

A framework for initiating public transport reform in the Greater Kampala Metropolitan Area

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Objective

Improving connectivity within the Greater Kampala Metropolitan Area (GKMA) by providing a framework for initiating public transport reform in Kampala, guided by Vision 2040 that stipulates that:

“By 2040, the GKMA will be one of the most attractive cities in the world, offering its citizens and visitors a safe and efficient transport system based on high quality public transport and a complementary non-motorised transport network.”

Key issues affecting public transport quality and supply

- Taxis and boda-bodas are the two primary modes of public transport providing nearly 40% of all transport in the GKMA area, however, they still fail to meet *travel demand* and deliver affordable, convenient, efficient and safe services;
- The GKMA suffers from severe peak period traffic congestion along the major travel corridors and in city centre due to the reliance on low capacity public transportation coupled with inadequacies in *traffic engineering, management and enforcement* measures to effectively utilize the available road network capacity;
- KCCA has registered a large number of taxis on 300 routes indicating a fragmented industry with a large number of owners, a major oversupply and lack of coordination and enforcement along this transport route. This encourages unhealthy competition and unsafe driving behaviours, such as random drop off and pick up stops, speeding, overtaking, which further deteriorates traffic conditions affecting the vehicle productivity and service quality;
- The primary factors contributing to such an operating environment are inadequate *public transport regulatory regime*, such as taxi licensing with no control and no

enforcement over route specific fare and service level, and increased illegal operations due to poor enforcement, as well as inefficient *route structures* forcing a high share of multiple transfer trips;

- Investment in buses would help address some of these issues and provide more high occupancy vehicle options for the public transport. However, despite high travel demand, private investment in *bus services* still *remains a less attractive business proposition* given the fierce competition from the large number of taxis and boda-bodas, poor road traffic conditions and lack of access to affordable financing due to a high interest rate environment;
- For a public transport system to be effective, it will need to connect people from their residences to their places of work. These are currently located across multiple governance jurisdictions, including the KCCA, Wakiso, Mukono and Mpigi Districts. However, currently, the public transport issues of GKMA are not well coordinated due to the absence of a *metropolitan level governance* framework.

Suggested framework for incremental transport reform

To foster the development of an integrated multi-mode public transport system for Kampala the short-term reform measures must address all the above-mentioned key issues in a cohesive fashion. In the long-run the aim should be to support the introduction of a high-occupancy transport system that does not need large financing from the government in the form of subsidies. Therefore, incremental regulatory reform at the current stage can open up the market and establish incentives for the private sector to respond and engage in future expansion of the system. The suggested incremental reform consists of a set of measures identified below, which will also help to identify appropriate travel markets that can most effectively be served by different modes of public transport:

Improve traffic management and enforcement measures along public transport corridors: The road network in GKMA is currently being used sub-optimally. This will also affect the service reliability, fare level and financial sustainability of any future public transport services. Therefore, a short-term measure is to improve traffic management along existing public transport routes, which includes the proper enforcement of the measures that are already in place. In the future, this will include the proper design and management of intersections and roads, establishment of bus stops and passenger transfer sites, with and allocation of dedicated traffic lanes for buses at appropriate locations. These are low cost measures but highly effective in improving person flow capacity of roads.

Strengthen travel market responsive regulatory regime for taxis: At the initial phase of reform issuance of new licenses and renewal of existing ones must be controlled to strike a balance between supply and demand of taxis for each route, or collection of routes, serving a travel corridor. This must be supported by effective enforcement measures to minimize illegal operations and improve compliance with updated regulations. The results of a recently completed travel demand surveys for GKMA can help to redefine the number and structure of taxi routes and improve the prevailing taxi licensing practice.

Promote consolidation of taxi industry: Engaging the taxi industry will be key for the design and subsequent implementation of public transport reform in GKMA. Therefore, to ensure effective engagement with the current highly fragmented private taxi industry, taxi owners must be consolidated in a few associations or, cooperatives serving various travel markets. A further benefit of consolidation is that the associations or cooperatives will enable their members to pool resources, formalize their business practices and access external finances, such as using SACCOs, for their vehicle renewal. It will also help them to access finance to subsequently enter into bus operations, if a competitive bidding opportunity for bus concession or franchise arises.

Develop competitive regime for public transport services: The next stage is to plan for the introduction of bus services in the heavy travel volume corridors, with taxis and boda-bodas continuing to serve as feeder or last mile connections. Therefore, travel demand levels for such services must be determined and evaluated for the economic and financial feasibility of each route, under the scenarios with and without taxi competition. Subsequently, an open bidding regime needs to be developed for contracting bus services for a period of time, such as 3-5 years, in selected markets, i.e. areas or corridor or simply a single route, using the appropriate models of franchises or concessions. A healthy competitive process will also help to determine appropriate fare level. Moreover, taxi associations or cooperatives will have the opportunity to bid for these markets and further enrich the competitive bidding process. This will enable the local taxi market to offer an integrated bus and feeder taxi services in the identified markets. The process will trigger gradual transition of taxi industry into bus operations.

Design and monitor a pilot bus services program: In Kampala so far two companies, Pioneer Buses and Awakula Ennume, are currently operating bus services. As per the available information, both companies are facing difficulties with the expansion of their fleet and delivery of reliable services. However, Awakula Ennume, an association of 400 taxi owners, which is presently operating two routes with 23 buses, is addressing these issues and planning to add another 180 buses to serve six additional routes under a five-year concession. The association has entered into a joint venture with an international bus manufacturer who has agreed to deliver buses and maintain them for 3-years, when the financing becomes available. The association plans to discontinue their taxi services along the new bus routes and likely to move part of their taxi fleet to outer districts. If the Awakula Ennume succeeds in delivering what it has planned, then it will emulate certain features of the suggested near-term reform agenda, and serve as an excellent case study for learning and fine tuning of the approach. Understanding the operations of a bus service will also be a precursor to being able to introduce a bus-rapid transit system into the city.

Establish a coordinating transport authority for the Greater Kampala Area: To support all these reforms, it is critical that a metropolitan level governance structure for transport is established. The government is already considering a bill to create Metropolitan Area Transport Authority (MATA) to coordinate transport and land development related planning, investment and policy decisions across the KCCA as well as Wakiso, Mukono and Mpigi districts. Its creation would lay the foundation for developing and implementing a cohesive metropolitan scale public transport reform strategy.