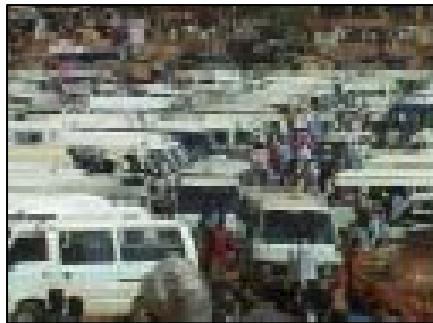




A Study of Urban Transport – Institutional, Financial and Regulatory Frameworks in Large Sub-Saharan African Cities



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