

## The Republic of Uganda

**MINISTRY OF WORKS AND TRANSPORT**

**DEVELOPMENT OF A PUBLIC TRANSPORT POLICY FOR KAMPALA**

**CONSULTATION DRAFT**

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**Acronyms and Abbreviations**

BRT Bus Rapid Transit system

CBD Central Business District

GoU Government of Uganda

GKMA Greater Kampala Metropolitan Area

KCCA Kampala Capital City Authority

MATA Metropolitan Area Transport Authority

MoFPED Ministry of Finance, Planning and Economic Development

MoLHUD Ministry of Lands, Housing and Urban Development

Midibus Usually 26 to 30 seater bus

MoWT Ministry of Works and Transport

NMT Non-motorised transport

PBC Performance Based Contract

PSV Public Service Vehicle

PTWG Public Transport Working Group

SPV Special Purpose Vehicle

SNF Strategic Negotiating Framework

Taxi 14 seater bus

TOR Terms of Reference

TLB Transport Licensing Board

TMP Transport Master Plan

UTODA Uganda Taxi Operators and Drivers Association

Appendix A Terms of Reference

PUBLIC TRANSPORT POLICY FOR KAMPALA

1. **Background*[[1]](#footnote-1)* - Public Transport in Kampala**

The collapse of the Uganda Transport Corporation that offered bus services to and from Kampala in the 1990’s gave birth to the individualized approach to public transport, resulting into the current challenge of taxis and boda-bodas in the city. Taxis are 14-seater buses licensed as PSV’s (Public Services Vehicles) by the TLB (Transport Licensing Board) to operate for hire and reward but without any fixed routes. Boda-bodas are motorcycles operating as informal taxis. The level of service of public transport is very poor with no timetables, no fixed fares, no fare structure, no formal stops, no terminals, and no fixed routes. This results in long travel times, and a high level of noise and pollution.

In 2012, an attempt was made to re-introduce mass bus transport in the city by the Pioneer Easy Bus Company operating conventional single decker buses with a capacity of 30 seating/30 standing. Routes were allocated to Pioneer using a specially drafted regulation under the Traffic and Road Safety Act. Bus lanes promised to the operator did not materialise, and despite promising patronage levels at first, the company soon faced financial problems. The services are now suspended following impounding of the company’s vehicles by the Uganda Revenue Authority for alleged non-payment of duties.

The current mode share in the city is around: 48% walk, 33% taxi, 10% boda-bodas and 9% other including private car. This makes walking the most predominate mode.

The Government of Uganda is moving towards the implementation of Bus Rapid Transit (BRT) as a means of improving public transport. A pre-feasibility study in 2010 identified a BRT network and indicated the feasibility of the system for Kampala. In 2012 a full feasibility study and detailed design commission was let, and this study has identified a pilot route(s) of 22.5km. The study is expected to be completed in November, 2013.

The implementation of BRT offers the opportunity to re-organise public transport in the city – a move towards franchised bus routes operated by formal companies with an integrated fare system. In any event, a firm legislative base is needed for tendering the BRT franchise alone. The BRT consultants are also mandated to bring forward recommendations for the re-structuring of the taxi industry in the light of BRT.

In March, 2010 the Government created The Kampala Capital City Authority (KCCA) that transformed the city from local government into a central government agency and appointed the Executive Director as the technical head of the Authority reporting to the Minister for Kampala who is also the minister in charge of presidency.

Also, the Ministry of Works and Transport (MoWT) is about to engage consultants to prepare draft legal principles for a Metropolitan Transport Authority (MATA). Key functions of the Authority would be the planning and procurement of an integrated public transport system.

There are no simple or quick remedies to public transport improvement in GKMA. In the past, ad hoc solutions to identified problems evolved within constraints imposed by existing public transport operations capabilities, current legislation, and perceived economic conditions and financial limits. While such developments and solutions may have been positive in the short term, they did not take place within an overall transport development strategy. The ‘law of unintended consequences’ always operates in such circumstances and leads to undesirable outcomes that could and should have been avoided had specific actions been assessed with respect to their wider implications.

According to the National Transport Master Plan (NTMP), a prime example of the law of unforeseen consequences in action is the way in which a virtually complete dependence now exists on the services of the many low-capacity taxis and their association (UTODA). This group exercises control over 93% of the passenger-places in the GKMA motorized public transport fleet without any real accountability to the capital city authority or Ministry. Doubtless, this dependence was never an intended consequence of the original objective of using the flexibility of private sector funded ‘taxi’ operators to expand and fill the gap caused by the demise of the former formal bus services.

Paradoxically, even though GKMA suffers from acutely insufficient passenger place provision in relation to the urban population size and associated travel demand, it simultaneously suffers from significant on-street congestion impacts caused by the large number of low capacity public transport vehicles (and private vehicles). The largest numbers of vehicles on the central GKMA streets are low-capacity taxis and single passenger motorcycles.

1. **The Public Transport Industry Environment**

Currently the taxi is the ‘work horse’ of the public transport system GKMA. It carries a significant number of passengers inside the CBD. However, many vehicles are old and in an unsafe condition. This, together with a considerable amount of undisciplined driving has given taxis a poor accident record.Taxis should not compete with the public bus system but complement it and offer a service not provided by buses.

Although bus traffic on most streets usually constitutes only a small percentage of total vehicle movements, there are locations in the CBD where bus movements are heavily concentrated, for example Kampala Road has about 40% of movements by Taxis. At such locations, where conflicts between buses and other traffic can be expected, preferential treatment should be given to buses in order to improve bus speeds and improve traffic flows.

No doubt institutional and regulatory issues figure among the major issues confronting GKMA passenger transport sector planners. Experience in GKMA has shown that, although realistic profit potential exists, the private sector has shown little inclination to invest in areas of passenger transport other than second-hand imported taxis or single-passenger motorcycles.

These are low-cost, fast-return investments; the skills required for their utilization are minimal and the assets involved are both cheap and relatively easy to dispose of or to transfer to other uses. Investors focus on income withdrawal and relative liquidity of assets. Some form of Government intervention or incentive is likely to be needed to change this situation.

Lax regulation of passenger transport operations, as is the case in GKMA at present, also acts as a disincentive to long-term investment in the passenger transport sector. It is not at all evident why a corporate entity or an existing small-scale operator with ambitions to grow should take on the troubles and risks involved in improving existing services or of identifying, developing, and equipping new routes when they can have no confidence in the middle to long-term prospects for their investment. Under existing regulatory regimes, there can be no confidence in effective protection of route and service exclusivity for any new services or routes.

***Under existing regulatory regimes, there can be no confidence in effective protection of route and service exclusivity for any new services or routes.***

Promoting the development of a more optimal public transport fleet in GKMA will require the creation of conditions in the market for public transport services that enhance the opportunities for investors to project and to achieve consistent financial returns over, for example, the 7 to 10-year period that is typically the lifespan of a standard urban bus.

The Government cannot, and should not, directly finance vehicle purchases to improve the passenger capacity and vehicle type profile of the GMKA passenger vehicle fleet. What it can do, however, is to introduce an institutional and regulatory framework to facilitate and encourage longer-term private sector investments. By judicious use of regulatory initiatives, professional training initiatives, and adequate and equitable enforcement actions, Government could guide and influence changes to the existing unsatisfactory situation. This will not be achieved without some cost to national and local government, however, properly managed and targeted; such support and incentives to private sector investment can bring about significant changes and benefits.

Without a comprehensive and radical restructuring of the taxi services, no ideal situation can be achieved until a comprehensive network of mass transit system is in operation. Certainly, with a first stage of the BRT system in operation, there will be areas not served by a BRT. This will mean that full integration of services on all public transport routes will not be possible. Concurrent, with the introduction of the BRT, it is essential that appropriate action is taken to improve the non-BRT bus services.

The restructuring of taxi operations needs to be given urgent attention. KCCA is currently giving this matter some priority, but with the size of the task progress is unlikely to be made at an acceptable rate. It is suggested that the Minister for Transport and Works forms a small high level working group with KCCA as suggested later in this Policy paper. Each action should have a realistic time line, but one that ‘fast tracks’ the changes that are urgently needed. It will take a number of year before the planned BRT is in operation, meanwhile the traffic situation will get substantially worse and population is projected to grow at a rapid rate.

1. **The Need for Policy**

However, all of the above is happening within a policy vacuum. A National Transport Policy drafted in 2002 was never approved, and policy development since then has been somewhat fragmented, due to a more pragmatic approach. As result, a Non-Motorised Policy was recently approved and launched, and a draft Rural Transport Policy has recently been prepared.

There is a need for an Urban Public Transport Policy for Kampala to set the direction for the re-organisation and improvement of public transport in the capital. A clear policy will assist the political leadership to see the above initiatives within the context of a coherent set of objectives.

It should be recognised that policy is the distillation of current social, political, economic and technological perspectives in a country. Such perspectives are always changing, and therefore, policy should also be regarded as dynamic and flexible. This is not to suggest that transport policy should be continuously changing which would result in uncertainty and would constrain economic development. Such a situation would be as bad as a policy which was rigid and did not take changing realities into account. Policy should therefore be flexible whilst providing a firm basis for planning and development.

Also, policy on its own does not constitute development. The process needs to lead on to planning and implementation. The policy should provide a framework for planning and the integration of planning in the transport sector with planning in other sectors.

Although policy requires technical and economical expertise to develop, it requires political and top management will to implement. Policy, ultimately, is a political statement of how a certain sector is to be regulated and how public funds are going to be spent. Political endorsement and support is therefore a central element of policy development.

1. **Approach to Policy Development**

The development of a Public Transport Policy for Kampala (Policy), addresses 7 key concerns or issues facing the city today, as outlined in the TOR, namely:

* What are the principles for a transport system that can address the divergent transport needs of different stakeholders?
* How to should the most efficient mode(s) of transport be defined and how should different modes of transport be integrated, particularly in relation to taxis, boda-bodas, bus, future rail services?

* How can the current low volume carriers (boda-bodas and taxis) best be phased out in favour of high volume or mass transport delivery systems?
* How should the legal, policy and administrative / delivery arrangements in the city be structured to support effective, integrated public transport services that meet the needs of today and help to address the Kampala Metropolitan Physical Planning Vision 2040?
* What are the immediate steps that can be taken to improve public transport service delivery and related integration in Kampala?
* How should the public transport system for Kampala be organized, given the proposed introduction of a BRT, NMT system and possibilities of other modes of transport?
* What should be the roles of the public and private sectors in public transport service delivery?

The approach adopted, is to:

* Propose a meaningful and succinct Public Transport vision
* Prepare a comprehensive analysis of the 7 issues listed above
* Draft key recommendations in the form of policy statements highlighted throughout the report in blue.

This Policy fully complements the draft MoWT Non-motorised Policy (NMT) developed in October, 2012, as walking and bicycling are a vital part of the urban transport system. Furthermore, walking and bicycling are healthy, sustainable, economical and non-polluting means of transport as expressed in NMT’s mission statement.

1. **Urban Public Transport Vision**

It is imperative that a shift in mindset of travellers, policy makers and politicians is achieved. This needs to be based on a number of guiding transport principles (see **Section 6** below) fundamental to the development of a sustainable transport system. The key message is that a car dominated urban transport system is not sustainable and will not reduce traffic congestion in Kampala or support the needs of transport users.

There are two main choices: maintain the status quo or recognise that sweeping and affirmative changes are needed. This can be succinctly enunciated by the following Urban Public Transport vision.

**HOW DO WE WANT TO SEE THE URBAN TRANSPORTATION SYSTEM**

**OF KAMPALA IN THE FUTURE?**

|  |
| --- |
| ***An automobile prioritized and dominated system with road vehicles stuck in traffic for hours?***  ***OR***  ***A sustainable (public) transport system with a strong mass transit network supplemented by other modes (pedestrian, cycling, taxi, bus, boda-boda)?*** |

1. **Issue 1 – Guiding Principles for a Sustainable Transport System**

*‘What are the principles for a transport system that can address the divergent transport needs of different stakeholders?’*

A number of guiding principles for progressing sustainable transport are outlined below. These principles need to form the basis of Kampala’s sustainable urban transport policy and used to give a clear direction on how the relevant authorities will make decisions that balance competing demands on-street. Without the adoption of the measures flowing from these principles, it will be difficult to reduce traffic congestion in Kampala and quality of life will likely deteriorate. However, if the proposed BRT is properly integrated and operated, it will act as a catalyst to bring about some of these necessary changes. Also, these guiding principles have been designed to address the divergent transport needs of different users.

Currently in Kampala motorised vehicles, particularly private vehicles and taxis, predominate by taking precedence for road space and priority. Instead, authorities need to develop a road user hierarchy that prioritises walking, bike riding and public transport, consistent with a view to moving *people* and doing so sustainably and safely rather than a focus on moving *motor vehicles*. Authorities need to address the long term issues associated with car use andy will need to change the way decisions are made and budget is spent to best reflect the road user hierarchy. The guiding principles can be encapsulated as follows.

***Principle I - Ensure Priority***

***That preference will be given to, and right of way to sustainable transport modes in terms of allocating time, space and facilities, guided by the proposed new Road User Hierarchy.***

In order to achieve a safe and well connected transport network, it is imperative that authorities give priority to transport modes in the following hierarchical order.

|  |  |
| --- | --- |
|  | Examples of how the road user hierarchy can be applied in Kampala include:   * Ensuring that agencies’ development budgets focuses on projects that support pedestrians as the most important road user * New traffic engineering projects are planned and implemented following consideration of how to provide for the accessibility and safety of walkers and bike riders * Reallocate road space used for parking where pedestrian, cyclists and public transport users will benefit * Use the planning and management of urban development to minimise the need for people to have to use private cars. |

The challenge of a sustainable transport system is that it must meet the mobility and accessibility needs of people by providing safe and environmentally friendly modes of transportation. This is a complex and difficult task in the cities of developing countries such as Kampala because the needs of people belonging to various income groups are not only different, but also often conflicting in nature. For example, if a large section of the population cannot afford to use motorized transport – private vehicles or public buses – they have to either walk to their place of work or use bicycles. Providing a safe infrastructure for cyclists and pedestrians means either physically segregating road space for cyclists and pedestrians from motorized traffic, or, if that is not possible, reducing the speed of motorized traffic.

A pedestrian-oriented hierarchy of transportation promotes density, safety, economic viability, and sustainability.

***Principle II - Increased Integration***

***That authorities will strive to achieve a City where places are interlinked through walking, bike riding and public transport routes that are efficient, direct, attractive and competitive to other modes of transport.***

Principle II can be realised by:

* Focus more intensive commercial, residential and mixed-use development in the most accessible and connected locations
* Facilitate sustainable transport links to key destinations and transport nodes beyond the boundaries of the City
* Ensure the design of streets and land uses reflects the needs of people walking, bike riding including the linking of these to public transport services and other public and open spaces including provision for adequate signage and markings

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* Discourage car use and longer term parking in the most accessible and connected areas and locations in the City
* Use connections between walking, bike riding and public transport routes to deliver improved transport interchanges, enhance the public realm*[[2]](#footnote-2)* and create people places*[[3]](#footnote-3)* in coordination with key partners/institutions
* Implement walking infrastructure improvements through an area based approach centred in and around destinations.

***Principle III - Improve Safety and Accessibility***

***That authorities will work to provide conditions which allow people of all abilities to feel safer using our streets and sustainable transport options.***

Principle III can be realised by:

* Encourage walking and bike riding in local streets, activity centres and local shopping areas by reducing speed limits using an area based approach
* Ensure the walking and bike riding network of routes are well maintained in accordance with the appropriate standards
* Address safety issues and the perceptions of safety within the urban environment that act as barriers to people choosing to walk, ride or catch public transport
* Increase road user safety based upon a hierarchy of vulnerability in the following order of priority: Pedestrians, Bike Riders, Motorcyclists and then Motor Vehicles, which reflects the new road user hierarchy through awareness campaigns and education
* Employ local area traffic management measures that reflect the road user hierarchy, influences driver behaviour and reduces the convenience*[[4]](#footnote-4)* of car use to provide safer streets for everyone
* In selective areas, widen footpaths and bike facilities on identified walking and bike riding routes by reallocating road space in favour of pedestrians and bike riders over cars.

***To improve road safety no more roundabouts[[5]](#footnote-5) will be built on arterial roads in Kampala.***

***Principle IV - Raise Profile***

***That authorities will strive to raise the profile of walking, bike riding and public transport and the benefits of these transport modes through the provision of information, facilities and active promotion to drive change in travel behaviour.***

Principle IV can be realised by:

* Advocate and collaborate with key stakeholders, to influence decision making and secure sufficient funding in order to encourage growing numbers of people to walk, ride or catch public transport.
* Increase the community’s level of awareness of the benefit in choosing to travel by walking, bike riding or catching public transport over using a private vehicle.
* Influence the community’s decisions*[[6]](#footnote-6)* to travel via sustainable transport by providing appropriate support, information and skill development.
* Strengthen the information base to measure changes and trends to provide enhanced understanding of issues relating to sustainable transport.

1. **Issue 2 - Integrating Transport Modes**

*‘How to should the most efficient mode(s) of transport be defined and how should different modes of transport be integrated, particularly in relation to taxis, boda-bodas, bus, future rail services?’*

**7.1 Defining and measuring most efficient transport system**

There are several possible ways to define and measure transport system efficiency, which can result in very different conclusions about what solutions are most efficiency/optimal:

1. *Conventional roadway planning* evaluates roadway efficiency based primarily on motor vehicle travel speeds. From this perspective increasing transport system efficiency requires increasing roadway capacity and design speeds. This approach tends to supports road capacity enhancements.
2. *Traffic network planning* evaluates roadway efficiency based on automobile access, and so recognizes the reduced travel distances that result from more connected road networks and two-way streets. This supports efforts to increase both traffic speeds and road network connectivity
3. *Multi-modal transport planning* recognizes that travel demands are diverse because not everybody can drive, and transport costs (including road space, parking, vehicle, travel time, accident risk and environmental costs) and benefits vary. From this perspective transport systems are most efficient if they support and encourage use of resource-efficient modes, so users choose the most efficient option for each trip. This supports [complete streets](http://www.completestreets.org/) policies, including bike- and bus-lanes, and other efforts to improve and encourage use of resource efficient modes.
4. *Accessibility-based transport planning* recognizes that mobility is seldom an end in itself; the ultimate goal of most transport is access to services and activities such as education, employment, shopping and recreation. Several factors can affect accessibility including mobility (travel speed and affordability), the quality of transport options, transport network connectivity, land use accessibility, and mobility substitutes such as telecommunications and delivery services. From this perspective, transport systems are most efficient if they increase road network connectivity, support efficient modes, and encourage more accessible land use. This justifies integrated planning that increases transport network connectivity and supports more accessible and multi-modal community development.
5. *Economic efficiency* refers to the degree that consumer benefits provided by a good exceeds the costs of producing that good (roads can be considered a good consumed by users). From this perspective roads are most efficient if managed or priced to favour higher-value trips and more resource-efficient modes over lower-value trips and less efficient modes. This can justify priority treatment of freight and service vehicles (they tend to be high value), and public transit and high occupant vehicles (they tend to be space efficient), or even better, congestion pricing (road tolls that are higher during peak periods) that test users’ willingness to pay for scarce road space, which allows higher value trips and more efficient modes to outbid lower-value trips and more space-intensive modes.
6. *Planning efficiency* refers to the degree that planning activities are comprehensive and integrated, so that individual, short-term decisions support strategic, long-term goals. This is functional way to develop more accessible and economically efficient roadway systems. From this perspective transport systems are most efficient if planned, designed and managed to support strategic objectives. For example, efficient planning justifies special truck lanes if that supports regional industries, bus lanes and pedestrian improvements that support transit oriented development, streetscaping that supports local commercial district redevelopment, and constraints on urban fringe roadway expansion if that support strategic objectives to encourage more compact development that reduces travel demand.

There are trade-offs and conflicts between each. For Kampala a multi-modal model, based on public transport and non-motorised transport, is by far the most desirable approach, as it best supports the guiding principles advocated in **Section 5.** Currently, there is an overwhelming bias to give vehicle access (by increasing road and parking capacity) at the expense of other modes. Because of these inherent trade-offs, planning decisions that favour one form of access over others can create a self-fulfilling prophecy.

**7.2 The basics of an integrated transport system**

The basics of an integrated transport system can be summarised as follows:

* Integrated transport is when all forms of transport work together in a coordinated system with the aim of providing comprehensive land use accessibility
* Integrated transport is a transport system that seeks to minimise use of scarce resources and maximise use of more, low impact forms of travel
* Integrated transport is where the component modes / activities are developed and managed to achieve the overall goal rather than the success of a single element
* Integrated transport is about recognising that many community beneﬁts can be achieved by a complete transport system such as health, environmental protection, and social connections
* Integrated transport is understanding transport as a social determinant and that transport policy can be used to achieve other seemingly unrelated local government goals
* Integrated transport needs integrated transport funding to ensure that each particular transport component is funded and managed according to an overall goal of community mobility, rather than the particular success of any one element of the system
* Integrated transport needs funding to ensure that levels of service of one particular mode are not improved relative to that of others, unless intentionally to correct imbalance others, or refocus on broader community goals
* In more developed transport systems, integrated transport can be as major as a single coordinated public transport ticketing*[[7]](#footnote-7)* system and all that implies, and as minor as ensuring that there is a pedestrian crossing at the railway station, shelter, a timetable at the bus stop and a bike rack near the shops.

In conceptual terms, the idea involves a backbone grid of very high quality public transport services operating across the metropolitan area of a city. The grid must be dense enough that passengers can get to it easily from their origin or destination, ideally by walking. Once they’re on it, they can transfer between services at each node, giving them the ability to go ‘from anywhere to anywhere at any time’ rather than just to the CBD. However, the problem of public transport network planning is accentuated in dispersed urban settings where the density of land-uses such as homes and workplaces is relatively low. In Kampala, it will be necessary to have a hierarchy in service quality, with some services in areas of low patronage potential operating at lower frequencies feed by taxis or boda-bodas.

Discussion of the network approach is also frequently embedded in discussion of strategic issues – for example, whether or not it can work successfully unless it’s owned and managed by government; whether it should be approached as a replacement or competitor for cars, or as a complement; or whether it can work successfully in low density residential areas like the outer areas of capital cities. These are complex areas beyond the scope of the policy paper but the key point is public transport in cities should be planned as a network so it gives users access to all parts of the metropolitan area and its centre.

**7.3 Integrating public transport modes in Kampala**

With the lack of infrastructure for pedestrians and cyclists and poor public transport services, it is not possible to fully integrate Public Transport. This needs to be achieved incrementally; guided by the guiding principles proposed above. A desirable integrated scenario for Kampala, once the BRT is in operation, is demonstrated in the following diagram.

**Integrating Public Transport Modes in Kampala**

|  |  |
| --- | --- |
| Areas served by BRT  with the CBD as trip destination | By private vehicle to the nearest BRT station if ‘park and ride’ facilities are available  **or**  By foot for short distances or boda-bodas to the nearest BRT station. For longer distances over low density routes by taxi or by midibuses for dense routes to the nearest BRT station |
| Areas served by BRT  with the CBD as trip origin | By foot to the nearest BRT station located within the CBD |
| ­­  Areas not served by BRT with origin or destination in the CBD | By private vehicle to CBD with increased parking facilities located near BRT hubs with higher parking charges being introduced  **or**  By foot, boda-bodas or taxi to the nearest midibus bus stop |
| Areas not served by BRT with a non-CBD origin or destination­ | By private vehicle  **or**  By foot or boda-boda for short distances, for longer distances by taxi over thin routes or midibus over dense routes. |

***Full integration is what the Public Transport Policy should always aspire to even where this may not be fully achievable.***

As clearly espoused in 2013 BRT design reports: ‘Unregulated, direct competition between BRT and taxi should be avoided as this may adversely impact on the business cases of both systems. Also, from the point of view of public interest, it does not make sense to invest in BRT infrastructure and at the same time allow the private sector to compete with the BRT.’

***Unregulated, direct competition between BRT and taxi/midibus/large buses will not be permitted unless demand cannot be met by the BRT during its hours of operations.***

**Simplified integrated network route structure with BRT is in Operation**

**AREAS NOT SERVED BY BRT**

BRT Station



Feeder Bus Stop



High Rise Parking



**CENTRAL BUSINESS DISTRICT**



**7.4 Integration timetable and actions**

A timetable for integration should be prepared and affirmative steps taken without further delay. This cannot bedone by the KCCA alone and a suggested institutional arrangement to start the ‘ball rolling’ is provided in Section 9. With the planned introduction with the BRT there is danger that important public transport actions will be deferred until the BRT is in full operation. This will be about 5 years hence. In the meantime, traffic congestion will get worse.

In fact, a certain amount of integration can start now, for example by restricting boda-bodas from entering the CBD and forcing those passengers using the boda-bodas to transfer to a taxis or completing the rest of their journey by foot. Providing better pedestrian facilities and giving them priority will encourage walking and lead to a greater level of integration to transport hubs and bus stops.

***Steps to achieve integration should begin immediately and not wait until the BRT becomes operational.***

As a journey start on foot adequate and safe pedestrian facilities will be needed. This includes footpaths and crossing in built up areas. Such facilities are badly lacking and where they exist are either in poor condition or non-functional.

As highlighted in the NMT Policy, in Kampala, nearly 50% of all trips are made by walking. Even among the high income group, 45% of all trips are by walking. However, the importance of this mode of transport is not reflected as a priority if measured against the funds made available for pedestrian improvements. It is essential that this recognised by way of incorporating pedestrian facilities including footpaths, crossing and lighting in any new road and rehabilitation projects occurring in built-up areas and areas where there are safety issues.

To address this matter, all new road projects need to be audited to check that adequate provisions are made. It is also recommended that about 5% of roads budget for each agency responsible for the construction, rehabilitation and maintenance of roads in the Greater Kampala Area is apportioned to pedestrian facilities. The Minister of Works and Transport could mandate this for his departmental road budget and facilitate that a similar provision is made by the other authorities.

***The provision for funding pedestrian facilities need to be given priority in all road development and rehabilitation budgets.***

Pedestrian facilities on existing roads: a list of priority needs should be prepared and costed by each authority for implementation. A renewable ‘rolling contract’ could be awarded to a suitable contractor to carry out the work at various locations on a co-funding basis between authorities rather employing a lot of small and separate contracts. Working together will ensure conformity of standard and a better indebtedness amongst authorities of the importance of pedestrian travel as a component of travel.

***MoWT and KCCA and the other local authorities in the GKMA should work together to co-finance the provision of pedestrian facilities and implement works using a common contract.***

With the introduction of the BRT, there will be a need to rationalise taxi services on the routes that BRT operate and for the introduction of buses, details of which are covered Report 3 of February, 2013, which states ‘The transformation of the taxi industry is to be based on an integrated network approach, a step-by-step modernisation and a gradual transition. Unproductive competition between BRT and taxis should be avoided. Taxis should not fully overlap with the BRT lines but offer complementary services. This may include parallel operation of taxis along limited sections of the BRT corridors. Consultations with KCCA and UTODA are recommended with the intention to reach consensus over the location of future taxi parks and BRT interchange stations.’

Meaningful integration will only be adequately achieved if each public transport mode operates in a hierarchical manner with boda-bodas feeding taxis and taxi and mini buses feeding the BRT routes to the extent possible. This requires a network approach supported by non-motorised transport.

The restructuring of the taxi industry is covered below in Section 9– Institutional and Regulatory Requirements.

1. **Issue 3 – Restructuring Low Volume Carriers and Introducing High Volume Carriers**

*‘How can the current low volume carriers (boda-bodas and taxis) best be phased out in favour of high volume or mass transport delivery systems?’*

* 1. **Introduction – Vehicle size and type appropriate for Kampala**

Low volume carriers (boda-bodas and taxis) each have a place in Kampala. This means it is not practical or wise to phase out all low volume carriers. Rather, where and how they operate is important. Certainly there are overwhelming reasons to phase out low volume carriers over many routes and areas, but this cannot be done without introducing higher volume carriers at the same time.

***Low volume carriers (boda-bodas and taxis) should not be phased out but regulated to operate on routes and areas which compliment a network approach.***

There are many factors which need to be considered for the selection for most desirable vehicle as outlined in Section 8.3 below, but at this stage, because of high level traffic congestion, lack a network approach to public transport and limited road space only midibuses should be considered for replacing/supplementing taxi buses. These are buses between about 7 and 8 meters long, carrying 25-to-35 seated passengers, sometimes with accommodation for additional standing passengers. These are commonly referred to as midibuses.

***Taxi numbers can be reduced on some routes by introducing midibuses and larger buses on selective urban routes.***

* 1. **Phasing out boda-bodas**

In a congested city such as Kampala the boda-bodas provide a much needed service. They:

* Are highly efficient
* Are aproven way of extending the reach of public transport into low density suburbs
* Create employment
* Serve particular destinations/areas not served by taxis
* Can operate widely, irrespective of road condition. As long as a path can be accessed by foot, it is almost usually accessible by a motorcycle
* Can potentially provide a useful service as feeders from low density suburbs to main corridors together with taxis and buses; but to fully exploit their potential, they need to be regulated and their operations integrated within the overall sector strategy.

A total ban on boda-bodas cannot be justified, nor is it desirable, especially where there is no adequate alternative means of transportation. In most developing countries, motorcycles are part of the essential mode of transportation and are an integral part of the transport system. The demand for boda-bodas services may decrease once modal shift occurs when alternative services become available.

3 options are worth considering for Kampala, these are:

***Option 1*** - Ban all operations in CBD and possibly on certain main arterial roads

***Option 2*** - Ban all operations in GKMA (but at the very least some level of restriction)

***Option 3*** – Rationalise and regulate services.

Option 1 is desirable and may be possible under a regulated regime over time if the taxi industry is restructured. A total ban on boda-bodas (Option 2) is considered unrealistic for the reasons mentioned above. Many cities in Africa have tried a total ban with the end resulting being in turmoil.

In fact in many Asian, African and Central American cities motorcycle taxis play an important role as one of public transportation modes. In Bangkok, for example, the Thai government was the first to impose regulations upon motorcycle taxi service that included motorcycle taxi drivers’ registration and fare rate. Under a regulated regime it revealed that the motorcycle taxi drivers’ behaviour and its service system have drastically changed for the better.

Option 3 is the immediate policy recommendation, and the industry need to be regulated to include:

1. Reclassification of the type of motorcycles into private use motorcycle and public use motorcycle which will legitimise the motorcycle taxi drivers to legally hold public motorcycle driving licence
2. Registration of the motorcycle as a public use motorcycle with different colour registration plates to private use motorcycles
3. A boda-boda drivers licence
4. Possibly area licence
5. Dedicated waiting areas
6. Regulate for better safety including boda-bodas operators to have two helmets which are clearly labelled with the bike’s registration number.

And possibly at a later stage:

1. At a later stage boda-bodas motorbike taxis could be painted in accordance with their areas of registration and in which they operate
2. The provision of an affordable motorbike taxi meters*[[8]](#footnote-8)* as those being fitted in Bangkok.

***Regulation of boda-bodas operations is recommended along with restrictions on their use in the CBD once the BRT is in operation.***

To start the ‘ball rolling’ the Government needs to start engaging more with the bods-boda industry to make the changes necessary for the overall good of public transport in Kampala.

***The Government will engage with boda-bodas operators to promote modernization of their services and to promote them as a feeder service in an integrated public transport network.***

* 1. **State of the taxi industry*[[9]](#footnote-9)***

At present, the taxi industry in Kampala comprises approximately 6,000 vehicles. The vehicles in use are predominantly second hand vans converted into 14-seater minibuses. The taxi network includes 388 routes and most of routes terminate in the two main taxi parks in the city centre (Old and New Taxi Park). This implies that many customers need to make a transfer and pay twice to reach their destination.

For people with a low income, taxi fares are relatively expensive and for the majority, paying twice on a single trip is a luxury they cannot afford. As a result, a substantial part of the population is obliged to walk to and from work and school while only a minority choose to cycle.

***Ownership***

A pronounced characteristic of the taxi industry in Uganda is the distinction between taxi owners and taxi drivers. The prevalent business model in the country sees a smaller number of individuals who own the vehicles and lease them to a larger pool of drivers for a fee. In general, taxis are owned by middle- and upper -class professionals with means (e.g. business men, civil servants and politicians) for whom the taxi ownership is a form of investment. These owners tend to operate as silent partners and are not usually directly involved in the day-to day operation of the vehicles.

***Business case***

The business case of taxi operation can be summarized as follows*[[10]](#footnote-10)*:

* The owner leases the vehicle to the driver for a fixed fee, estimated at UGX 50,000 TO 70.000 per day. The owner pays the bills for repair and maintenance, and pays a monthly fee to KCCA
* KCCA receives fees for each taxi (UGX 120.000 per vehicle per month) and the revenues constitute a substantial part of the city’s income
* The driver pays a daily fee to the owner, pays the fuel and the conductor and collects fare revenues from the customers. Fares are distance-related. Typical taxi fares are around UGX 100 per kilometer.

Both the owners and KCCA profit from this business model. Drivers generate only a fairly low income as a result of strong competition.

Drivers determine the modus operandi: Taxis do not follow a schedule and depart only when the vehicle is full. The main reason is the relatively high share o the fuel costs in the driver’s variable costs.

***Free and informal market***

In essence the taxi industry operates as a free and informal market. The main taxi union UTODA (Uganda Taxi Owners and Drivers Association) assigns routes to its members, i.e the industry is self-regulating.

The Transport Licensing Board (TLB) issues licenses. In addition, TLB has the facility to determine and distribute routes but in practice this is left to the industry.

* 1. **Phasing out taxis**

As stated applicable to boda-bodas above, the total phasing out of taxis is not considered feasible or sensible. What is required is a restructuring of their services and the implementation of an appropriate regulatory regime and formalised route structure. This will need to be done before the introduction of BRT services. The BRT will put pressure on reducing taxis numbers and the need for the reallocation of their services to other routes. The reduction on BRT routes will be substantial as the maximum design capacity of BRT is 9,000 passengers per hour which is equivalent 643 taxis per hour in each direction.

* 1. **Introducing high volume buses**

The key issue to consider here is ‘what is the right mix of bus sizes’. In determining this issue, there are a number of considerations, namely:

*Scales of economies:* the cost efficiency of bus transport depends on economies of scale, and other factors discussed below.  Generally, ‘the bigger the better’ – as long as the bus is consistently loaded to near 100% of its seating capacity.

The optimum size of bus therefore varies according to the passenger loads on its route. Where there are very high passenger volumes (major urban commuter routes and inter-city arterials) sufficient to consistently fill very large buses, far superior economy and efficiency will be achieved by using the largest possible buses – ideally buses which could carry many hundreds or even thousands of passengers per trip. That is why all the most economical and efficient mass transport systems in the world use trains. Their economies of scale are unrivalled.

*Busiest routes:* therefore, in the most densely populated commuter routes/zones, where appropriate infrastructure exists, or can be readily established, the optimum form of mass passenger transport is a mass transit system (railway/BRT).

*Lower volume routes:* however, very large buses become progressively less efficient as their occupancy falls, to the extent they can be the least efficient option where occupancy levels are consistently around 50% or lower.  It follows that a midibus (usually 26/30-seater) is more economical and efficient than either a larger or smaller bus on routes where its occupancy is likely to be near 100%; in turn, a 14-seater minibus is most economical and efficient on the lowest passenger volume routes.

Bus sizes should therefore be assigned to routes according to the passenger volumes on those routes, to achieve near full occupancy at the desired frequency of passage.

*Road compatibility factors:* a further important consideration is the width of roads (and hard shoulders for bus stops). There are numerous peri-urban roads which are not wide enough to properly accommodate two 60-seater or 26/30-seater midibuses passing in opposite directions.   Use of 26/30-seater midibuses in these locations is dangerous (especially to cyclists and pedestrians), disruptive to all other traffic (prevents overtaking and forces on-coming vehicles off the road) and mutilates road edges, which become both damaging and dangerous to all users.  In these locations, unless and until the roads and shoulders are widened, 14-seater taxi buses should prevail and 26/30-seater or larger buses should be prohibited, even if passenger loads justify their use.

Similarly, 14-seater taxi buses might justifiably be prohibited from routes where the roads and passenger loads make larger buses practical and intrinsically more economical and efficient.

*Road space utilization***: i**n addition to economic factors, road space is a key issue.  To illustrate:  In motion, *any vehicle* (irrespective of its size) requires a space of circa 10 metres in front, 10 metres behind and two metres either side of its own body. A 14-seater therefore occupies 150 m2 of road space (more than 10 m2 per passenger). A 60-seater bus occupies 220 m2 of road space (less than 4 m2 per passenger). It follows that transport of large numbers of commuters by minibus taxi requires nearly three times as much road space as transporting the same number of people in large buses. The 26/30-seater falls in most respects between these two extremes and therefore offers the most economical and efficient option in the intermediate niche.  It is less wasteful than a minibus in high traffic zones, and less wasteful that a 60-seater bus in low traffic zones.  While thus very flexible, it is the optimum choice in only a very narrow band of conditions.

***The 26/30-seater falls, in most respects, between these two extremes and therefore offers the most economical and efficient option in the intermediate niche.***

*Size choice:*  a simple graph can be plotted to show the road space efficiency per passenger of the three main types of buses, depending on their occupancy.   Similar graphs can be plotted to show fuel efficiency and other capital and operating costs per passenger km. These will illustrate the over-riding importance of occupancy levels in choosing the optimum size of bus, and that:

* the 60-seater, if running fully occupied, is by far the most economical and efficient in purchase price, fuel consumption, other operating costs and road space usage.
* The 26/30-seater becomes comparatively more economical and efficient than a 60-seater filled to less than circa 50% capacity
* The 14-seater becomes comparatively more economical and efficient than a 26/30-seater filled to less than circa 50% capacity.

*Conclusion:*GKMA needs buses of all size classes, but each size class should be used on routes where it offers optimum economy and efficiency to users, and where it is least dangerous, disruptive or damaging to other traffic and the road. For optimum economy and efficiency and because buses cater for such an overwhelmingly high proportion of all personal mobility, buses should be allocated dedicated road channels (lanes) in urban areas where this is physically practicable such as with the planned introduction of the BRT.

***GKMA needs buses of all sizes, but each size class should be used on routes where it offers optimum economy and efficiency.***

***Buses designed for urban commuting should be introduced (not tour buses which are in current use).***

***­***

**8.6 Future contract arrangements for bus operators (non-BRT operators)**

The process used for the introduction of Pioneer Easy Bus services reveal the shortcomings that are currently prevalent in the industry and with the regulator. The fiasco that resulted should serve as a lesson to such future ventures to make sure they are properly structured and formalised.

Shortcomings by the operator:

* Optimistic business plan
* Lack of corporate governance
* Board unable to reach consensus
* Revenue leakage
* Lack of fleet management system
* Lack of working capital
* Low vehicle utilisation due to frequent breakdowns
* No workshop facilities.

Shortcoming by Regulator/Authorities:

* Lack of expertise
* Lack of transparency
* Lack of enforcement
* No integration between the taxi and Pioneer services – buses were competing on same route as taxis, although it is understood that the original plan was to ban the taxis from major routes to relocate them to feeder routes, but this did not really happen
* Lack of infrastructure to permit better fleet utilisation.

In future, new bus services need to be operated under service contracts which provide consistent fares and service standards for the customer. Such concessions being awarded to bidders which have a minimum fleet size, say 25 buses. For efficient operations, as well as cross subsidization, a number of routes need to be bundled for bidding. Small operators can participate by forming cooperatives, so that they can fulfil the criterion of minimum size of fleet. Whether on public private partnership or public sector model, Kampala city transport should be managed by a SPV (Special Purpose Vehicle/Entity) such as the proposed MATA.

***In future, new urban bus services need to be operated under service contracts which provide consistent fares and service standards for the customer. Such concessions being awarded to bidders which have a minimum fleet size and can operate exclusively on particular route/s***

**8.7 Commuter Rail**

Within the Policy time horizon it extremely doubtful whether there will be sufficient funds forthcoming for meaningful investment in an urban commuter rail. There may be limited scope to use some existing rail track and right-of-way to provide a feeder service. Such a scenario will require a preliminary feasibility study as recommended*[[11]](#footnote-11)* in the Transport Master Plan.

Also, it must be kept in mind that whatever Government and Development Partner funds spent in one transport sector cannot be spent in another. Already there is a very substantial backlog funding needed for roads and no funds are being spent on public transport restructuring and infrastructure. Economics and other transport sector needs will likely dictate the future of commuter rail both on a national grid and within greater Kampala.

1. **Issue 4 – Institutional and Regulatory Requirements**

*‘How should the legal, policy and administrative / delivery arrangements in the city be structured to support effective, integrated public transport services that meet the needs of today and help to address the Kampala Metropolitan Physical Planning Vision 2040?’*

## Overview

In absence of a conscious public policy to organize the market and provide well regulated public transport systems, the diseconomies of the informal sector will grow and eventually compromise the very vitality and comparative advantage of a city. This will require an understanding of the sector governance or the institutions responsible for managing and regulating the sector, identify key stakeholders with vested interest in maintaining the status quo and those adversely impacted by the resulting distortions, and develop measures to improve information sharing and accountability. While the standard recipes for improving the sector performance are well documented in theory, the operational utility of those prescriptions need to be understood in the context of vested interests and well established alliances. For example, the growth of boda-bodas has demonstrated their utility from a public transport and private owner financial perspective. Solving larger social welfare issues and reducing their negative externalities requires recognition of the political environment within which they thrive and the need to address all issues in a holistic framework.

Fundamental to this argument is a need to develop a participation framework driven by open communications across a wide spectrum of stakeholders. The communications strategy will build on the strong elements of the current operations while putting an agenda for change in place while developing ownership and managing any resistance. Such an approach will enhance legitimacy, build stakeholder participation, and improve quality of decisions, making them reflect the interests of the public as a whole.

## Current situation

Currently there is no dedicated public transport planning unit or real capability within MoWT or dedicated budget for the provision of public transport facilities. KCCA seems to be better equipped with some public transport planning capacity. With the planned establishment of the MATA, DoWT and KCCA will need to support MATA in public transport planning and take a lead role for funding public transport infrastructure. KCCA would retain a leading role in the management of parking within its jurisdiction.

## Institutional responsibilities

The activities undertaken by transport institutions in the urban transport sector can be categorized into four main groups of activities and responsibilities:

1. Policy and Strategy
2. Regulation
3. Programme Management
4. Service Delivery

This approach has a number of implications for institutional development, for example, it:

1. identifies the need to establish clear strategies and policies so that those involved in regulating and delivering transport infrastructure and services have an explicit understanding of what is expected of them.
2. shows a need to separate conflicting functions, in particular to separate regulatory from operational activities, to avoid the conflict of interest that arises from institutions regulating themselves.
3. indicates the need for performance management systems that are transparent and hold managers and contractors accountable for delivery of agreed outputs
4. separates commercial activities from non-commercial activities (with the former being undertaken on a commercial basis.
5. reinforces the need for clear allocation of tasks to institutions to avoid ambiguity about which institution is responsible for each of them.

### Operators carry unmanageable risk

Most of the risk being carried by bus operators is out of their control, causing a severe negative impact on service. Operators carry all the risk but can manage only a small part of it.

Risk profile between players in urban bus operations

|  |  |
| --- | --- |
| **Controlled by Operators** | **Controlled by Government** |
| * Customer service | * Rules of engagement |
| * Bus operation | * Fare levels\* |
| * Spending decisions | * Competition levels |
| * Revenue collection | * Route planning\* |
| **Controlled by Market forces** | * Roads and infrastructure |
| * Fuel cost | * Traffic management |
| * Cost of finance | * Road works |
| * Cost of buses | * Land use planning |
| * Cost of spare parts and repairs | * System promotion and marketing |
| * Wage levels | **Dictated by external factors** |
|  | * Traffic congestion |

**\*** Those profiles marked in red are grey areas - although there is provision in the Traffic and Road Safety Act (1998), they weakly applied/regulated by the authorities. KCCA supports such interventions.

### Cost cutting, poor vehicle maintenance and reduced bus investment

When operators are faced with financial deficits or marginal profits, their natural survival response is to cut costs. The result is a decline in service delivery to the citizens of Kampala.

### 9.6 Difficult to regulate

Operators act under a set of economic incentives (working for their own survival) and yet are also under a set of technical regulations administered by public transport authorities such as (Transport Licensing Board) TLB. These economic and regulatory forces may be in conflict, and if this is the case, it is most likely that the economic forces will prevail as the stronger force; fuelled by the operators’ need to survive. The result is that the regulator is often frustrated in their attempts to improve and maintain standards.

### 9.7 Declining quality spiral and its impacts

The impact of the operator’s unsustainable business model feeds directly into a severe Negative Quality Cycle as shown in the figure below. Declining quality of bus services assists to stimulate greater dependence on private car use and thus creates more traffic congestion. This then impacts further on the bus operator’s financial viability as buses stuck in traffic do not generate income. This increases business risk and reduces the ability to invest in new bus fleets, further affecting service quality.

The result of this negative spiral is increasing pressure for government support and thus ultimately the cost will be borne by government; not only to financially support the ailing bus industry but also to invest scarce resources into the increasing demand for traffic infrastructure. When government is forced into a spending program for roads and traffic infrastructure it will divert funds from other priority areas and deprive essential social programs of funding. However road infrastructure will not solve the traffic crisis as more road space generates more car use. Ultimately the quality of city life will be degraded through poor air quality, noise, low mobility and urban degradation.

Declining quality spiral



*Source: ‘Bus Rapid Transit Planning Guide’ (Institute for Transportation & Development Policy, 2007)*

### 9.8 Identifying goals and objectives

The aim of the public transport reform process is to address the problems of the present system in a holistic and sustainable way. The key areas are (i) effective institutions, (ii) efficient operation and (iii) improved infrastructure coupled together with (iv) sustainable business model and (v) funding mechanisms. These components are often interrelated, so the objectives are grouped into two areas, (a) institutional and regulatory, and (b) physical infrastructure and technology, as follows:

***Government will modernize the institutional and regulatory framework for public transport in the metropolitan area***

1. ***Institutional and regulatory***

* To create a sustainable business model for government and industry which is able to support well-defined objectives for quality service delivery
* Allocating risks between parties where it can be managed
* Clearly define responsibilities and accountability
* Create sustainable mechanisms and ensure adequate levels of financial support
* Ensure tariffs are both affordable and able to support the desired quality of service
* Develop high operating efficiencies to keep fares and subsidies low
* Create incentives within the business models to encourage superior performance and include control mechanisms for service quality
* Improve equity between operators and the travelling public (address disadvantage of the poor)
* System planning to develop an integrated and coordinated network
* Integrate fares across the system to remove inequity and improve access.

1. ***Physical infrastructure and technology***

* Bus priority infrastructure to improve bus operating speeds (BRT system)
* Employ superior technology to improve system control, monitoring and performance via the BRT Control Centre and E-Ticketing system.

It is a challenging task to define a suitable management framework especially as there are objectives which appear to be in conflict with others (such as increasing quality standards and keeping fares low).

The key to achieving these aims, however, are relatively simple; to create the highest level of efficiency in the three main areas; fleet efficiency, operational efficiency and management efficiency. Achieving these efficiencies requires a ‘management framework’ that creates the right incentives for good performance, particularly in identifying the correct roles and responsibilities of the various players and to define ‘what they are good at’.

### 9.9 Modern approaches to public transport

The solution to managing public transport relies on properly defining the roles and responsibilities of government and bus operators. In recent years, bus reformists have promoted the idea of developing greater private sector participation under operator franchise models, hoping to gain private sector efficiencies (a franchise being an exclusive area or route operated under set conditions) and hoping a profit incentive will promote business development. Typically these franchises are won under a tendering process with operators bidding for the lowest amount of subsidy needed to provide a set level of services.

However, privatization and franchising has often been over-idealized as a solution and experience has shown that results have been mixed and generally fallen short of expectations. Operators are generally not good at service development, but instead are proficient at cutting costs. The profit motive often compromises service quality and economic forces are generally stronger than regulatory forces thus putting the regulator in a weak position.

Some privatized business models have worked where private operators are competent in business; able to develop services and where there is a competent regulator to manage the contractual/license framework. In other cases, operators simply have reduced costs below the contract sum (revenue and subsidy) to ensure they made a profit, adding little value to the bus system. As the operator carries the business risk there is little the regulator can do to improve their operations. Other models have included the private sector on a more contractual basis that is more centrally controlled by the regulator, and gives the regulator a stronger hand in managing the system.

The following section intends to address the question of how to organize the different stakeholders around an efficient and sustainable public transport system, in particular that of a BRT. For this, it will be necessary to (1) review which are the components of the system and which functions they carry out, (2) review the basic decisions that need to be made and (3) analyze the international benchmark related to BRT. Once these preliminary, basic analyses are performed, it is expected that key stakeholders reach an agreement on which is the way to proceed, to later develop details for the final proposal.

**9.10 General institutional framework proposed**

Previous recent transport studies have recommended a large array of measures to reform and strengthen the existing institutions responsible for transport. Most call for the establishment of new institutions. By doing this there is a real danger of conflict with, and/or duplication of, established arrangements. Sometimes it may be necessary to let new institutions evolve within a framework of a complete package of reform. Transition needs to be carefully sequenced. New authorities can be top heavy, political and/or have a Board of Directors who fail to ‘add value’. As a general rule, it is more effective and sustainable to build up the capacity within an existing institution rather than establishing a new organisation. However, there are clear exceptions especially where commercial activities are involved, and therefore, good economic reason for franchising, corporatisation or privatisation of activities; especially now with the proposed establishment of a BRT in Kampala.

As highlighted in the Kampala Urban Transport Improvement Project, the traffic scenario in any urban area is too complex to be handled by a single institution and this is also true for Kampala. The primary responsibility for urban transport planning, design and management isshared bythe KCCA and MOWT**.** Under current institutional arrangements it is doubtful whether the transportation and traffic situation in GKMA will be improved as it should. A concerted and unified approach is necessary and this should be initiated immediately.

Since the preparation of the National Transport Master Plan (2010) various recommendations have been made for the metropolitan area transport authority, now evolved as Metropolitan Area Transport Authority (MATA).

The proposed MATA structure would facilitate closer co-operation, co-ordination and harmonisation of effort. Resources could be pooled whenever it is considered that a more efficient and effective implementation outcome would be achieved. The MoWT will need to play a pivotal role in overseeing the performance of MATA, developing policies and assisting MATA in securing funds. Any proposed MATA programs and initiatives should be closely coordinated with all stakeholders particularly councils, transport operators, police and the public.

The GoU has therefore decided to establish a transport authority for Kampala in order to strengthen their capabilities for the planning and implementation of new transport systems provided for all of Greater Kampala.

MATA will allow the centralisation, in a single entity, the functions of planning, management and regulation of the transport system as a whole, while improving coordination with other agencies assigned to MoWT, and other departments and institutions at national, district and municipal levels.

A strong MATA will necessitate a greater participation of other public stakeholders with the authority to direct planning and invest in the transport sector. In this regard, the most effective short-term solution could be to complement the MATA technical staff with professionals from the other agencies involved, following common practice in different European and Asian cities.

**9.11 MATA functions**

MATA be the regulation institution of Mass Public Transport of Greater Kampala (BRT), for which preliminary general and detailed functions would be as shown in the Table below.

***The primary function of MATA would be to plan and procure public transport services in the metropolitan area***

|  |  |
| --- | --- |
| **Function** | **Tasks** |
| 1. Coordinating and monitoring the multimodal public transport system as a whole | * Monitoring of the public transport system as a whole * Detecting and identifying general deficiencies, needs or opportunities in the overall system (such as unresolved demands), and studying possible solutions * Activating Authority functions when it is required or addressing information to the responsible administration |
| 1. Planning of infrastructure and services | * Planning the public transport infrastructures and programming their implementation on a fixed timescale for all transportation modes * Defining the new infrastructure characteristics * Preparing the investment program and negotiating with responsible funding administrations * Following up the implementation of investments, ensuring the compliance of the planning * Preparing the planning instruments to ensure the coordination with already operating transport companies (Transport Operators) * Planning the services and establishing coordinated exploitation program with all service supply companies. Defining the operational aspects of all these services (routes, frequencies, etc.) |
| 1. Strengthening and Managing relations with public transport operators | * Preparing and defining service level agreements with private and public transport operators, including the definition of performance criteria * Preparing and managing the contracts with those private or public operators * Following up of the development and compliance of the contracts. Monitoring the performance of every operator |
| 1. Coordination of the funding of the system | * Preparation of proposals for financing agreements with the responsible administration for funding the running public transport services * Settling the financial agreements with the public authorities so as to cover the deficit on the services and the functioning expenses of the management structure * Preparation of proposals for financial agreements with the different system operators, linked with service level agreements of function 3. * Checking the income, costs and investments of the supplier companies for purposes of the content of the above sections. |
| 1. Fare policy | * Preparation and approval of a pattern of common tariffs within a financing policy which sets out the degree of covering costs with tariff income, and definition of a range of integral tickets * Definition of the ownership of tariff income from inclusive tickets and apportionment among all operators. |
| 1. Future regulation framework | * Development of projects commissioned by other Administrations to ensure compliance with the functions of the MATA * Study and preparation of proposals to the associated authorities for adaption of the outline regulations so as to make it possible for the Authority to exercise the attributions envisaged in the context of its competences |
| 1. Communication | * Definition and promotion of the corporate image of the Public Transport System and MATA itself, with total respect for and compatibility with those of the operators * Carrying out communication campaigns in order to promote the use of the public transport system among population * Advertising, information and relations with users |
| 1. Other functions related with mobility | * Development of studies for the evaluation of general mobility * Studying, proposing, applying and financing of measures for the rational use of roads and public spaces, without prejudice to local and district competences * Promotion of the culture of sustainable mobility |

In the proposed scenario, MATA most general function would be to coordinate and monitor the complete multimodal public transport system in order to detect general needs, deficiencies, or opportunities. This identification would be done in order to improve the system operation, and therefore, any detected problem would be studied and tried to be solved with MATA competences. In case the solution is out of reach of MATA functions, the information of the problem could be addressed to the proper authority or administration.

Other of the primary functions would be planning the infrastructures and services of the public transport system (including all modes), and programming their implementation on a previously fixed timescale. This would include programming the investments, supervising the corresponding projects and preparing the planning instruments to ensure the coordination of the different operators of the transport system. The operational aspects (routes, frequencies…) of these services would also be included in this planning, in order to coordinate the general supply of the transport system, fitting it with real demand of journeys on the transport system as a whole.

As natural follow-up from the previous function, MATA would also hold the responsibility of managing relations with public and private transport operators, including from the preparation of service level agreements, to the management of the contracts and following up of the development and compliance of them. The monitoring of the performance of every operator and the whole system would also be measured.

At the same time, this unique institution will be responsible for the funding of the public transportation system by preparing and managing foundation agreements with the different responsible Administrations, but also for the downwards financial flow with the public and private transport operators. The fare policy, highly related to this point, would also be a MATA attribution, involving the definition of the range of tickets used throughout the system, and the annual revision of its prices.

The planning of the future regulation framework should be also developed by MATA, by means of studying and preparing proposals to the associated authorities for adaption of outline regulations in order to permit the normal execution of the MATA attributions in the context of its competences. This role could include the development of projects commissioned by other Administrations to ensure compliance with the functions of the MATA.

Finally, the dissemination and promotion of the corporate image of the Metropolitan Public Transport System and the public transport in general, as well as communication with users would also be a function of the MATA. This role would be carried out with total respect for and in compatibility with operator’s rights.

**9.12 MATA Organizational Scheme**

The MATA will have a simple organizational structure with a Board of Directors responsible for decision-making and inter-agency coordination, and a specialised technical staff for the different assigned functions.

Preliminarily, it is proposed that the Board of Directors for the MATA be composed of all public administrations involved on the mass public transport system: MoWT, KCCA, Ministry of Finance, industry leaders and possibly some of the affected local administrations.

**9.13 Regulatory framework that supports a sustainable business model**

A root-cause analysis of the situation and an evaluation of improvement strategies show that there is actually only one approach that can be sustainable. It involves two elements: a viable business model and a regulatory framework that sets service standards and shares risk.

***The Business Model***

The private bus operation must have a viable business model, which provides a business opportunity in which operators can have *confidence to invest*. The objective is to harness the entrepreneurial and operating skills of the private sector to deliver public objective: efficient and quality public transport.

As in any business there are three essential components, these being:

1. *Sufficient revenue* **-** ableto cover costs and provide a return on investment. This means a fare policy that is commercial and provides the necessary income stream to meet all the costs of service provision including capital costs of new vehicles (and replacing them); the cost of bus maintenance and remunerating drivers and staff under formal and secure employment conditions and a profit. It may also require managing on-road competition, so that revenues are protected.
2. *Management of costs* **-** this includes preventative maintenance of buses, efficient service planning and maintaining commercial speeds, each of which will reduce costs.
3. *Being able to manage risk* **–** that is**,** managing the uncertainties and threats to the business.

The main focus for the business model, is therefore, *fare levels, fleet productivity and risk management.*This is not the complete solution, but it is an essential pillar to the framework of a sustainable bus system.

***Regulatory Framework***

The other pillar essential to performance is the regulatory framework. Private sector businesses, under market forces generally work to deliver value for money and a level of product quality to protect their reputation and to grow and prosper their business, giving an element of self-regulation. Companies that treat their customers poorly will, in a competitive market, eventually go out of business.

However, when it comes to bus services in Kampala, passenger demand is high, so there is no shortage of passengers (especially during peak hours), and where routes are assigned (by UTODA), operators have a captive market. This requires a regulatory framework to ensure service quality is maintained and the public transport needs are met.

This becomes an interesting planning exercise, to develop a regulation framework that delivers on each party’s objective; creates the right incentives for performance; removes negative behaviours and above all, achieves mutual satisfactory outcomes. A large part of the task is managing risk, making sure that risks are assigned to the party that can manage it best.

The biggest issue is ‘who takes revenue risk?’, because the party taking this risk will exercise greater power in the relationship.

If the Operator takes revenue risk under a net-cost contract, the revenue situation is not transparent*[[12]](#footnote-12)*, and the Authority has a weak position of influence on service outcomes. Any control or directive given to the operator can be opposed on the basis that it harms or disadvantage their position. Revenue is also assigned to a single operator, meaning some operators may be very profitable while other incur losses.

If the Authority (say MATA) takes the revenue risk (under a gross-cost contract that pays operators to provide services), the revenue situation is transparent and the Authority has a strong hand of control on service outcomes. Revenue is also more equitably assigned across the network between operators (gives the ability to cross-subsidise loss-making routes) and the Authority has the ability to build network revenue – creating value by ‘selling’ the integrated network not just selling single trips.

The contract between the Authority and the Operator is defined in the contract between the parties and should outline in detail, the roles and functions; responsibility and risk assigned to each party; the obligations and service requirements; and the methodology to manage the control and monitoring. Such a contract should give confidence to both sides, that rights are protected; fair treatment is ensured and that a proper mechanism exists to resolve disagreements.

**9.14 Establishing an effective regulatory regime for Kampala**

A review of the situation in GKMA, which has evolved in an almost organic fashion, indicates that the following Public Transport issues exist:

* Insufficient passenger-place capacity within the existing Public Transport fleet
* No route network inventory or plan to optimise the use of existing vehicle types
* No appropriate urban operator licensing system to control and influence the quality of Public Transport operations
* No urban route licensing system to control and influence the quantity of Public Transport operations
* No effective mechanisms to direct or influence vehicle types used on urban routes
* Severe on-street congestion that is both caused by and affects Public Transport operations
* Inefficient control of terminal operations, affecting CBD traffic movement
* By and large, taxis are currently unregulated as to fares, routes, drop off and pick up locations.

***Boda-bodas:*** many boda-bodas are operating in contravention of one or more traffic laws. Most boda-boda riders do not have passenger insurance. Few wear helmets, and even fewer carry helmets for passengers. Often riders do not have driving permits, and have had little or no instruction in driving. Their riding habits are generally poor, and few obey traffic signs and markings, or the highway code. As a result they are prone to accidents and are a danger to other road users, pedestrians and themselves. A third of all fatalities on Uganda’s roads are motorcyclists, and most of these are boda-boda riders. Hospitals are overburdened with injuries to boda-boda riders which could be avoided.

***Government will regulate boda bodas so as to ensure safety and efficiency for riders and passengers***

The objectives of policy for regulating boda-bodas should be to:

* To improve driving standards of boda-boda riders
* To safeguard drivers and passengers from accidents
* To ensure that passengers are insured so that in the event of an accident they have some recompense
* To improve the quality of service for passengers
* To safeguard passengers from criminal activity.

As already outlined in Section 8.2, Boda boda riders should have to register their motor cycles as public service vehicles available for hire and reward. Such vehicles should then be provided with coloured registration plates that differ from private motor cycles. This will enable the travelling public and traffic police to easily recognise bona fide boda-bodas. A small fee should be charged for registration that will include a portion for compulsory passenger insurance. Fees will be kept at a level that matches operational costs.

From time to time the Government should consultant representatives of bona fide boda-boda riders and the travelling public on fare levels. The Government should publish guideline fare levels that are consistent with a reasonable return for riders and that are in the public interest.

Boda-boda riders should have to register themselves as public service drivers, which can be done at the same time as applying for a driving licence. They should be provided with a high visibility vest with a unique number that will allow them to pick-up passengers in a given area. This will have the effect of keeping boda-boda services local and discouraging rogue criminal elements from operating.

Boda boda riders must comply with the law regarding wearing of crash helmets[[13]](#footnote-13). Registered boda-boda riders will carry a spare helmet for passengers. The rider will not be liable if the passenger refuses to wear the helmet.

There is need for massive education of riders and passengers about road safety issues. And, the Government should encourage the establishment of a formal motorcycle taxi association that has a code-of-practice.

***Taxis and buses:***

* A detailed survey of public transport routes for the city of Kampala needs to be carried out. UTODA has the most up to date details and has allocated people to manage stages along these routes.
* The routes then need to be properly gazetted as public transport routes, given a route number and a timetable the meets the travel demands of passengers it serves
* These routes then need to be properly allocated to public transport operators engaged after going through a competitive procurement process (see Section 8.6)
* Routes and operator performance needs to be regularly be checked.

**9.15 Financing public transport**

The first financing source for public transport is fare collection. However, pricing policies are often defined by public authorities and are designed to meet different objectives than profitability. One of the consequences is that the structures of fares do not necessarily reflect full commercial costs. The second financial resource for public transport networks is charging third parties for services such as advertising or property rentals (particularly shops in and around public transport stations). The amount of expenditure covered by these two sources of revenue varies from one system to the other but in any case they do not fully cover functioning and infrastructure costs.

***Government will reserve the right to regulate fares***

***Government will move towards and integrated fares and ticketing regime for public transport.***

In recognition of this situation, public transport financing also includes public funding. These compensations need also to take into account that public transport faces the competition of private road transport which does not incur the full costs it generates for society (infrastructure, wear and tear, pollution, noise, congestion, accidents) and which is not accessible to all.

Instead of funding public transport from the general public budget, it is also possible to use earmarked taxes imposed on the beneficiaries of public transport supply (employers, retailers, real estate owners). It is also possible to earmark revenues through the establishment of systems such as congestion charging, parking charges and fuel taxes which may fulfil the double objective of discouraging the use of private transport and finding new resources.

***Government will earmark transport charges to improve public transport***

With the basic state of public transport in Kampala, few avenues exist for the Government to charge operators for the use of publicly financed infrastructure. All road uses provide funds to the Government through petrol taxes and registration fees. The most viable option at this stage involves earmarked charging. Earmarked charges are distinct from general revenues, which can be spent on any legitimate purpose as decided in the annual budget (also known as the ring fencing or ear marking of a tax) is the dedication of the revenue from a specific tax for a particular expenditure.

Nevertheless, there are a wide variety of schemes available to fund public transport via earmarked charging. Most of them can be very effective in providing a stable and substantial source of revenue. These schemes are not only interesting as means of raising financial support for public transport systems, but also as a method of sending appropriate pricing signals to transport use (with the possibility to be integrated with more traditional general fiscal and regulatory instruments). At the level of the individual unconventional charging and taxation mechanism, it is possible to identify some that relate well to the principles of ‘fair and efficient pricing’ in that they involve at least some element of charging transport polluters. However, the majority of existing unconventional measures have evolved without reference to guiding principles of public finance. Most have been developed simply in order to generate funds to support public transport.

Major drawbacks preventing a widespread implementation are in the field of acceptability and transferability. Public (and thus also political) acceptability is difficult to obtain for a proposal to implement a charge or tax.

1. **Issue 5 – Immediate Steps to Improve the Public Transport System**

‘What are the immediate steps that can be taken to improve public transport service delivery and related integration in Kampala?’

The dilemma faced is ‘where to start’ the changes process. The first step should be the establishment of a high level Public Transport Working Group (PTWG) of about 4 to 6 members of senior policy officials with good understanding of public transport issues to drive the change process. The PTWG should report to the Minister.

The timing of many of changes/developments will depend on when MATA is established and the start-up of BRT services. Nevertheless, the process needs to start immediately and be properly managed in a systematic and proactive manner. An Actions Plan is needed to serve as a roadmap. Some milestone steps are listed and prioritised below; most of which can be undertaken concurrently if the necessary resources are made available and there is the will to make the changes. The Action Plan should be elaborated by the PTWG with realistic timelines.

Immediate step to improve the Public Transport System, inter alia, are:

* Establish a high level Public Transport Working Group of about 5 or 6 members of senior policy officials with good understanding of public transport issues
* Establish a timetable for the establishment of MATA
* Establish a *Strategic Planning Agreement* with operators – as outlined below
* Rationalise route structure for taxis to incorporate buses and BRT (pre and post BRT) – currently there are around 400 taxi routes and no bus routes
* Reinforce and formalise planning coordination among ministries on Public Transport developments
* Regulate and restructure taxi and boda-boda operations
* Prepare criteria for the introduction of bus operators
* Introduce midibus operations on selective routes using service contracts
* Sustained public outreach campaigns to encourage alternate modes in the form of a sensitization program
* Spot improvements to pedestrian/bicycle access to public transport
* Incrementally increase cost for private vehicle imports
* Incrementally increase licensing cost and make procedure more stringent
* Establish downtown parking restrictions – starting with future BRT routes
* Link land use planning to transport planning (mobility needs are largely determined by the current and future land use patterns in Kampala)
* Obligatory traffic impact studies for new developments.

***As an interim measure, until the establishment of MATA, the Minister for Works and Transport will establish a semi-autonomous BRT Agency to oversee BRT construction and to procure a competent operator***

The way forward in processing with operators is to start with getting agreement between operators and the Government on what they want to achieve, sort of a Strategic Planning Agreement.

The following step by step process is recommended, for example:

* First, the ‘socialisation process’ must build trust and openness, so there is no perception on either side of hidden agendas, and negotiations are in good faith
* Secondly, there needs to be an understanding on both sides that negotiations are within the sphere of commercial reality; commitments need to be paid for; there are no financial windfalls/ no golden handshakes; all dealings are realistic and business-like
* Thirdly, there are no unequal partners. The negotiations are between the public and private sector, where each side has its core objectives and a wish to develop a partnership where both sides benefit.

It is good to make the above points clear, sort of as an ‘opening statement’ of intention/mission and understanding. Then, before going into the detail of who gets what, how much and why, establish what can be called a ***‘****Strategic Negotiating Framework’*(SNF)that clearly develops a set of mutually agreed principles.

***That the Government establishes a ‘Strategic Negotiating Framework’ that clearly develops a set of mutually agreed principles with public transport operators***

Stress is on the ‘mutually agreed’ as both sides must completely agree on these, as it creates a common ground of agreements and becomes the mutually agreed objectives.

The purpose of this is to:

* Gets people agreeing early in the negotiation process and makes later disagreements seem mere detail
* Creates clear understanding of each other’s particular objectives
* Exposes agendas, desires, constraints at macro level
* Provide a platform of common agreement, that can be referred to later when disagreements surface.

The table below is an example of aims and objectives of each party that needs to be consolidated into one mutual agreement - a *‘Strategic Negotiation Framework’*.

Once agreement has been reached, it is likely that what follows is just the pure mechanics of putting the agreement into play. Where there are disagreements, it may help to refer back to the SNF to see which option best addresses the agreed objectives.

Other disagreements could arise on the metrics i.e. the way various items are measured, but these should be able to be settled in good faith.

For BRT operations, the future cost per km is a tender item, so there needs to be no negotiations or discussions on the cost of operation prior to the tender process. However, the government will know the benchmarks (from the Operational Model) – not present industry figures. Tender bids that are too low are naturally suspect and likely to fail, and if tender bids are all too high, then there is the possibility of collusion and the true market price has not been realised.

The best approach is to firstly find the bidder that has met all the ‘quality’ criterion, and has bid a competitive price close to the expected benchmark. This operator will clearly have understood costs and requirements, and shown competence.

If all bids are either too low or too high, then the evaluation will need to be on the quality of the bidder (financial strength, make-up of management team, experience etc.) and then negotiate with the bidder, a price per km based on benchmark expectations. The benchmark figures can be exposed, and the bidder can either accept or provide a case to vary the cost.

Failure to reach agreement may require negotiating with the No. 2 qualifier.

**An Example of a Strategic Negotiating Framework**

|  |  |  |
| --- | --- | --- |
| **Government Position** | **Operators Position** | **Agreement to be found** |
| * Improve public transport services on a commercially sustainable basis | * The status quo is unsustainable and future is not bright | * Agreement likely that change is inevitable |
| * Government wishes to invest in system improvements such as infrastructure and system management | * This is good, but we are part of the existing business, so we have 2 options: * allow us to operate our present business on the new infrastructure the system, or * be recognised as existing and affected operators with rights to either compensation or accommodation in new arrangements | * The new system is incapable of allowing the continuation of present arrangements because:   - the need to integrate ticketing and implement, build network revenue through network management’ (removing lean/fat route situation) means operators will need to integrate into the new system as contracted service providers. |
| * Has the obligation to select competent operators for good public transport outcomes * Public interest is prioritised over operator interest * Will use competitive tender to determine the new operators as previous ‘negotiated tenders’ have proven less than successful. | * Must be compensated for being displaced, or * Be able to have the opportunity to be part of new arrangements and business opportunity * How are losers compensated? | * Operators must agree on the public interest question and the right of government to select a competent operator * However, here the negotiation begins: * they agree on a competitive tender process as Government holds that compensation via the present PT has already been given (all involved operators have made money) * if this is not the case, some compensation for losers may need to be negotiated. |
| * Displacement of operators treated as a ‘resettlement issue’ meaning actual impacts are mitigated, alternatives found, and settlement is commercially realistic (calculated in real terms). * If operators are making financial losses, what can be the compensation? | * Compensation entitlement will be seen as payment for lost business, employment etc. | * Agreement on the resettlement philosophy, and agreement on how to measure compensation * Agreement on the entitlements included |
| * Government will not place rules on the structure of bidding companies and encourages the industry to make consortiums and alliances, however a true competitive tender process must exist (must have multiple bidders) | * While we each have our own interests at stake, we want to maximise our chances at winning a tender | * Once a competitive tender has been agreed to, the structure proposed by government is likely to be agreed to. |
| * Will accept business risk through system management (pay operators by km) under performance-based contract (PBC) | * Operate commercially viable business with fair returns and sustainable * Will accept payment by km on a PBC | * Likely to be agreed |

1. **Issue 6 – Organisation of the Public Transport System**

‘How should the public transport system for Kampala be organized, given the proposed introduction of a BRT, NMT system and possibilities of other modes of transport?’

### Fundamental changes are required to change the organization of public transport system; as described for public transport mode above in this Policy document. Such changes need to challenge the status quo by addressing:

### *Current governance a problem:* simply, the current governance structure for public transport in Kampala is too cumbersome and too unfocused to deliver an acceptable network. Like all the vehicle dominated cities, there is need for a public agency that has the powers and the single-mindedness to drive the reorganisation of Kampala’s public transport system.

### *Beyond governance*: a further obstacle to developing a modern public transport network in Kampala is the level of expertise among current transport planners/managers. Most have either spent their working lives holding together an old system which does not address the fundamental principles of public transport as outlined in Section 5.

*Improve level of service through market competition:* transport operators/companies need to start putting more emphasis on improving passenger service and satisfaction as they realise that the customer is the key to their existence. As in many countries the public transport market has been opened up to competition and the awarding of public transport contracts now takes place through tenders instead of the previous monopoly situations. Here the market is dictated through the vested interested of UTODA members.

*The organisational culture and dynamics of organisations responsible for public transport matters* have historically posed a barrier to change and are reinforced by long-standing policies, programs and regulatory frameworks, as well as deep-seated, change-resistant perspectives and attitudes on the part of many industry managers and those in the labour force.

*The quality of the customer experience has not fully emerged* as a dominant focus in the delivery of local public transportation services as it has in many other service and commercial enterprises. Performance measurement is dominated by operational, output-based measures.

*Public transportation organisations have been slow in the deployment of state-of-the-art information* and other emerging technologies that have become commonplace and, in fact, are increasingly expected by customers in most other markets and industries.

In many similar situations changes will only occur in response to a crisis in the performance of an organisation or in response to outside demands. There is evidence, however, that paradigm shifts can also be fostered by design, through the correct combination of leadership, insight, approach and resources. In either case, successful organisations manage and direct change through a continuous process involving the tasks, steps and activities highlighted below. No matter how large the contemplated change, a systematic approach is needed to guide, manage, and sustain fundamental change. According to the reference report cited below*[[14]](#footnote-14)*, four phases of change are typical in any organisation, regardless of whether the organisation is experiencing minor or major changes in the surrounding environment or whether its approach is proactive or reactive.

### A four Phase approach is recommended to guide implementation of public transport reform in Kampala using the mechanism proposed in Section 10. These four phases are:

* Phase I: Recognising the Need for Change
* Phase II: Leading and Planning Change
* Phase III: Making Change Happen
* Phase IV: Institutionalising New Approaches

***Phase I: The Need for Change***

During the initial phase of the change process, the need for change becomes apparent, broadly recognised and legitimised. For this to happen, the scope and breadth of change required needs to be recognised throughout the stakeholder organisations. Regardless of conditions in the external environment, the organisation must have the structures in place and the resources committed to continually assessing the need for change.

***Phase II: Leading and Planning Change***

This requires identifying and engaging a broad spectrum of stakeholders, particularly in support of public transport projects and funding initiatives. Leading and planning change requires some variation of the following activities:

* + committed leadership at the highest levels
  + the formation of a powerful guiding coalition
  + creating a vision
  + communicating the vision
  + planning for and creating short-term wins.

***Phase III: Making Change Happen***

The resistance to fundamental change in public transport organisations may be stronger than in other businesses and industries since the agility of public institutions has been constrained over time by layers of legal, regulatory and administrative requirements.

***Phase IV: Institutionalising New Approaches***

The ﬁnal phase of the change process focuses on ensuring that the organisation can continue to react and respond to changes in markets and the surrounding environment in which it operates. This phase of the change process requires transforming the organisation so that it can proactively anticipate and adjust to changing circumstances in the external environment and in the organisation’s evolving capability.

1. **Issue 7 – Private Public Participation (PPP)**

‘What should be the roles of the public and private sectors in public transport service delivery?’

**12.1 Introduction**

The term ‘public-private partnership’ is used to describe a wide variety of arrangements between government and the private sector in a contractual manner. It can provide services or infrastructure in a cost-effective manner by putting together the strengths of both the public and private sectors. Private Contract Services Approach is the most common form of private sector involvement in surface transportation projects and service delivery in which a public partner contracts with a private partner to operate, maintain and manage the system providing a service. There are two types of contract services: Operation and Maintenance; Operations, Maintenance, and Management under a long-term Lease or concession agreements. In that concession period, the private sector collects the revenue for the facility and pays a lease fee. Examples of this type of project include toll roads, parking garages, etc.

**12.2 Risks in Using PPPs**

A Public Private Partnership is a risk-sharing relationship between the public and private sectors. Therefore, the partner that is most qualified for a certain risk manages that particular risk. When establishing PPPs, there is a great deal of risk involved. The most common risk is that the private entity would fail financially and would not complete the project. Each project will have similar and unique risk components that need to be discussed and assessed in a risk matrix.

However, risks vary by project and type of PPP, and the public and private sectors must set the risk levels that they are comfortable with. Unfortunately, PPPs can also drive rent-seeking behaviour, and create signiﬁcant risk of improper collusion between political actors and politically preferred ﬁrms and industries. This harms not only taxpayers, but the economy at large, as political considerations distort critical investment decisions. Such shady dealings also serve to delegitimize and discourage privatization efforts and commercial infrastructure investment in general.

Increasing private sector involvement in transportation is a positive development, but there are right ways to involve private ﬁrms, and then there are wrong ones. Many of the problems associated with transport PPPs concern concession projects - those where private ﬁrms hold management and construction responsibilities, but not ownership, and those rights are transferred back to the state after a ﬁxed period of time. For the most part, the problems stem from the fact that merely transferring management fails to shift risk to the appropriate parties. Feasibility studies and trafﬁc forecasts are often overly optimistic, and political factors—such as opposition to tolls out of principle, shifting regulatory frameworks, and cronyism and a lack of competition in procurement and contracting— exacerbate the risk-sharing problems.

Unfortunately, concession projects remain the most popular form of public-private partnership in transportation. Government ofﬁcials are more likely to agree to a PPP project if they are able to retain ownership in the long run without taking on the ﬁnancial and construction risks. This is a serious problem. If government is going to engage in concession partnerships with private industry, it must accept that transferring all associated project risk—including inﬂation and exchange rate risk to ﬁnancing—to private ﬁrms will increase the total cost of the project. Likewise, if government retains too much risk (particularly in the construction phase), the resulting moral hazard to the ﬁrm signiﬁcantly diminishes the project’s chances of success and greatly increases the likelihood of cost overruns and construction delays.

**12.3 Possible PPPs for Public Transport and related services**

A number PPPs may be considered beneficial and applicable for the GKMA situation, including:

* BRT
* Taxi and bus operations
* Maintenance traffic and pedestrian crossing lights
* Parking facilities
* Maintenance of bus shelters of non-BRT stations
* Tow away contract in CBD.

**12.4 BRT System**

As arrangements for the operation and management of the planned BRT system for Kampala is the task of the current World Bank consultancy*[[15]](#footnote-15)*, it would premature to set a policy which may be inappropriate. Nevertheless, it is useful to highlight in this Policy document the main components and functions of a BRT system. No doubt the current consultancy will cover these and consult with government and other stakeholders on how best to design and operate the BRT system for Kampala. These comprise 3 key components – needed for the provision of an efficient public transport service:

* bus operation
* fare collection
* control and regulation.

The main components of a BRT system make up the structural functions on which the rest of the BRT functions are carried out.

Main components in a BRT system

There are many other functions but those accessory and of lesser institutional impact are listed below. The list serves to advance some of them so the principal can start thinking of them and eventually try to answer the question: who will be better suited to perform them?

* Construction of infrastructure: roads, stations, pedestrian bridges, cycle tracks, pedestrian areas, drainage, tree planting among others.
* Maintenance of BRT carriageways, terminals, depots, equipment, rolling stock (buses)
* Traffic management
* Property and personal security
* Marketing of the system
* Waste collection
* Fuel provision
* Power supply
* Land use planning, acquisition and re-development
* Tax collections.

*Bus operation* can basically be performed by a public entity, a private organization or a mixed entity. BRT bus operation requires a formally constituted organization that hires a set of drivers which will be then trained in the correct operation of buses. Once these capabilities are developed it is important to retain these professionals.

It is expected that these professional drivers receive better compensation for their higher skills and their long term commitment to the service they provide. The institutionalization of bus driving is expected to deliver better bus driving techniques, more comfort for the passengers and lower equipment maintenance costs in exchange for better pay and job security. Experience shows that one side of this equation will not work without the other.

The second component is *fare collection*. One of the main purposes of a BRT system is to operate a bus fleet with very high levels of efficiency. Efficiency relies highly on the average speed of the buses between the two terminal stations. In order to achieve this higher bus operational speed while preserving safety and security of the operation, it is necessary to maintain the driver’s attention on the road while moving, and on the passengers boarding and alighting when stopped at stations.

Collecting fare is an activity that distracts driver’s attention thus it needs to happen elsewhere. An option is to collect the fare with the help of an on-board collector, but a better solution to secure the fare box and gather operational statistics is to take collection activities out of the bus and into the station. This also allows using technology to improve administrative functions and for a speedier boarding of the buses.

Separating fare collection functions opens the opportunity for introducing an organization specialized in fare collection with the added benefit of radically increasing the integrity and security of the fare box, an essential element for funding the whole BRT operation. The higher the collection efficiency, the higher the chances the BRT operation will be self-financed and sustainable.

The third key component is the system’s *control and regulation:*  The success of a well-planned BRT relies on the execution of its functions within a frame of very precise standards of operation, thus the need for control of all operations based on a suitable regulatory framework. This means that there has to be an entity that controls operations of the whole system and is able to intervene in order to maintain a balanced and efficient operation. Efficiency, again, is a key factor for good passenger perception of the service and eventual financial sustainability of the BRT.

**12.5 Taxi and bus operation**

Under the current environment and status quo there does not seem to be any scope for PPP arrangement in the industry, but the possibilities are endless and need to be pursued. In fact the Government needs to get more engaged with the industry by establishing a sustainable and meaningful regulatory framework as described in this Policy to make this happen.

**12.6 The traffic signal maintenance**

A performance contract for traffic signal maintenance can be easily introduced. For example repairs can be carried to the following commonly adopted standards:

* All lights out at a junction or emergency action required: attention within two hours - operating 24 hours a day, including weekends and public holidays.
* All lights out at a pedestrian signal controlled crossing: attention within two contract hours
* Red light out: attention within six contract hours
* Amber or green light out: attention within 12 contract hours.

These are the maximum times as set out in the maintenance contract – most places faults are usually be attended to much quicker than these.

**12.7 Tow away contract for the CBD**

The unmanaged provision of parking in CBD adversely affects Public Transport. The management of parking in Kampala can be improved in many ways. One area that should be given consideration is the establishment of a tow away contract for vehicles causing an obstruction in controlled parking areas in CBD instead of the current arrangement where KCCA have contracted out a service(to Multiplex Uganda Limited) to using wheel clamps for overstays and parking in unauthorised parking zones.

**Terms of Reference**

**for**

**DEVELOPMENT OF A KAMPALA PUBLIC TRANSPORT POLICY**

## Background

Kampala is the administrative Capital of Uganda. The City is also the cultural, religious, political, economic and industrial centre of the Country. Kampala today accounts for almost 65% of Ugandan GDP, and is responsible for the largest percentage of the Ugandan tax base. It is one of the engines of growth for the entire Ugandan Economy.

Originally, the city was a midsized town planned to accommodate a population of one hundred thousand people, but Kampala’s population has now grown to 2 million with a significant daily in-migration for work purposes. This has put a significant stress on the public transport system with a radial road network that was designed to fewer motor vehicles than the current demand.

## Public Transport in Kampala

The collapse of the Uganda Transport Corporation that offered bus services to and from Kampala in the 1990s gave birth to the individualized approach to public transport, resulting into the current challenge of taxis and Boda bodas in the city. Taxis are 14-seater minibuses licensed as PSV’s by the Transport Licensing Board to operate for hire and reward but without any fixed routes. Boda-bodas are motorcycles operating as informal taxis. The level of service of public transport is very poor with no timetables, no fixed fares, no fare structure, no formal stops, no terminals, and no fixed routes. This results in long travel times, and a high level of noise and pollution

In 2012, an attempt was made to re-introduce mass bus transport in the city by the Pioneer Easy Bus Company operating conventional single decker buses. Routes were allocated to Pioneer using a specially drafted regulation under the Traffic and Road Safety Act. Bus lanes promised to the operator did not materialise, and despite promising patronage levels at first, the company soon faced financial problems. The services are now suspended following impounding of the company’s vehicles by the Uganda Revenue Authority for alleged non-payment of duties.

The current mode share in the city is around: 48% walk, 33% taxi, 10% boda-boda, 9% other, including private car.

Government in March 2010 created The Kampala Capital City Authority (KCCA) that transformed the city from local government into a central government Agency and Appointed the Executive Director as the technical head of the Authority reporting to the Minister for Kampala who is also the minister in charge of presidency.

The Government of Uganda is moving towards the implementation of Bus Rapid Transit (BRT) as a means of improving public transport. A pre-feasibility study in 2010 identified a BRT network and indicated the feasibility of the system for Kampala. In 2012 a full feasibility study and detailed design commission was let, and this study has identified a pilot route(s) of 22.5km. The study is expected to be completed in August 2013.

The implementation of BRT offers the opportunity to re-organise public transport in the city – a move towards franchised bus routes operated by formal companies with an integrated fare system. In any event, a firm legislative base is needed for tendering the BRT franchise alone.

The Ministry of Works Transport is about to engage consultants to draft proposals for a Metropolitan Transport Authority. Key functions of the authority would be the planning and procurement of an integrated public transport system.

The BRT consultants are also mandated to bring forward recommendations for the re-structuring of the taxi industry in the light of BRT.

## Need for Policy

However, all of the above is happening within a policy vacuum. A National Transport Policy drafted in 2002 was never approved, and policy development since then has been somewhat fragmented, due to a more paragmatic approach. As result, a Non-Motorised Policy was recently approved, and a Rural Transport Policy is currently being prepared.

There is a need for an urban public transport policy to set the direction for the re-organisation and improvement of public transport in the capital. A clear policy will assist the political leadership to see the above initiatives within the context of a coherent set of objectives.

These terms of reference are designed to guide the consultant in drafting such a public transport policy. The key concerns in the city today are:

* How to define the most efficient mode(s) of transport and how different modes of transport should be integrated, particularly in relation to taxis, boda bodas, bus, future rail services.
* How best to phase out the current low volume carriers (boda-bodas and taxis) in favour of high volume or mass transport delivery systems
* How to structure the legal, policy and administrative / delivery arrangements in the city to support effective, integrated public transport services that meet the needs of today and help to address the Kampala Metropolitan Physical Planning Vision 2040?
* What are the immediate steps that can be taken to improve public transport service delivery and related integration in Kampala?
* How should the public transport system for Kampala be organized, given the proposed introduction of a BRT, NMT system and possibilities of other modes of transport?
* What should be the roles of the public and private sectors in public transport service delivery?
* What are the principles for a transport system that addresses the divergent transport needs of different stakeholders

The policy initiatives should address these key concerns

## Study Context

The policy will encompass the urban areas in KCCA and the District and town councils of Wakiso, Mukono, Kira and Entebbe, considered to be part of the Kampala metropolitan area. The preparation of the Public Transport Policy should guide and inform the development of public transport services in this area.

Development of the policy should take account of:

* The2040 Physical development plan.
* There is no binding contractual obligation with any public transport provider in the city.
* There is a Rail line with defunct railways services that cuts across the city East to West.
* Government entered into a concession with RVR to offer transport of Goods along the rail line
* Ongoing studies to introduce pilot BRT and NMT facilities in the city centre.
* Plans to introduce a Kampala express way, in the form of an unsolicited bid.
* The rehabilitation and reconstruction of the road network is divided between KCCA and Ministry of Works and Transport, and Uganda National Roads Agency (UNRA).

## Public Transport Policy

The Public Transport Policy aims at providing guiding principles for all the actors in the delivery of Public transport while specifically enhancing KCCA‘s control, organization and management, as an essential contribution to the harmonious and controlled development of Public transport in the city.

It also aims, at answering the expectations of the population by enhancing different modes of transport in the most coherent and efficient multi-modal system possible.

The Policy proposes to integrate and develop all public transport means, in a manner that support growth and development in the city.

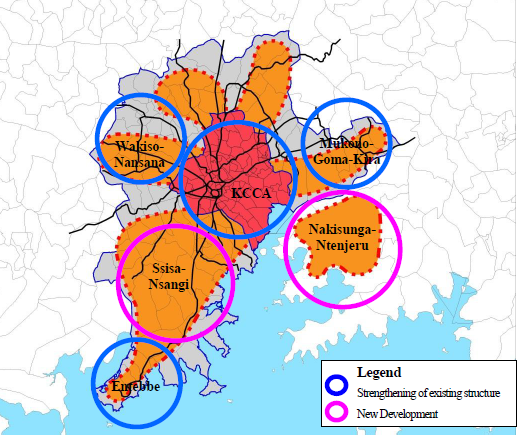
The policy should define the following:

* The Institutional Structure managing the Public Transport system of Kampala and its satellite cities.
* The legal, organizational and regulatory framework of public transport, highlighting the interactions between the public and private sectors.
* Preparation of an urban transport planning process and the necessary means.

## Consultation

The short time allowed for policy development does not allow for major consultation. This will be done by the Ministry of Works and Transport following the preparation of the draft policy. However, it is imperative that the consultant does consult with: KCCA , Transport Licensing Board, and Ministry of Works and Transport (MOWT). The MOWT will organise a meeting in the second week with other selected stakeholders to inform of the study and progress and to solicit views.

## Study Area



## Reporting

The consultant will report to the Assistant Commissioner, Policy Analysis in the MOWT. The assigned will last three weeks. The draft policy will be delivered at the end of that time.

1. *This section is mostly extracted from the TOR – see Appendix* [↑](#footnote-ref-1)
2. *Public realm is defined as any publicly owned streets, pathways, right of ways, parks, publicly accessible open spaces and any public and civic building and facilities.*  [↑](#footnote-ref-2)
3. *Creating people places concerns the design of urban space which takes into account the unique characteristics of a location, people’s enjoyment, experience and health, and encourages excellence and collaboration in the design and custodianship of urban places.*  [↑](#footnote-ref-3)
4. *For example traffic calming measures such as speed bumps as in current use.* [↑](#footnote-ref-4)
5. *These days, on high volume roads, traffic lights are preferred because they take up less space and are much better for pedestrians (you can just push a button and cross, instead of trying to walk around a massive gyratory, dodging free traffic at each exit). They also require drivers to make fewer decisions and are very flexible*. [↑](#footnote-ref-5)
6. *For example: where an alternative mode of transport is available changes in travel behaviour can reduce car usage (and correspondingly higher levels of walking, cycling and public transport use) by: providing people with information to correct misperceptions about the cost, convenience and amenity of alternatives to the private car providing people with opportunity and incentive to try alternatives in some cases (e.g. workplace, schools) making selective improvements to facilities to enhance walking, cycling or public transport options.* [↑](#footnote-ref-6)
7. *A ticketing system can ensure revenue integrity so as to avoid fare revenue leakage. It is usually the first step to the introduction of an integrated ticketing system.* [↑](#footnote-ref-7)
8. *These are MotoMeters: a tamper-proof, weather resistant device that uses GPS technology to calculate taxi fares. The device also serves as a black box, recording speed, acceleration, braking information, crash force, and whether or not passengers are sitting or have been ejected from their seats.* [↑](#footnote-ref-8)
9. *This section is extracted from the ROM, ARUP & AHC BRT Study, 2013* [↑](#footnote-ref-9)
10. *These figures are based on informal sources and the Consultant has not been able to verify them.* [↑](#footnote-ref-10)
11. *i. An assessment of the condition and practical feasibility and costs of rehabilitation of existing coaches to meet commuter service*

    *specifications should be undertaken.*

    *ii. Existing demographic data should be summarized to show cumulative catchment populations within a radius of one and two kilometres from logical station sites as potential service is extended outward from the existing central railway station.*

    *iii. Preliminary cost estimates should be prepared for the reintroduction of usable track structure in the western corridor, as well as for the construction of an all-weather road for bus rapid transit, based on a thorough inspection of the existing right-of-way and structures.* [↑](#footnote-ref-11)
12. *Operator can hide revenue, or make excessive profits while declaring hardship* [↑](#footnote-ref-12)
13. *According to common statistics in the USA:*

    * *Almost three-quarters of fatal motorcycle crashes (74%) involved a head injury.*
    * *Nearly all who died (97%) were not wearing a helmet.*
    * *Non-helmeted riders are 14 times more likely to be involved in a fatal crash than helmeted riders.*
    * *Every $10 bike spent on helmet generates $570 in benefits to society.*

    [↑](#footnote-ref-13)
14. *Emerging New Paradigms: A Guide to Fundamental Change in Local Public Transportation Organisations, TCRP Report 97, Transportation research Board, 2003* [↑](#footnote-ref-14)
15. *Consultancy Services for Feasibility Study, Detailed Engineering Design and Contract Preparation for Pilot Bus Rapid Transit (BRT) Route in Greater Kampala Metropolitan Area (Ref: MoWT/Srvcs/2010-2011/00154)* [↑](#footnote-ref-15)