

THE NAIROBI METROPOLITAN AREA MATATU SUMMIT REPORT CHANDARIA AUDITORIUM, UNIVERSITY OF NAIROBI

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THEME

**“Building the Capacity of Public Transport Providers to
Access Affordable Financing for Sustainable Public Transportation
in Nairobi.”**

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Executive Summary

The 2024 Nairobi Metropolitan Area Matatu Summit brought together key stakeholders from government, development partners, academia, public transport providers, and civil society to deliberate on sustainable public transport financing and capacity building. This inaugural summit addressed the challenges and opportunities within Nairobi's public transport system while aligning with environmental, social, and economic objectives.

Key Highlights:

1. Policy and Governance:

- Emphasis on strengthening legal and policy frameworks for public transport financing and operations.
- Calls for improved collaboration across stakeholders to avoid siloed approaches.

2. Capacity Building:

- Recommendations to enhance training for operators and management, integrating modern skills like data analytics, financial literacy, and fleet management.
- Proposals to formalize the sector to improve professionalism and accountability.

3. Sustainability:

- Exploration of green technologies, including e-mobility and climate financing, to mitigate environmental impacts.
- Advocacy for public-private partnerships to fund infrastructure and operational needs.

4. Inclusivity and Safety:

- Addressing the needs of vulnerable groups such as people with disabilities, women, and children in public transport design and operations.
- Commitment to socially just transport systems that are safe, equitable, and accessible for all.

5. Innovation and Technology:

- Adoption of digital tools for ticketing, demand analysis, and fleet monitoring to enhance efficiency and reduce corruption.

Outcomes and Recommendations:

- ☒ Establishment of a roadmap to formalize and corporatize the matatu sector for bankable projects.
- ☒ Recognition of the need for alternative financing models tailored to public transport operators.
- ☒ Agreement on leveraging technology and data-driven approaches for system transformation.
- ☒ Commitment to fostering partnerships among government, operators, and development partners.

The summit concluded with a shared vision of creating a safe, efficient, and inclusive public transport system that supports Nairobi's growth while addressing environmental challenges.

Welcome Remarks.

On behalf of the Institute for Development Studies (IDS), the Research Director extended a warm welcome to the Summit attendees. He expressed gratitude for the opportunity to cohost and co-lead the inaugural Nairobi Metropolitan Area Matatu Summit with NAPTA. Such forums are essential in providing a platform for meaningful dialogue about the future of the public transport system and its role in shaping Nairobi. The inaugural summit theme focused on financing sustainable public transport and building



Prof. Paul Kamau,
Research Director IDS.

transport providers' capacity to access such financing in Nairobi. The research director emphasized the roles of IDS and the University of Nairobi in transforming Nairobi's transport system. He acknowledged that while the sector has tried to meet the demands of Nairobi's growing population, the city's rapid growth presented ongoing challenges. As a premier research institute within the University of Nairobi, he acknowledged IDS's role in research, policy engagement, and capacity-building efforts to improve the quality, efficiency, and sustainability of Nairobi's public transport. Through data-driven advocacy, IDS has promoted effective policies for transport formalization, improved safety standards, and green technology adoption. Under the leadership of Prof. Winnie Mitullah and Dr. Anne Kamau, the Institute conducts research projects focusing on governance of transport sector, access and mobility, active mobility, paratransit, transport planning and policy and decarbonization. The Institute offers a master's degree program incorporating urban studies and public transport. In addition the IDS supports training in the areas of operators' technical and managerial skills. He noted that the transformation of Nairobi's transport system required sustained, multifaceted efforts involving all stakeholders—government, transport operators, academic institutions, civil society organizations, and the public. The institute will continue supporting the transformation of the transport sector through research-driven solutions and stakeholder collaboration. In conclusion, he emphasized that moving forward, there is need to focus on technology integration, enhanced transport sector organization, and environmental sustainability. These key areas would help meet current commuter needs while ensuring a sustainable future model. Collective action was also necessary to build a system that serves all residents—one that would be contextually appropriate, safe, reliable, efficient, and sustainable. He ended his speech by welcoming everyone once again to the summit.



The Executive Director of NAPTA began by expressing gratitude to all attendees of the forum on the future of public transport in Nairobi and Kenya. He emphasized that the forum provided a platform to discuss challenges and opportunities that would shape the public transport sector's transformation. NAPTA would be at the forefront in pushing for the implementation of long-overdue reforms.



Mr. Charles Aholi,
Executive Director - NAPTA.

Looking forward, the organization will continue to be a key player in mobilizing stakeholders to ensure inclusive participation, bringing policymakers, practitioners, academics, public sector, and the private sector together to chart the future of transport. The director further highlighted that we were entering a new era marked by technological advancement, which could enable efficient, reliable, and people-centric public transportation. As a non-profit civil society organization, NAPTA's aim was to shape public transport policy and regulation. The organization actively promotes policies that foster innovation, sustainability, and inclusivity. This involves close collaboration with government agencies to ensure policies address both operator and passenger needs. The organization also aims to advocate for smart regulations that support technological integration, such as unified fare systems, which have the potential to enhance efficiency, reduce environmental impact, and ensure dignified employment for workers. In line with sustainable transport, NAPTA will consider the sector's carbon footprint while ensuring that solutions like electric mobility are adapted to local contexts to minimize negative effects. In conclusion, he emphasized that NAPTA believed in creating a future for public transport that includes everyone, especially vulnerable individuals and communities. To maximize improvement in the sector, partnerships are crucial. Lastly, he noted that public transport goes beyond service provision as it is about creating a legacy of sustainable and inclusive mobility for all in Nairobi and Kenya at large. Kenya has the opportunity to develop efficient models that could serve as global examples.

Mr. Edwins Mukabana, Chairman, FPTs.

The Federation of Public Transport Sector (FPTS) Chairman's first remarks focused on capacity building in the public transport sector. He emphasized that transport operators and workers should receive training comparable to that of other professions. Drawing from his engagement with an educationist, who pointed out that the Competency-Based Curriculum (CBC) model lacked clear guidance about career paths in transport. To address this gap, transport studies needed to be incorporated into university and Technical and Vocational Education and Training (TVET) curricula.



Furthermore, he noted that capacity building needed to be extended beyond drivers and conductors to include management based on international best practices.

The chairman emphasized that upcoming funding discussions that would take place during the summit were crucial, as financing remained a major challenge in the public transport sector. The sector needed advocacy to enhance affordable funding and find solutions to existing exploitative financing models. The pressing issue in the public transport sector was the market failure. For the next summit, he recommended that the organizers directly engage with industry stakeholders share their views to enable other stakeholders to understand them and contribute to addressing their challenges.

On market failure, he noted that it was evident based on the oversaturation of public service vehicles, and the poor alignment between vehicle placement and actual demand. In the Nairobi metropolitan area, despite a 70 billion investment, questions remained about its optimal utilization. Addressing this market failure required a comprehensive network plan, which NAMATA needed to develop. While JICA supported this initiative, he stressed the urgency of completing the plan.

Furthermore, he noted that the market needed risk reduction measures, particularly in the third-party insurance model, as reducing risk would attract investment. There is a need for the improvement of terms of labor and practices to protect workers. The sector also required enhanced capacity in fleet management and technical expertise. He commended JICA's efforts in training NaMATA engineers, suggesting that other development partners should follow this capacity-building model to transform the sector. Additionally, corruption remained a challenge; it can potentially be addressed through improved ticketing methods.

In conclusion, he stressed the importance of operators developing data collection, analysis, and interpretation skills for informed decision-making. The sector would benefit from both fiscal and non-fiscal incentives, including bus prioritization. Lastly, he called for enhanced government implementation and emphasized the need for a comprehensive plan to formalize the transport industry.

Paul King'ori, Director for Road and Rail, State Department of Transport.

He began by apologizing on behalf of the Principal Secretary (PS), who could not attend the event. Before sharing the PS's speech, he acknowledged key figures in the transport sector. He mentioned Prof. Winnie Mitullah and her team's essential research contributions to the ministry, Mr. Edwin Mukabana's vital engagement with the ministry on sector



concerns, and Dr. Steve Mogere's role in mobilizing resources for the transport sector. He also recognized Eng. Githui and Eng. Muigai from NaMATA. While acknowledging many others he could not mention, he expressed gratitude for their contributions, particularly in the public transportation sector.

In the PS's message, he thanked the IDS for its efforts and emphasized that the forum represented a significant milestone in Kenya's public transportation journey. On current initiatives, the government has partnered with JICA on the ongoing capacity building for paratransit operators for the project on the Ngong road corridor. He called on NaMATA and JICA to also involve other private partners to ensure the sustainability of the project and to ensure the PSV operators were not lost in the BRT project. He noted the transformation would provide opportunities such as bus drivers being absorbed in the BRT and the touts being able to manage, clean, and secure the stations; this would be a win-win solution for all. He also pointed out that the theme for the summit was in line with the government's goal of an affordable, sustainable, and inclusive public transport system and job creation. He further noted that we were in an era where the carbon footprint and greenhouse gas emissions from public transport need to be mitigated. The challenges in public transport also presented opportunities for improved mobility and job creation.

To re-emphasize, he noted that a driver's investment to qualify to be on the road was very low at about Ksh. 20,000 compared to the vehicle owner's investment of about Ksh. 10Million. This brought in the need to develop a product that would enhance the capacity of the drivers to be more responsible with the vehicles on the road and to take responsibility. The insurance agencies could develop such a product to enhance the responsibility of the drivers through public participation.

To conclude, he called for collaborative efforts from all the stakeholders present to build the capacity of public transport operators to access affordable financing and create a sustainable public transport system. Additionally, Kenya. The government, a member of the COMESA project, is working on harmonizing public transport policies, which includes the harmonization of the Traffic Acts of participating countries. Hence, it was also important to build the capacity of PSVs to integrate into this wider system.

Prof. Mulaa began by highlighting the significance of public transport to the University of Nairobi fraternity as a majority used public transport to access the institution, which was situated within the Nairobi Central Business District and Nairobi metropolitan area. The university equally produced human capital in terms of engineers and researchers in the transport field. Speaking on behalf of the VC, he acknowledged the fact that the University had been at the forefront of transport research, and there was recognition of the need for accessible and affordable financing to facilitate reliable and safe



Prof. Francis Mulaa, DVC,
Research and Innovation (RIE),
University of Nairobi.

There was also a need to modernize transport modes by adopting technology to improve efficiency in fuel consumption and operational efficiency in terms of the use of GPS tracking, digital payment systems, and data analytics. Training of fleet personnel could also boost safety during operations Prof. Mulaa

further noted that traditional financiers like banks view investing in public transport as being too risky. The high interest rates and stringent collateral requirements excluded many public transport investors from accessing financing. To address these challenges, it is important to first develop financial products specifically geared towards public transport providers, like low-interest loans and vehicle leasing options, among other funding mechanisms. Financial institutions also need to have flexible structures, considering the unique variables associated with the public transportation business. Capacity building in tandem with financial literacy was very important as it was not enough to provide the financial resources but also build the capacities of the public transport providers. Training programs in financial management, business planning, and loan application processes could equip operators to access financing and use it effectively. The government, both national and county on the other hand, needed to create an environment to support access to affordable financing for public transport investors. Through Public Private Partnerships (PPPs), the government could offer incentives such as subsidies and guarantees to encourage financial institutions to lend to public transport operators. Additionally, providing supportive policies like green incentives and facilitative vehicle licensing could encourage growth in the sector. Lastly, the DVC RIE called on all stakeholders to work together to unlock the financial resources to support the sector noting as follows:

“The future of Nairobi public transport is in our hands and by empowering the transport providers we can have a brighter and more sustainable future for all.”

Technical Presentations

The Role of Development Partners in Building the Capacity of Public Transport Providers to attract affordable financing.

Dr. Stephen Mogere, International Development Expert.

Dr. Mogere, an international development expert, more so in the field of transport, began the session by sharing a statement he wanted everyone to remember. There was no free lunch in the development world, especially in financing. He noted that if we failed to bail out our country, our sector, nobody would do that. To respond to the question about the role of development partners in getting us to where we want to be, he drew from his experience in JICA. He recounted how, starting from 2006, they began specifically looking at 'the Nairobi we want', and this happened at the same time the master plan by UDD for transportation was born, and it brought up a lot of discussion. At that point, what was the role of development partners in achieving the set goals? He pointed out that they understood the transportation sector was the backbone of the city. Reflecting 18 years later, he noted that we had been in the same place far too long and needed to make progress. This is because it is well-known what public transport does for people's social mobility, economic stimulation, and its contribution to the city's sustainability. However, there were vast challenges, from inadequate infrastructure, funding constraints, and regulatory hurdles to environmental concerns.

Today, the development partners, he emphasized, can work with the government, communities, and all stakeholders to improve public transport. They can work together to make the transport system accessible, sustainable, and inclusive. He noted that it was well known that the Matatu sector was a highly indigenous business in Kenya. This was also captured in Ngugi wa Thiong'o's works. He reiterated that even at JICA, as they tried to formulate programs, he would emphasise that the matatu was not only about vehicles but also the culture, the people; it was us. What would then make the government look at the sector? He emphasized a lack of strong leadership, more so political leadership in the sector.

He further shared six roles development partners could play based on his experience.

- 1) The first responsibility would be to address the infrastructure gap to facilitate the building of a safe, reliable transport network in our rapidly urbanizing cities in Africa.
- 2) Provide financial support and investment to bridge the gap. He further noted that it was from this need that the Road Sector Investment Plan (RSIP) was born. However, it was yet to be implemented in totality, and there was a need to ensure no one was left behind. For development partners, there was need to provide

flexible financial options. Collaboration could also help in realizing these goals. Furthermore, alignment between the government and stakeholders could be beneficial in attracting financing and support. To emphasize, he noted that collective resolve and mindset must come from us.

- 3) To attract financing, it was important for the SACCOs and institutions to have a clear and effective governance structure as well as bankability. Sustainable institutions and the collective resolve and mindset were important in scaling up development in the sector.
- 4) Development partners could play a role in capacity building and development, as is done by JICA. However, it was important not to look at these initiatives in isolation. It was important to have synergy with other actors and initiatives. He noted that most projects carried out were done in isolation. Development partners could play a role in skill development and sustainability aspects. However, the question was, how could it be done collaboratively, including in universities, ensure that it can be translated into effective policies?
- 5) Policy development and governance. Creating an enabling environment for effective transport policies and regulations as well as streamlining regulations and improving accountability. For instance, in matters of safety standards, emissions control and setting up of affordable pricing of public transportation to make them more accessible.
- 6) Social inclusion was an area where development partners could work together with stakeholders. Making transportation inclusive for all. This was through ensuring that there are inclusive designs, especially for people abled differently and the elderly. There was a need to ensure fair transport pricing. For instance, as is the case of Japan, whose designs enabled the blind to walk without assistance and buses designed to support the elderly. How prepared are we to work together?

In conclusion, he noted that the role of development partners in Kenya, and other developing countries is multifaceted. We looked at them to provide the much-needed financial resources but also expertise, technical assistance and policy support. By working closely together with the local authority, communities, private sector, development partners could help boost a robust, inclusive and sustainable transportation network capable of driving economic growth and social development. Lastly, he noted that one might assume Nairobi is small, but it is one of the leading cities in urbanization growth rate, hence there is a need for supporting infrastructure.

The role of Government in building the capacity of public transport providers to attract affordable financing.

Eng. John Githui, and Eng. Abigail Muigai, Nairobi Metropolitan Area Transport Authority (NaMATA).

The NaMATA team made a presentation on behalf of the director, NaMATA. Eng. Githui began by reflecting on the previous presenter's words; he noted that when it came to policy and governance aspects, the government comes into the picture, as it was their responsibility.

Eng. Muigai began by appreciating the progress made so far in mainstreaming the conversation on public transport. As a civil engineer, she noted that when joining NaMATA, she had little knowledge of transport planning, more so public transport planning, as these areas were rarely covered during training.

Drawing from the 2010 data, she noted that an estimated 341,000 commuter vehicles used the Thika road corridor, and it was projected that by 2030 it would be at 622,000. These estimates were based on traffic count, and since then, NaMATA has made a lot of efforts and could confidently say that the Thika road corridor transports 500,000 persons per day using public transport.

To start off the presentation, she highlighted that the rate of urbanization in Kenya was high and is estimated to reach 4% by 2030. Consequently, 45% of the population in Africa would be living in cities. She noted that this will put a strain on our public transportation. Despite the current challenges, she equally noted that the public transport system had experienced some growth in terms of user and driver behaviour regarding aspects such as crowding in vehicles and reduction in disorderliness (pushing and shoving); this was partly as a result of the 2003 Michuki rules. However, many areas needed to be worked on to encourage a majority to use public transport. There is need for a paradigm shift from focusing on the movement of vehicles to the movement of people.

Reflecting on the 500,000 commuters using public transport on the Thika road corridor daily, she reiterated that the number only accounted for 40% of those who use the corridor. Another 40% of commuters used non-motorized transport; it was important to consider them during planning. The Matatu sector, a 20-50 billion industry, could also not be wished away, as they are part of the urban fabric. As NaMATA, they could not think of Bus Rapid Transit (BRT) independent of Matatu and last-mile connectivity. Consequently, it was important to transform the Matatu sector into one that offers reliable, affordable, and sustainable service that everyone can use. However, the Matatu sector can not do this alone. The government would need to create an enabling environment by playing the role of both a regulator and facilitator.

This transformation would involve:

- I. **Prioritizing public transport infrastructure:** Focus would be on developing our major demand corridors, providing dedicated public transport infrastructure with modern stations, efficient first and last-mile connectivity, and proper depot facilities for maintenance and overnight parking facilities that have been lacking in our current infrastructure provision model.
- II. **Enhancing sustainability through integration:** This would entail integrating various modes of transport – roads, railways, and others – to create a seamless and sustainable public transport network. This would also include promoting continuous stakeholder engagement and having transparent monitoring mechanisms. Carrying out extensive data collection is also essential in understanding passenger demands in the corridors. There is also a need to create a centralized platform, a Data Management Centre, where all stakeholders can access the data.
- III. **Empowering public transport providers:** The ongoing transformation presented a significant opportunity for public transport providers to corporatize and improve their viability for financing. This would also include aspects such as building their capacity in data analytics and down the line on cyber security. This would allow them to access funding for capital expenditure, such as acquiring new rolling stock, and balance that with operational expenditure, including proper maintenance of their fleets, an area where the industry currently struggles.
- IV. **Government would need to implement risk mitigation strategies:** Currently, operators bear all the risk on their own, making it difficult to attract investors. There is need to distribute risk between the government and operators.
- V. **There is a need to implement performance-based incentives, not only penalties, to incentivize the sector.**
- VI. **Reducing emissions:** The transport sector is the second highest contributor of greenhouse gas emissions in Nairobi. NaMATA is committed to leveraging climate financing and introducing e-buses to mitigate the environmental impact of the Matatu sector.

The government's role in building transport operators' capacity was very crucial. There was a need to create a form of career progression within the sector to incentivize workers, which could be possible through formalization. There is also a need for collaboration

with development partners, operators, commuters, and other government agencies. Once this is achieved, we can transform the transport sector into one that is inclusive, sustainable, and adaptable.

In conclusion, there is a need to support the transport sector in these three areas: establishment of a transport-focused model for operators, formulation of clear and transparent policies to attract private investors, and lastly, conducting continuous stakeholder engagement to ensure the policies and regulations remained relevant.

Panel Discussion 1: The role of Government and Development partners in capacity building and financing for public transport providers.

Moderator: Eng. Doreen Kirima – Kenya Urban Roads Authority (KURA)

Panelists: Dr. Stephen Mogere - International Development Expert, Eng. John Githui – NaMATA. Eng. Kuyaki - Nairobi City County Government, Mr. Polash Das - UNEP, Eng. Mercy Edna- UN-Habitat.

After introducing the panelists, the moderator began by posing a question to government representatives on the role of development partners and the government itself in addressing the issues they noted needed intervention to enable the public transport operators to access affordable financing.

The panelists noted that development partners and the government needed to address the infrastructure gap. However, there was also a gap in capacity building and access to information. Development partners can assist transport operators in creating strong transport companies that banks would consider for affordable financing options. To support the growth of e-mobility, the government can create an environment that facilitates the increased adoption of e-buses in the country.. The e-mobility framework could also facilitate affordable acquisition of e-bus fleets, and the government could take up training to improve operators' capacity and skills in company and fleet management.

To further the conversation on sustainability and financing, the moderator posed the next question to development partners regarding the major challenges in attracting affordable financing for public transport.

In response, the panelist noted that in most instances, as an organisation, they attracted funding related to climate action, such as initiatives aimed at reducing greenhouse emissions, such as active mobility and electrification. Hence, collaboration would be possible if the proposed projects aligned with the organization's goals and met the set requirements. Another area that development partners discussed was the strategies and

policies that existed in the country. It was noted that Kenya was already making progress, more so in the e-mobility space, as the country already had an e-mobility task force and a draft e-mobility policy. What was now lacking was an e-mobility strategic plan that incorporated climate financing and mobility; this could attract financiers.

To summarize the panelist response, the moderator reiterated the need for public transport operators to align their goals and develop innovative funding models. In line with funding, the moderator asked the panelists what one could consider affordable financing.

In response, one of the panelists noted that the focus should be on service and the long-term goal. This meant looking at a project, as one may be unable to find someone interested in funding anything below \$100,000,000/-. This implied that they would lack access to such funding based on how small our SACCOs are structured and the lack of aggregation in resource mobilization. Hence, corporatization and coming together were important. Concession was also important when considering affordability. He noted that a facility length of 7 years was optimal. Additionally, he noted that the current commercial rate was very high, and other options, such as international financing. However, one needed to meet the criteria, one of which was having a viable business plan.

Furthermore, development partners do not like working alone to lend money. They are interested in who else one had borrowed from; hence, they checked the Credit Reference Bureau (CRB) and looked at the other collaborators. In summary, he described affordable financing as concessional, with a long tenure and a significant project size.

The next question posed by the moderator to the development partner aimed to understand what affordable financing looked like, especially for a country like Kenya, which had an informal transport sector.

The panelist, in response, noted that for affordable financing to be available, it needed to be accessible. Currently, efforts have been geared towards increasing the contribution towards climate financing as what had been pledged was too little. Equally, accessibility was important in ensuring that the money trickled down to the end of the system. In regard to conditions for accessing the funding, the projects need to be geared towards reducing emissions. Other than traditional multilateral funding, it was also important for county governments to invest in public transport.

Another panelist noted that a feasibility study was important in terms of access to funding. One informed by known experts and preferably linked to other known projects. This is where he noted that the role of institutions such as IDS, and universities come in, to provide technical support.

In agreement with the panelist's views, the moderator moved on to the next question. What specifically needed to be done for public transport operators to access direct funding from development partners?

In response, one of the panelists reiterated that they could not access the finances based on how the public transport sector operated. There was a need to put their house in order. The Matatu sector needed to organize itself into a body that could be approached by other bodies. This requires coming up with a bankable project. For instance, NaMATA had plans to have a Bus Operating Company that would still have requirements and obligations such as auditing. The government's role would be to create an enabling environment and build capacity within the sector. Collaboration was also important!

The question of what consideration government partners should consider when designing a project that can directly impact the sector was also raised.

The panelist reiterated the need for the project to be bankable. There was need also to carry out extensive research to de-risk the proposal. However, he noted a disconnect between the funders and the beneficiaries, and at UNEP, they were developing a financing facility that could link the two. This was to aggregate the demand in the region and be able to do large-scale procurement, which would reduce cost and wait time. This would make it affordable for end consumers to procure. The facility also aims to strengthen local financing entities through knowledge sharing and capacity building.

Riding on the points of sound policy and networks, the moderator further posed a question to the panel, touching on gaps experienced in the Kenyan context regarding transport.

In response, the panelist noted that the e-mobility policy draft was still on the table. However, she noted that not many understood what the policy draft entailed, and getting and sharing about the draft with all stakeholders was a challenge. Specifically,, she noted that she did not see many gaps in the draft, as most of the legal and regulatory aspects, including inclusivity issues, had been captured. What was now important was the draft being adopted into actual policy. Furthermore, she emphasized the disconnect between the climate plan and mobility plans. There was a need to ensure climate goals were met in mobility plans. In addition, it was important to have the energy sector on board, especially when discussing green transport. Hence, the gap may not primarily be on the policy document but on the stakeholders on board.

In addition, another panelist added that for development partners, "who is your friend" was important. When projects are being rolled out, there are always promoters, lenders, and implementers. For instance, having a promoter who could add a development perspective to your project was a plus. This is because development partners were not banks; they were not selling money.

Reflecting on the previously mentioned master plan for Nairobi, the moderator posed another question regarding what existing policy gaps could be contributing to the state of the current public transport system.

In response, one of the panelists noted that it was not a matter of policy gaps but selfishness. Selfishness, on the other hand, contributed to the fragmentation and derailing of the country's development; the policies revealed who we are. Politics was another crucial factor, as it played a big role in budgeting and allocating human resources. Hence, it was important to have conversations at such summits and invite more people to discuss such matters. It is also important not to act and think in silos but rather mobilize as several SACCO's and write a proposal. Universities and scholars also needed to share knowledge and information, rather than hoard, to enrich societal decision-making.

To conclude, the moderator asked the government representative what they are doing to bridge the gap in the public transport sector.

In response, the panelist noted that there was also a silo mentality within public agencies, and this had implications for the implementation of government projects. He further stated that there was no synergy, collaboration, or coordination in the organs that were supposed to work on improving and implementing transport projects. That is why some projects failed or did not function as they were supposed to. In terms of what they were doing as an entity, he noted they were already working towards bringing operators together. There was also the Federation of Public Transport Sector, which he foresaw could bring all the Matatu and boda boda SACCOs in the metropolitan area and show them the need to work together, as already initiated along the Ngong Road corridor.

Secondly, they were working to establish the EOC framework, a policy document that has been presented to the minister for approval. Lastly, there is a need to develop the draft National Urban Transport Policy that includes all aspects, including the financing of public transport.

The Japan International Cooperation Agency (JICA) Session

Public Bus Transport Business: Current situation, role, and challenge of the public bus transport business in NMA. Pilot project proposal to improve the implementation of more inclusive public bus services - JICA Expert Team.

Mr. Bernard, on behalf of the JICA team, made a presentation on the proposed project along the Ngong Road Corridor.

The project's overall objective is to improve the traffic flow in the metropolitan area by building a stage management system that could oversee transport services and enhance government capacity in the project. The four key outputs for the project would be:

- i. Developing an integrated public transport network.
- ii. Build a stage management system to better manage public transport.
- iii. Build the capacity of the government and the operators.
- iv. Establish a sustainable implementation structure for gender and PWDs in the public transport system.

The project implementation period would be between April 2022 and August 2025. It will be managed by a steering committee, which includes key line ministries coordinating with JICA and NAMATA and, at the county level, with ward representatives and the governor. The NaMATA DG is the project coordinator.

The project is currently in Phase One, the pilot activity, which will end in 2025; phases two and three would then go up to 2035. The project addresses challenges that arose from increased traffic congestion, emission of greenhouse gases, and economic loss. The presenter noted that buses carried 41% of the commuters, and coupled with other issues such as safety, congestion, and timeliness, the project was important. He further highlighted some of the challenges with the current bus transport, like the lack of proper designation and knowledge on the right stage to alight, the time taken in commute, the difficulty for PLWDs in accessing the services, the probability of getting to the actual destination, amount of fare charged, harassment and indiscipline in driving. These problems needed to be tackled to raise standards in public transport provision. For instance, there is a need to implement scheduled operations, have a standard fare system, and modernize bus terminals within the city to avoid congestion.

The pilot project had the objective of introducing the operational concepts which includes, implementing a bus schedule and shelters along Ngong road and test to see if the system can work in Nairobi. There would be training on safety for the drivers and stage managers, with public authorities helping in the enforcement. Before the commencement of the pilot

project set for 2025, a survey was conducted among the commuters on Ngong Road to know their views. The majority were concerned about conductor behavior, facility cleanliness, improvements in road safety, and fare regulations.

Consequently, the pilot project will focus on training crews, drivers, and stage managers, having a set fare pricing, information service, and operation display. All these aspects would be monitored to see how effective they are. The government and the regulators would work closely together to collect and analyze data to understand what the operators are going through and the demand and supply challenges. There will also be a fare analysis to see if there can be a profit by the end of the day. Another component would be setting up infrastructure for continuous monitoring and development, as the objective was to improve the quality of public transport for a safe, reliable, and operational public transport system.

The test site would be from the Central Business District (CBD) to Ngong (Route 111) over a period of one month. A fleet of 40 33-seater buses would be in operation, and as per the National Transport and Safety Authority (NTSA) database, the existing 80 drivers, conductors, and 10 operators would be trained. Key terminals for improvement were the CBD, Kenyatta National Hospital, Prestige, Karen, and Ngong, which would entail working in collaboration with KURA. Improving components such as scheduled bus operations would entail working closely with NaMATA and the operators to ensure success. Supervisors and stage managers, as well as traffic police and operators, would also be on board to ensure schedules ran as required. Key bus schedule information would be at every bus stop, and fare regulation would be done in collaboration between NaMATA, NTSA, and the operators.

Pertinent issues such as safety training, gender mainstreaming, and consideration of passengers, would be included in the curricula. The crew will also be trained on professionalism, customer service, and the importance of inspecting the bus before handing it over. Stickers highlighting information on gender mainstreaming would also be put up on the buses to sensitize members of the public as well as prior communication to the public on the role of the pilot project before commencement.

The dispatch of buses would happen every 5 minutes during peak hours and every 10 minutes during low peak hours. The estimated time from one end to the other was 25 minutes, and there would be a 15-minute turnaround time at the terminus. It would take 90 minutes for a complete operation. Operations will take place from 4 AM to 10 PM, with peak hours from 4 AM to 10 AM and 4 PM to 10 PM, and low peak hours from 10 AM to 4 PM. As mentioned earlier, the dispatch times will apply for the peak and low peak hours. The operators would have been trained to adhere to these timings and timetables, and the travel time and turnaround times would also be displayed in the

terminus. The pilot project will have inspectors boarding the buses to ensure the crew are operating as trained. The operations manager would check crew attendance and handle dispatch management. A route map would also be available with transit stations marked.

The presenter also highlighted that there would be clear communication to ensure the government agencies were well briefed about the project to avoid working in silos. The synergy of the operators would also be observed during this process, and if the outcome is good, the possibility of applying for more funding could be explored. At the end of the pilot, a survey would be conducted to assess whether the issues raised by passengers and crew were addressed. Regarding public relations, the team would prepare posters and videos on what was planned for the pilot.

He concluded by noting that the opportunity to learn about the bus pilot project would be open as they assess the operation costs, profits and losses, and what could be improved.

Rejoinder: Joseph Kagai- Public Mobility

Operator Mr. Kagai, a public mobility operator within Nairobi, first began by thanking JICA and NaMATA for the efforts made to transform matatu operators' way of thinking successfully. He also pointed out that compared to other countries, Kenya's public transport was majorly privatized. Hence, this brought its own set of challenges, and currently, it was a challenge for the operators to buy into the idea of where they would be moving to. Hence, for the transformation to occur, there was a need for constant deliberations with JICA, NaMATA, and NTSA to actualize a healthy city that is efficiently able to move the masses. The operator equally raised concerns about where the matatu culture would fit into the proposed pilot as it was a vital part that attracted the youth who formed a major customer base. It was also important for urban planners to integrate aspects such as rail, which was a missing link in public transport provision in the city. To conclude he noted that all the different kinds of buses needed to be included, from the pimped-up buses to the EVs, during the pilot, from which an assessment will be done to see how they performed. Lastly, the matatu culture was an important discussion that could not be ignored

NaMATA Session - Legal and policy framework governing the financing of Public Transport.

The session entailed a presentation by Eng. Francis Gitau- Director General, NaMATA , and was then followed by a panel discussion on the legal and policy framework governing the financing of public transport.

Eng. Francis Gitau began by giving a brief history of the progression of policies from the 2004 Michuki Rules to the 2012 National Integrated Transport. Policy (NITP) adopted by Parliament as Sessional paper no. 2 of 2012. He further highlighted that NaMATA was established in February 2017. Recently, the entity has been working on the modernization of the Nairobi Commuter Rail Service (NCRS), and in 2024, on the demand to proof public transport (PT) corridors. The agency was also currently working towards a 2028 Sustainable Urban Mobility Plan.

He stated the need for institutions such as Metropolitan Transport Authorities (MTAs), adding that the effectiveness of these institutions depends on several parameters, such as having a legal mandate with a clearly defined scope of the MTAs, division of competencies, financial resources, and efficient coordination.

On urban transport funding, he noted that public authorities were one of the key contributors to urban transport funding through investments and operating costs. However, generally, no resources are directly channeled toward urban transport systems, and it was a political and individual choice as to how much is directed to the sector. Furthermore, he acknowledged that the financing mechanism from the government side was not well defined. Consequently, individuals have been taking charge. Other modes of funding would be through taxpayers, indirect beneficiaries, PPP, climate funds, and clean energy development funds.

On the other hand, he emphasized the need to leave no one behind in the e-mobility transition. Further, there was a need to create an enabling environment by looking into areas such as funding and financing, technical capacity building to drive e-buses, and the acquisition and fleet renewal process. He further highlighted how the lack of adequate charging stations, especially in the Nairobi city Centre, was a major challenge. This is because long commutes to charging stations meant lost work hours for e-buses. Therefore, NaMATA was developing a framework to establish charging stations in the CBD and it would undergo public participation. They would also set up structures to ensure all those willing to put up charging stations are engaged.

Panel Discussion 2: Legal and policy framework governing the financing of Public Transport.

The discussion focused on public transport infrastructure and facilities, fleet renewal, e-buses, two-wheelers and three-wheelers, training, and capacity building.

Ms. Munyiva Mutinda from the University of Nairobi moderated the panel. The panelists included Eng. Francis Gitau- DG, NaMATA, Mr. Dennis Wakaba – Emobility Association of Kenya (EMAK), and Mr. Eng. Moses Kuyaki – Nairobi City County Government (NCCG).

To start off, the moderator posed a question to the panel. What needed to be done for cooperation to exist in public transport financing. In response, Mr. Wakaba noted that the approval processes were challenging and needed to be streamlined. In addition, investors needed to team up when making requests to government agencies such as to set up e-mobility charging stations, work with insurance companies to reduce cost of coverage. Work with banks to collateralize the buses because they are a huge investment. Work on a framework on how to improve access and make regulations accessible.

Moving on to the second question, the moderator enquired whether there was a need for intergovernmental relations, especially in establishing capacity-building mechanisms. In response, a panelist, Mr. Kuyaki noted that government institutions needed to work together to succeed. He added that the transition to e-mobility could be encouraged through the zoning of areas; and having clean energy vehicles pay lower parking fees.

Another question raised by the moderator was on whether there were any minimum standards for constructing public transport facilities to accommodate e-mobility. In response, the panelist noted that as NaMATA, converting what was there to meet the standards for e-mobility was possibly the first line of action. Furthermore, the government needed to provide the standards including the height of stations, how many people would use one station, and create uniformity across BRT corridors. Lastly, he invited all stakeholders to participate in coming up with the standards.

To conclude, Mr. Wakaba spoke about sustainability and highlighted the importance of creating awareness to onboard people to the technology. Equally it was important to improve accessibility through working with banks to offer concessional funding and bringing in political leadership through creating plans that coincide with political cycles, for the political class to buy into those plans. Lastly, he emphasized the need to support e-mobility initiatives in counties and nationally, especially with charging infrastructure.

Challenges and Opportunities in capacity building for public transport operators: What Needs to be done?

Nairobi County Government, SJPT-WG, and NTSA Session

To start the session, Dr. Anne Kamau – Convener, Socially Just Public Transport Working Group, and a Senior Research Fellow at IDS, UON, presented the tenets of socially just public transport. She emphasized the need for public transport to be inclusive and not leave anyone behind, especially in the Kenyan context where entire families, including the elderly, children, and women, use public transport.

Public transport must be safe and secure, incorporating a gender lens. Many times, young women were harassed in public transport, whereas incidences of young men being thrown out of moving buses in case of disagreement with operators were noted. This was an area that should never be overlooked.

“When you think about public transport, we need to think about whether it is fair... fairness is the bottom line. That whenever you get into the public transport system, how equitable is it? How fair is it even in terms of cost?”

To add to the conversation of socially just public transport, Mr. Aholi from NAPTA noted that the system needed to respect other people's rights, pay workers well, leave no one behind, and be environmentally sustainable by adopting clean energy. Lastly, it should be inclusive, equitable, safe, and affordable.

On the challenges and opportunities in capacity building for public transport operators, Mr. Titus Kaloki, FES, highlighted some areas that needed attention. He first called for capacity building through intensive exposure of stakeholders to policies around their work. For example, in the Kenyan context, for operators and *kamageras*, pushing and shoving passengers into the matatu was perceived as a means of meeting daily quotas. Unless they were educated on the policies around harassment, they would not understand the implications of their actions. Matatu SACCOs could also be empowered to transition to professionalism; this would create an environment in which, for instance, women could get maternity leave, and their jobs would still be secured.

Additionally, he noted that operators could also be educated and informed on how much they can save by transitioning to e-buses. On the other hand, developing policies that “force” them to transition to e-mobility would be less efficient than making them understand how the transition benefits them.

To conclude, Mr. Kaloki spoke about giving operators a voice. This could be achieved by mapping out all operators so that they are known and then inviting them to the table when critical discussions regarding the sector occur. The users of public transport also need to also have a say in what happens in the public transport sector. He added that giving all stakeholders a voice was the key to addressing behavioral challenges that have persisted in the industry. With capacity building and the voice of operators' aspects addressed, policies will be achievable and smoother to implement.

Panel Discussion 3: Challenges and Opportunities in capacity building for public transport operators; What needs to be done?

The panel session aimed to delve into an insightful session on the challenges and opportunities for transport operators by leveraging the experiences and expertise of the panelists. The panelists included Mr. Ibrahim Auma Nyangoya - CEC Mobility & Works NCCG, Mr. Maurice Oduori – Matatu Workers Union, Mr. Jonathan Daniel Onura – ROG SACCO, and Mr. Charles Aholi – Socially Just Public Transport Working Group. The session was moderated by Ms Cyprine Odada, founder of Critical Mass.

To start off the discussion, the moderator raised a question directed to the county government representative. Based on how many financial institutions viewed public transport as risky, hence denying them financing, was there anything the county was doing to reduce the risk and make them bankable? In response, the panelist noted that the ongoing efforts to build operators' capacity and enforce regulations would lead to the transition to a formal system, which would make them bankable. There were also plans to build the capacity of operators to use technology. This would be followed by integration with other platforms within a timeline of 7 years.

In line with the discussion, the moderator also asked what role external partners could play. The responses raised touched on the need for investors to consider mobility a service to citizens. Furthermore, the documentation of users, even by CCTV cameras, could be used to aggregate the demand for the service and have evidence when requesting funding. The panelists also highlighted the high level of informality in the industry and the minimal engagement of operators in the management of the vehicles. For example, drivers tasked with managing a Ksh 10 million investment only had a month or two of training. Hence, up-skilling was fundamental, and development partners were welcomed to facilitate the training of operators. Additionally, Matatu management SACCOs were unlikely to use the money they received for training. In-house training would require more contribution from the matatu owners.

On automated payment systems, one panelist argued that the sector may not be ready for automated payment because operators did not realize how this was to benefit them. They immediately thought they would lose their daily extra income. Many also did not want to be tied to one place by contracts and related requirements. Training was required on all these issues, focusing on how such transitions would benefit them. For instance, automated payment could reduce the money lost to corruption. The money lost to corruption could then be channeled to training and give operators fixed/known incomes. The operators also needed to be trained in financial literacy.

On social justice, another panelist noted that it should be the goalpost for public transport. For example, people living with disabilities relied on the operators' kindness when traveling using public transport. This was not supposed to be the case. Government agencies should ensure compliance and inclusivity through the licensing requirements.

Summary of key issues.

Eng. Abigail Muigai from NaMATA summarized key issues discussed at the summit. She summarized the discussion of the day into 10 points.

1. Policy development and governance: The government must develop the right policies and frameworks.
2. There was a need to collaborate more and shun individualistic approaches.
3. Data analytics and management system: There was a need for baseline data on needs to understand expenditures, which would help in planning, project prioritization, and knowing return rates. If not documented, it cannot inform issues that matter.
4. There was a need for capacity building for operators and government institutions.
5. Inclusion – young generation, children, PLWDs, cyclists, and pedestrians - how did they fit into the ecosystem?
6. Road safety – there is a need to analyze road safety's impact on revenue.
7. Leverage technology for digital revenue analysis, demand analysis, and safety, including the installation of cameras.
8. Leverage on alternative funding systems.
9. Leverage on transit-oriented development.
10. Have a political champion - package projects to sync with political cycles.

Closing ceremony

For the closing session, Ms. Cecilia Anderson from the UN-Habitat emphasized the importance of having a public transport system that was reliable, safe, and affordable. With the rising population in Nairobi, there is a need to brainstorm how to finance this shared transport system and make it inclusive. Furthermore, she pointed out the need to professionalize the public transport sector, saying the workers in the sector could use a monthly, not daily, wage; many indiscipline issues on the road also came up when operators tried to meet their daily targets. Therefore, there is a need to consolidate the different government agencies and institutions serving the public transport sector, have more discussions on capacity building, and develop a training curriculum. This is an area where development partners could be more involved. In addition, stakeholders needed to adopt technology in the sector.

After a brief vote of thanks from NAPTA and IDS, guests left at their pleasure.

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The Nairobi City County Government, represented by CECM Mr. Ibrahim Auma and Eng. Moses Kuiyaki.



UN-Habitat, represented by Ms. Cecilia Anderson, Mr. Mark Ojal, Mr. Daniel Munene, and Ms. Edna Mercy.



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Finally, we extend our thanks to everyone who participated and contributed in any capacity to make this Summit a resounding success. Your involvement has left an indelible mark, and we celebrate this collective achievement together.

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