



# QUICK GUIDE TO BUS SECTOR MODERNISATION





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# FOREWORD

Quality public transport is critical to the livelihoods of people and the economies of cities. Public transport is also necessary for alleviating traffic congestion and reducing local air pollution and greenhouse gas emissions. Unfortunately, public transport in the cities of many emerging economies is operated by individual investors who buy vehicles, apply for route licenses, and start operating. While these informal vans and buses provide a crucial service, customers often have to bear irregular, uncomfortable, and unsafe transport services.



Competition for passengers often leads to pedestrian and cyclist fatalities due to reckless high-speed driving. Vulnerable users have difficulty accessing crucial transport services.

In the worst cases, violence has been known to break out as rival associations compete for market share. Drivers, conductors, and other workers are trapped in low-wage jobs with no benefits and little job security, while the owners contend with a high-risk, low profit business with little opportunity for growth. Indeed, efforts to achieve the SDG Target 11.2, which call for providing “access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons,” can only succeed through a change from business as usual to a planned transformation of public transport services, particularly in the rapidly urbanising countries of the world.

This quick guide shows how some cities have broken out of this trap, creating high-quality bus services at affordable prices. A number of cities have demonstrated how a good public transport system can be developed by consolidating existing public transport service providers and by ensuring clear and transparent regulatory and oversight arrangements between public authorities and public transport service providers.

The road map to formalisation of the industry should involve existing owners and workers as full participants in the modernisation of public transport. At the same time, the government should have more control of the public transport sector through intelligent contracting, system monitoring, and enforcement. The process of modernisation supports the emergence of a safe, reliable, vibrant, and indigenous private sector, in a market managed by the public sector. The outcome of the reform process is a modernised bus sector that is able to provide mobility that is comfortable for citizens.

In the wake of the COVID-19 pandemic, it is particularly important to rebuild confidence in public transport by making it safe, affordable, reliable, and efficient and at the same time avoid growing dependence on the use of personal cars.

I hope that the Quick Guide to Bus Sector Modernisation will serve as a useful reference for decision makers in national and city governments as well as for public transport operators and citizen groups who are working to make public transport safe, efficient, affordable, and reliable for all.

A handwritten signature in blue ink, appearing to read 'Maimunah', with a horizontal line underneath.

Maimunah Mohd. Sharif

Executive Director, UN-Habitat and  
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# 1 INTRODUCTION

Public transport is a basic and necessary public service for any city. In cities around the world, many people depend on public transport as the primary means of transport. However, while some cities have achieved international recognition for their world-class public transport infrastructure and excellent operations, other cities have poor-quality public transport services, pushing potential passengers to use personal motor vehicles instead.

Great public transport services require both intelligent government regulation and contracting robust and effective private companies. Government's role in public transport operation varies widely. In the best cases, governments decide which public transport services to provide, then tender out these services through competitive bidding to modern quality-oriented companies. These modern companies are profitable, competitive, and provide high-quality jobs with benefits.

In the worst cases, governments play little or no role in public transport operations, and informal organisations dominate individual vehicle owners and operators. This comes at the expense of the passengers, who face poor-quality services, and of the crew, who work long hours for low and unstable pay with no benefits. In many cases, an outmoded fleet results in heavy emissions of toxic pollution, and the poor operating environment leads to dire road safety risks.

A growing number of cities in the developing world are recognising the benefits of increasing government involvement in the provision of this crucial public service. Governments can determine the quality of public transport service their city needs without having to assume the burdens of operating the system. They can drive the modernisation of existing bus companies or the transition from entirely informal public transport operators into fully modern bus companies.

This guide is intended for governments that want to take more responsibility over the public transport services being operated in their cities: in particular, cities where the bus systems are currently informal and unregulated. The pillars of public transport regulation and business planning in this guide are based on the authors' experience with bus and BRT systems across both the developed and developing world. The guide provides the building blocks for governments to create a competitive market in which multiple modern bus companies provide high-quality public transport service.

This brief summary of best practices includes details drawn from the BRT Planning Guide 2017, especially Volume 4, Business Plan. For users interested in additional information on how to establish an administrative body to manage public transport, see the BRT Planning Guide, Chapter 12, Institutional Planning. Detailed information on public transport operating contracts is available in the Chapter 13, Business Structure. Details on how best to transition from informal operators to modern operating companies are included in Chapter 16, Informal Transit Transition to BRT. Information on how best to subsidise and finance urban public transport is available in Chapter 17, Funding and Financing.

Figure 1. Nyanza terminal in Kigali, Rwanda.





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