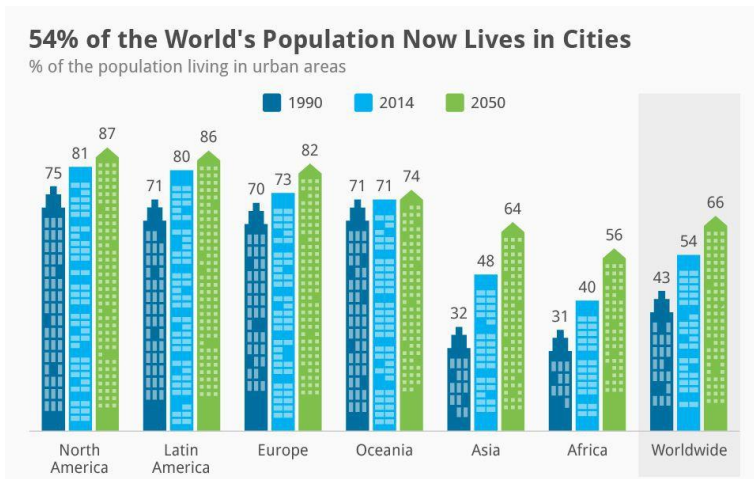


INFORMAL TRANSPORT IN MENA



➤ KEY TRENDS IN DEVELOPING COUNTRIES

Three simultaneous trends present a significant transport challenge to cities in developing countries:



Rapid urbanization

Source: United Nations



Rapid economic development



Rapid motorization

Source: World Bank

➤ EMERGENCE OF INFORMAL TRANSPORT

Society (Stakeholders)

- Need for transport
- Need for employment
- Limited public funds for (public) transport



Individual (Operators)

- Became an investment tool (plate value)
- Limited only to individual entrepreneurs (artisans)
- Harmful competition and diminishing system performance



WHAT IS INFORMAL TRANSPORT?

- **Individually** owned or small scale operators in environment where **regulation** is inexistent or poorly **enforced**
- Informal transport services may be licensed and **legal** but:
 - operate on a particular route, in a unorganised manner, outside mobility plans or routes, and have flexible timetables, and/or fares
 - fail to meet certification requirements for commercial vehicles



Source: [Damian Robinson](#)

PREVALENCE OF INFORMAL TRANSPORT

- Informal transport represents a **significant** share of the market in emerging cities.
- It provides vital (and sometime only) services to a large part of the population, where regular public transport is inadequate or limited.
- It also acts as a **feeder** to main public transport services (when they exist).
- Sector employs and supports the **livelihood** of a large number of families in societies suffering high unemployment rates.

WHAT IS AT STAKE?

- Informal Transport services often fail to meet basic **customer service requirements**, including safety, reliability, and comfort
- Mainly due to their large number and fragmented ownership and operations, authorities struggle to enforce **service standards**
- Informal transport players often oppose strong resistance to public transport **development projects**

IMPORTANT QUESTIONS?

1

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➤ IMPORTANT QUESTIONS?

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Informal public transport should be left alone, with minimal regulation -- the number of vehicles plying, vehicle safety and condition and driver skills?

2

Informal public transport should be eliminated in favor of more highly regulated, formal public transport.

2

Informal public transport should be formalized and it should be integrated with existing formal public transport network?

➤ CASE STUDY OF DELHI, INDIA (1/2)



- In 2007-08, half of the Delhi's stage carriage fleet comprised buses known as Blue-lines (~3500) and the other half was owned by public operator
- Blue-line buses competed with each other and with PTO buses on road for passengers, seriously compromising safety of road users. Other key issues were reliability of services, service quality and passenger safety
- In 2008, government of Delhi prepared a scheme to corporatize these buses under new system – Cluster model. All 657 routes were grouped under 17 distinct clusters
- Each cluster was bid by open tendering system under Gross Cost Model

➤ CASE STUDY OF DELHI, INDIA (1/2)

Key Facts

Public Operator (DTC) and Private Operator (Concessionaire) run the operation in the ratio of 50:50.

Unified Time Table (UTT)

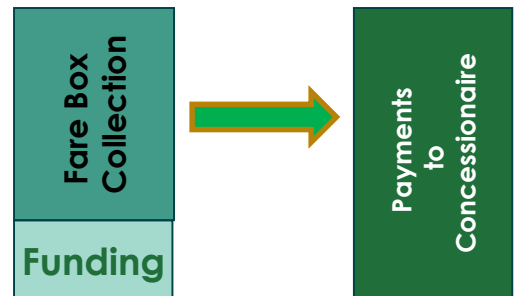
Public and Private operators follow Unified Time Table to ensure timely and reliable bus service to public.

Contract Type – Gross Cost

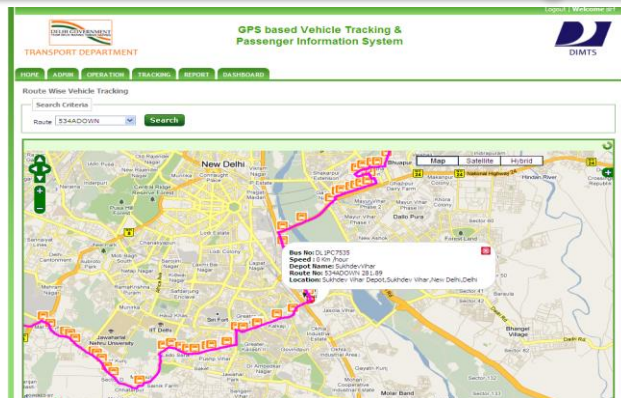
Resource contract with Ops risk

No transfer of revenue risk

Fare Box Collection to Govt.



Real-time Vehicle Tracking



Real-time Electronic Ticketing



Operations Control Center



➤ CASE STUDY OF DUBAI, UAE (1/2)



Sheikh Zayed road in 1990 and 2014, Source: RTA

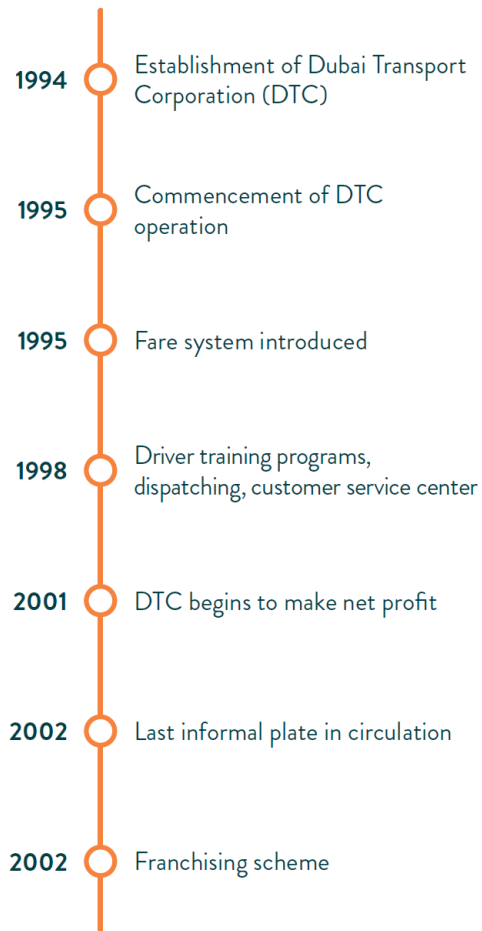


Dubai Taxi in 1990 and 2018, Source: alshindagah

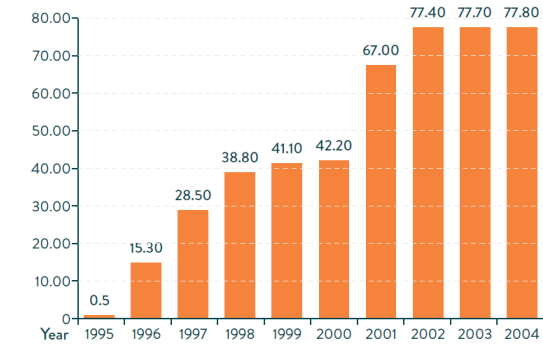
- Before 1995, the Dubai taxi sector was unorganized and informal. Dubai Transport Corporation (DTC) was established in 1994 to modernize taxi sector
- Taxis were owned by local Emirati who leased them to driver for fixed rent per day. There was no control over the service quality
- DTC started by paying individual operators 1000 AED a month to buy their taxi plates as part of social welfare. Within the first few years of operation 50% of the informal fleet were bought out of the market

CASE STUDY OF DUBAI, UAE (2/2)

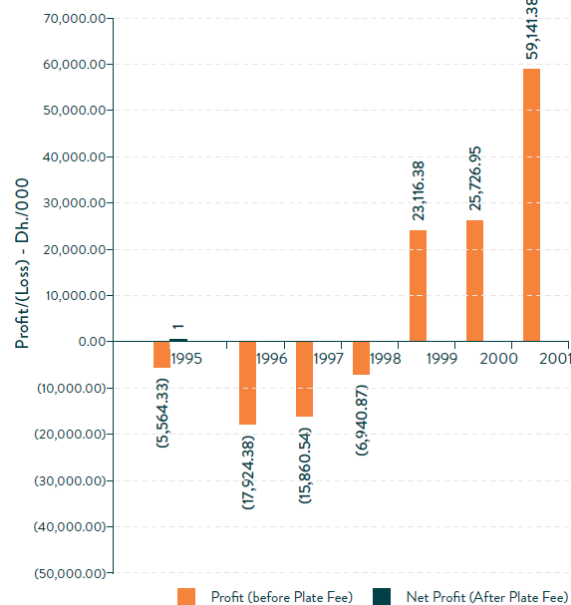
How did it happen?



Yearly Plate Fee Payment to informal operators 1995 – 2004 (in Millions)



Profit/(Loss) Statement



- After getting the taxi plates, DTC came up with a franchising scheme in 2000 to 3 franchising companies: Metro Taxi, Cars Taxi, and National Taxi.
- Each company got 754 plates for a 5 years license fee of AED 1,000, and monthly usage fee of AED 1,500 per plate
- The reform process was a great success achieving most of the desired goals, including profitability, 100% formalization and improved service and quality.



THANK YOU!

jaspal.singh@uitp.org

 **@TheJaspalSingh**

 **jaspalsingh82**

