NEW REGULATORY FRAMEWORK FOR URBAN PASSENGER TRANSPORT IN GHANAIAN CITIES

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ABSTRACT

The Ghana Urban Transport Project (GUTP) takes place in Accra and Kumasi, the largest cities. GUTP has three key components: (i) institutional development and capacity building, including a new Urban Passenger Transport regulatory framework; (ii) design and implementation of pilot BRT corridors in Accra and Kumasi; (iii) traffic engineering measures including BRT and urban traffic signal integration.

Reform consists of three main elements: (i) restoration of the framework and capacity at local government to regulate and develop UPT; (ii) bringing all regular UPT operations within the regulatory framework, establishing basic standards, and enforcing compliance; (iii) establishing a higher type of licence for routes requiring investment in better vehicles, quality, and organisational capacity, in return for greater protection and longer tenure. For BRT and other key parts of the network, Route Service Contracts will be offered.

Actions in 2008 include establishing the national context for implementation, developing and passing Bye-Laws for regulation of UPT in all participating local Assemblies, establishing Urban Passenger Transport Units (UPTUs) in the Assemblies, building capacity, and preparation for route registration. During 2009 all current services will be registered and licenced under basic permit. In 2010 a pilot set of routes will be procured under quality-based contracts.

THE GHANA URBAN TRANSPORT PROJECT

Ghana is a democratic state in West Africa which achieved its independence in 1957. It has a land area of about 240,000 km². Accra is the capital and is situated on the coast, close to the
country’s main port at Tema. The country is divided into ten administrative Regions, and further into about 170 Metropolitan, Municipal and District Assemblies (MMDAs), which form the basic political and Administrative structure of the country.

Since 1988 and especially since 1993, Ghana is committed to a decentralized system of governance, with four main pillars: Political, Administrative, Planning and Fiscal. Functions and decision-taking are being migrated to the MMDAs, who in turn need to develop their strategic, operational and administrative capacities. However, there is still a high degree of centralization and recently, a gradual centralization in some of the sectors of the economy.

Urban Passenger Transport is one of the responsibilities being taken on by the urban and peri-urban MMDAs, with corresponding need for capacity development. This is a key theme of the current paper.

**Ghana and its Urban Areas**

The population of Ghana is over 20 million with more than 40 percent living in the urban areas. Approximately 3 million people live in the Accra metropolitan area (including Tema city) representing more than 14% of the national population. More than 1 million people live in the Kumasi metropolitan area. The other main urban areas are Tamale, Takoradi, Sekondi and Cape Coast. Accra’s population will double in the next 16 years and Kumasi’s in 12 years. The share of people in urban areas in the country is expected to increase from 1 in 4 to almost 2 in 4 by 2020.

It is estimated that Ghana’s urban areas currently contribute over 60 percent of GNP, illustrating both their importance and also their potential for contributing further to economic growth. The city of Accra is the administrative and commercial capital of Ghana and is growing at 4 percent per year; Kumasi is the second largest city in the country, growing at 5.6 percent per year. These are above the national average of 2.4 percent per year.

In the last 15 years, Accra’s population has doubled and its area has expanded almost three fold. The built-up area has increased from 133 square kilometers in 1990 to 344 square kilometers in 2005. By contrast, the population density has decreased from 14,000 persons per square kilometer to 8,000 persons per square kilometer over the same period.

The expansion in city size and decline in density has made it difficult for the municipal authorities to meet the service demands of its residents. Urban sprawl has increased travel distances and pushed up the price of public transport, particularly affecting the poor and often excluding them from work because of their dependence on the public transport system. Increased car use has created congestion on the roads, resulting in health, safety, and environmental problems.

The Government has appreciated that a range of inter-linked interventions is required at the land-use, transportation and institutional layers. It is within this context that the Urban Transport Project (UTP) has been established. Whilst it contains a number of measures intended to have direct positive impact at their point of application, the greater gain is expected from a systematic transformation of how urban areas and urban transport are planned, regulated and developed.
URBAN PASSENGER TRANSPORT IN GHANA

Structure of the UPT in Ghana
Within the main metropolitan areas (including greater Accra and Kumasi), there are two main forms of public transport operations:

(i) **Tro-tro (mini buses) and shared taxi services**, which are managed by unions and co-operatives and offer services along defined routes, usually between terminals or ‘lorry parks’. These operations suffer from a number of quality problems including: (i) operation of a ‘fill and go’ system which can result in long delays for users in the off-peak, and difficulty to board along the route; (ii) large numbers of vehicles parked at terminals in the off-peak leading to congestion, inefficiency, and long hours for drivers; (iii) lack of incentives for vehicle owners to improve their vehicles or to train their drivers properly.

(ii) **Large bus services**, mostly provided by the new Metro Mass Transit (MMT), a quasi-private company that receives favorable financial support from the government.

The structure of the operating industry in Accra and Kumsai consists of the following elements:

- **Operating unions and associations.** There are three operating unions and associations. (i) The Ghana Private Road Transport Union (GPRTU), a national union, is reported to have about 90 percent of the tro-tro and shared taxi business. The fundamental units are Locals, which operate the individual routes, and Branches, which are regional clusters of Locals. GPRTU represents the interests of both drivers and of vehicle owners. (ii) The Progressive Transport Owners Association (PROTOA), is a national association that operates both tro-tro and shared taxi business and is organized along the same structure as the GPRTU. PROTOA mainly represents the interest of owners. (iii) The Ghana Co-operative Transport Association (GCTA) is a national association also organized along the lines of GPRTU and represents interest of both owners and drivers.

- **Other private operators.** Other private operators, such as Agate, Kingdom Transport, and Pergah Transport, are companies operating several buses and offering a range of services including contract service, urban services, and intercity services.

- **Metro Mass Transit (MMT).** MMT is a quasi-private company which is owned by a set of Government-linked financial institutions and one privately owned bank, with a substantial (45 percent) Government minority shareholding. MMT receives financial support from the Government and currently operates about 500 buses of which some 200 operate in the greater Accra area.

- **Ghana Road Transport Coordination Council (GRTCC).** GRTCC is an umbrella body of all transport operators in Ghana, including the unions and associations, other locally based associations, and other operators (both passenger and road haulers). GRTCC represents the interests of road transport operators, especially in negotiating with the Government of Ghana for transport tariffs and assistance in acquisition of buses.
THE GHANA URBAN TRANSPORT PROJECT

The Government of Ghana has partnered with the World Bank, the Global Environmental Facility and the Agence Francaise de Developpement to execute the Urban Transport Project (UTP) which aims at addressing some of the numerous urban transportation problems in the major urban areas in Ghana.

The UTP is to be implemented over a 5-year period from 2008-2012. The total value of the project is $95 million, consisting of various financing from the Development Partners and co-financing from the Government of Ghana.

Ten Metropolitan, Municipal and District Assemblies (MMDAs) in the greater Accra and the greater Kumasi areas are participating in the project. It is foreseen that the approach and methods pioneered in Accra and Kumasi would then be migrated to other urban areas in Ghana.

Key Objectives

The two key objectives of the UTP are:

- to improve mobility in the areas of the participating MMDAs through a combination of traffic engineering measures, management improvements, regulation of the public transport industry and implementation of Bus Rapid Transit (BRT) system; and
- to promote a shift to more environmentally sustainable transport modes and lower transport related Greenhouse Gas (GHG) emissions along the BRT corridor in Accra.

Main Components

These objectives are to be addressed under the following five main components:

- Institutional development,
- Traffic engineering, management and safety,
- Development of a BRT system,
- Integration of urban development and transport planning; and
- Project outcome monitoring.

The Project Advisory Office

The project is being implemented under the Department of Urban Roads (DUR) of the Ministry of Roads and Highway, which has set up a Project Advisory Office (PAO) with responsibilities for the implementation, coordination and advisory services. In addition to the more obvious roles of procuring and directing the contracts for design and works for the BRT and traffic management, the PAO has a central role in the institutional development and capacity building.

RESTRICTURING URBAN PASSENGER TRANSPORT IN GHANA

Vision for the UPT

The Government’s vision is to establish “an affordable, safe and efficient Urban Transport system that supports overall development and competitiveness in the sector”.

The Government recognised that the transportation challenges would get substantially worse without strong intervention, especially given the continued growth in urban areas. The
response is to improve services through a combination of improvements in organization, management, service quality, and the operating environment, as well as improved regulatory measures.

The Urban Transport Project, set within Government of Ghana’s National Urban Transport Policy, would address institutional, management, and regulatory issues to improve personal mobility in cities in Ghana, with an initial focus on Accra and Kumasi metropolitan areas. Having developed the methods and demonstrated their effectiveness in the two main cities, the vision is to then deploy these throughout the urban areas of Ghana.

The two critical success factors for the UTP are:

1) The ability to regulate the bus services, and in particular to define routes, organize controlled competition for these routes, offer them under contract or franchise, and prevent interlopers from extracting earnings from the new routes

2) Improving the operating conditions for and reliability of the urban bus services. This will be done by developing a Bus Rapid Transit (BRT) system on a pilot corridor in Accra, modernizing the traffic control system, and a number of other traffic engineering measures.

Restructuring the Urban Passenger Transport Sector

The new framework would foresee gradual development of three distinct business sectors for the Accra and Kumasi bus transport operators:

(i) **Scheduled bus operations** on the core network (not only on the BRT lines), using high-capacity vehicles, operating under contract within a limited competitive regime, and meeting service and comfort standards.

(ii) **Feeder bus and local services** using vehicles of appropriate capacity, mostly smaller vehicles. These may or may not be scheduled services. These services will also be operated under contract and be required to meet operational and comfort standards.

(iii) **Para-transit operations.** Para-transit operations would operate as a continuation of the *tro-tro and taxi* services and operators. However, they would be required to restructure their dispatching and parking arrangements to eliminate the traffic chaos they currently cause. Para-transit operators would also be required to gradually improve vehicle quality and professional standards.

This will provide high-quality, high-capacity transport routes on the main axes of demand, while continuing to harness the well-established *tro-tro* operations for much of the urban area. Two specific factors are worth noting here to explain why this balance is so important:

1) Much of Accra is low-rise and relatively low density. Smaller buses are the appropriate business model for a large part of the travel demand.

2) Despite some weaknesses, the *tro-tro* sector is well organized, well established and well understood by the public. There is far more to be gained from guiding the sector to improve the quality of the product than from diminishing and marginalizing it.
A complete and comprehensive restructuring of the sector is required, based on five complementary pillars:

(i) A regulatory framework that provides a legal basis for the re-organization of the sector at the national level

(ii) Regulatory institutions that have sufficient capability to plan, regulate, and guide the industry at the local level

(iii) An industry structure that can compete and operate within the regulatory framework and attract the needed investment at the local level

(iv) A culture of compliance with the regulatory framework, and the commitment and power to enforce and penalize offences at the local level

(v) Infrastructure and a suitable operating environment to support improved urban transport services in Accra and Kumasi metropolitan areas

The starting point was very low for all five pillars, presenting a significant challenge. Nonetheless, this challenge has been taken up. The Urban Transport Project was constructed to provide a comprehensive and integrated set of institutional enablers and physical infrastructure. It is important to note that none of the elements of the UTP is an end in itself – not even the BRT – but rather part of the process which establishes and secures the framework for effective and efficient urban transport in all Ghana’s urban areas.

**Developing the Institutional Framework**

Development of the Institutional Framework is the core of the Urban Transport Project. The UTP actions consist of five main strands:

1) Establishing the Legal and Regulatory Frameworks
2) Establishing the Institutional Framework
3) Establishing Bye-laws and Regulations
4) Establishing Urban Passenger Transport Units at the MMDAs
5) Building Capacity

During 2007-9, a significant part of this framework has already been established. Before discussing the detail of the actions, it is worth recalling that, prior to project-start, the UPT sector was self-regulating and that the MMDAs had no role in planning, regulation or development of UPT (except to provide terminals).

**Legal and Regulatory Frameworks**

Following a comprehensive review of the Laws and Legal Instruments, it was determined that regulation of Urban Passenger Transport could be carried out by the MMDAs (local government) under the powers of the Local Government Act, 1993 (Act 462). Among other things, Act 462 allows the authority to establish Bye-Laws for matters such as regulation of passenger transport, to establish internal and inter-MMDA institutions, to raise and disburse finance for services such as UPT, and to plan and develop services. It has been determined that Act 462 provides a sufficient basis for the proposed new framework, and that it was not required to implement a specific new Act on UPT.
Institutional Framework

The Institutional Framework is transitioning to the following proposed arrangement:

- All regulatory authority for Urban Passenger Transport services is vested in the MMDAs, which will establish their own in-house structures to carry out the role for their area.
- The Accra MMDAs will establish a Greater Accra Passenger Transport Executive (GAPTE) or similar organisation by 2011 to deal with cross-MMDA issues of regulation, development and organisation of UPT. A similar entity will be established for Greater Kumasi, but this may be a year or two later.
- GAPTE will be an executive arm with governance and representation from the participating MMDAs. Legal authority will remain with the MMDAs. It will have a permanent staff and will carry out nominated functions on behalf of the participating MMDAs, including regulation, permit issuance, co-ordination of travel demand analysis and transport planning, and co-ordination of ticketing and pricing
- A Centre for Urban Transport will be established by the start of 2010 to provide advisory functions, training and capacity building, and to carry out specialist planning and research for the urban transport sector.

Byelaws and Regulations

Byelaws have been developed and passed during 2009 in the Assemblies (political representative level) of all 10 MMDAs in Accra and Kumasi areas. These Bye-laws have the following features:

- Asserts the right and authority of the Assembly to regulate UPT in their area, and define the scope of UPT regulation
- Provides for the establishment of Urban Passenger Transport Units (UPTUs) within their MMDA, and define the mandate and powers of the UPTUs
- Defines the regulatory basis, including the requirement to operate under permits
- Defines the different types of permits, their main features, and establishes that fees are payable.
- Provides for the development of Public Transport Plans for the MMDA area, and that these plans would be the reference framework for UPT in the area
- Establishes the basis for fare-setting and for any financial support for UPT services
- Establishes and defines offences and associated penalties

The Project Advisory Office facilitated the drafting and adoption of the Bye-Laws by working closely with the MMDAs and the operator sector. By developing a comprehensive ‘model’ set of Bye-laws and by using an excellent consultative process, all Assemblies have adopted the same Bye-laws even though there was no obligation on them to do so. This means that the Bye-Laws are harmonised across the Accra and Kumasi areas.

A similar process has been followed for development of the more detailed procedures for application, assessment and issuance of the various permits, and for appeal or redress for refused applicants. These also require approval by the Assemblies, and again the development of a model set of procedures through the consultative process has achieved harmonised procedures (with some minor local variations). At time of writing, the procedures have already been approved in some of the Assemblies and are expected to be approved in all by September 2009.
This means that Operators face the same procedures in each of the MMDAs, and it should avoid problems caused if there were different requirements in different areas. It is worth noting that many urban routes operate in two or even three MMDAs.

**The UPTUs at the MMDAs**

Prior to the Urban Transport Project, the MMDAs had no role or capacity for planning, regulation or development of Urban Passenger Transport. Further, the task was not being done by other institutions, so the required capacity did not exist in Ghana.

Urban Passenger Transport Units (UPTUs) were established in the MMDAs to fulfil these needs. The PAO designed the structure, tasks, key job descriptions and administrative procedures for the UPTUs and assisted the MMDAs to recruit the core staff. Again, the MMDAs had total freedom in these matters, but welcomed the expert support provided by the PAO to manage this new challenge. As a result of this co-operative approach, the UPTUs have been established to the same structure and mandate in all MMDAs.

High quality staff were recruited in mid-2008 (graduate and post-graduate level from several disciplines) and received intensive training in UPT concepts, regulations, practice and project goals. Since then they have begun to establish capacity, resources and knowledge in their respective MMDAs, to integrate their units within the established administrations, develop their action plans and secure associated budgets, prepare for the registration and permit issuing, and lay the groundwork for data collection which will support transport planning. They continue to be supported by PAO in this developmental phase.

**Capacity Development**

Capacity development is a fundamental enabler of institutional change. A major component of the Urban Transport Project has been dedicated to Institutional Development, with an allocation of $14.5 million (> 15% of the total project budget). This is a major innovation for transport projects.

A comprehensive program for capacity development has been prepared, with emphasis on the development of both institutional capacity and on human capacity. For human capacity, there is a sustained effort over a 3-year period (2008-2010), including general and induction training, know-how transfer, specialist support, study tours and conferences, and expert training. The UPTUs are a key target since they will be main implementers of the changes to urban passenger transport. There is also considerable institutional development support to the Ministries, Department and Agencies which deal with the urban transport framework.

**Developing the Passenger Transport**

The existing Urban Passenger Transport services suffer from numerous problems ranging from poor planning, poor vehicle and driver quality, poor operating conditions, and encroachment by illegal operators. As things stand, it would be extremely difficult to either get investors to put the needed finance into the sector, or for the existing operators to achieve a spontaneous improvement and upgrade of their vehicles and services.

Investment projects such as the Bus Rapid Transit require a changed environment to have a good prospect of success. Change is required in two main forms:
• Regulation, organisation and planning of the urban passenger transport services to create better business conditions and an uplift in quality (considered in this subsection)

• Improvements in the operating conditions and traffic management to facilitate high quality of service, high efficiency of expensive assets, and visible benefits to the operators for participating in the new regulatory framework (considered in the next subsection)

It is worth stressing that Regulation is not an end in itself, but rather it is an enabler for the real objectives of the project.

Registration and Licences
From start-2010, UPT services may only operate with an appropriate permit. All operators will be required to register and apply for permits. This is described in detail in a subsequent section below.

Organisation and Enforcement
Poor organisation of UPT services results in inefficiency, higher costs, and unreliable service. Poor enforcement undermines the authority and credibility of the regulatory framework and the viability of the investments made by legitimate operators.

The organisation and management of the UPT services will also be required to change from early 2010. Operators will be required to manage their services better – especially at terminals – and the permit holder will be responsible for the behaviour, quality and compliance of individual drivers and owners affiliated to them. The Bye-Laws provide the necessary authority and penalties to implement effective enforcement against unauthorised Operators, and against permit-holding Operators who operate off-route and encroach on the legitimate business of others. The City Guards are being increased in number and trained to strengthen the enforcement capacity.

Quality Improvements
A gradual uplift in quality will be implemented through a process of continuous improvement. The UPTUs will establish standards for services, vehicles, drivers and customer care. Given the relatively low base, initially this will focus on compliance with basic standards of roadworthiness and driver qualification, and on the internal comfort of the vehicles. As the worst performers are removed and the income of the majority increases, requirements will be increased year by year, bearing in mind the affordability of operators and that it is the customer who finances the improvements. For some routes, timetable/interval-based services will replace the ‘fill and go’ system.

In parallel, also from 2010, the UPTUs, the PAO and the traffic authorities will make improvements to operating conditions, the terminal areas and the bus stopping places. Journey times will become shorter and more reliable, and waiting conditions for passengers will be improved.

Data Gathering and Network Planning
In the initial stages, the registration and permit process will reflect what the Operators currently provide. During 2010-2011, a major effort will be made to identify travel demand
and current travel patterns, and during 2012-2013 the UPTUs will take an increasing role in
guiding the Network design. For projects such as the BRT and some primary axes, the
UPTUs (and subsequently GAPTE) will define the service requirements and design.

For the rest of the network, a less direct approach will be taken. It is recognised that at
present virtually all knowledge about passenger demand rests with the Operators. Over time,
they have developed their own network that has broadly served the needs of the people and
has been sustainable (albeit at low quality and marginal profitability) and the Operators have
carried the revenue and investment risks. Change to this balance should only be undertaken
carefully and with excellent knowledge. It is likely that the Operators will retain a significant
role in local route design, perhaps within a design framework approved by the UPTUs.

**Support to Operators**
The Operators are major Stakeholders in the Project. The regulatory framework is not
intended as something that is “done to them”, but rather as an enabling framework within
which they can develop and improve their conditions and long-term prospects. In order to
gain full advantage of the new framework, the Operators need to develop their own business,
financial, investment, organisational and operational capacities. The UTP includes direct
actions to assist the Operators, including developing their business plans, their capacity to
invest in larger vehicles, and their capacity to compete for routes under competitive tendering
arrangements.

**Improving conditions for UPT**
Improvements in the operating conditions for the UPT are central to the Urban Transport
Project. They are highly visible and give direct benefit to passengers. They also give direct
benefits to the Operators and improve their financial position. They help to strengthen the
attractiveness of UPT and combat the growth in private motorised traffic. Improvements are
implemented in two main strands:

- Improved traffic conditions including Bus Rapid Transit
- Improvements to terminals, bus stops and passenger facilities

**Bus priority, traffic management, and BRT**
A comprehensive set of measures is implemented to improve the operating conditions for
UPT, consisting of three main strands:

1) Bus Rapid Transit : Implementation of one BRT corridor in Accra which is intended
to provide a demonstration and lead to further BRT corridors being approved; and
detailed design for one BRT corridor in Kumasi (to be constructed outside the scope
of UTP)

2) Urban Traffic Control: Implementation of area-wide traffic signal control in Accra
and Kumasi, supported by training in technical deployment and support, traffic safety,
and public information about traffic rules

3) Bus priority measures: Implementation of a series of smaller, practical bus priority,
traffic management, and traffic engineering measures along a number of
demonstration routes. These will be linked to the Type B pilot routes, and will
demonstrate the significant benefits that can be achieved for modest expenditure.
At the local level, the MMDAs will make a set of improvements to the supporting infrastructure and services:

1) Terminals: Upgrades will be made, appropriate to the nature of the terminal and specific requirements. In some of the larger terminals, this will require major overhaul of how the services are organised, control of the number of vehicles allowed to be present, removal of traders and others from the operational areas, and improvements to surfaces and drainage. At smaller and local terminals, the focus will be on surface condition and drainage, and formalising the management agreement with the MMDA.

2) Bus Stops: Many bus stops on tro-tro routes do not have proper conditions and in some cases are unmarked and even uncontrolled. The priority is to bring order and to ensure that stops are at safe locations with safe conditions for passengers.

**Establishing the Regulatory Framework**

Designing and establishing the Regulatory Framework is the core element of the Urban Transport Project. The challenge is how to transform a large self-regulating minibus sector which operates on marginal profitability with low-cost and low-quality, into an efficient and modern sector which can offer appropriate quality and quantity on a network which meets the needs of the people.

The achievements to date of the minibus sector themselves must not be overlooked. When it was needed, they built a system which is stable, understood by the people, in which new routes can emerge, and is quite free from violent intimidation. However, it is operated in the interest of the operators and the unions and, after almost 30 years, it is evident that it does not have the internal mechanisms either to develop and modernise or to integrate with the requirements of the city. An adjustment is required to develop the sector.

As described above, the MMDAs will now regulate the UPT sector. The migration path consists of three main stages:

1) Registration: bringing the operators into the system

2) Type A permit: establishing the basic framework and basic quality

3) Type B permits: raising quality and stimulating investment

A firm Enforcement regime underpins the regulatory framework (see above), which has been developed in consultation with the Operators.

**Registration – bringing the operators into the system**

The first stage is Registration. This is expected to commence in September 2009. Registration requires Operators to register the services they operate with the MMDA according to the Procedures developed under the Bye-Laws. Registration is designed to achieve four main things:

1) As a first step to the Operators accepting that they are being regulated
2) To gather comprehensive knowledge of the current operations which will provide the basis for both permit issuing and the data bases of the Regulator
3) To require those associated with a route to present themselves collectively through an authorised representative, with whom all future dealings will be conducted
4) To identify conflicting claims about who operates routes, and to gain the information needed to resolve disputes

The UPTUs have already gathered a reasonable amount of information about the current operations, which will assist them in validating the submitted information. A common database has been developed which will facilitate common methods and exchange of information, especially for routes which operate in more than one MMDA area. The commencement of the Registration process and co-operation of the Operators is seen as the critical phase, since all issues arising from the downstream phases can be resolved within the framework. An extensive consultative phase has been carried out at all levels of the industry sector, including sensitisation of the various stakeholders and educating all levels on the scope, benefits and processes.

**Type A Permits: Establishing the Basic Framework**

Type A Permits are the basic permit unit. They have the following characteristics:

- Issued for a period not greater than 12 months
- To be eligible, Operator must be a formal entity, meet statutory vehicle and driver standards, and be tax compliant
- Renewable at the discretion of the Assembly subject to satisfactory performance
- Contain basic conditions of quality

Initially, Type A Permits will be issued to all eligible Operators of existing routes. The objective is to formalise the existing network and to have all bus and minibus operations in Accra and Kumasi areas operating under permit. Any operators without Permits will not be permitted to work, and the Enforcement units will remove them from the system.

There will not be opportunities for Operators to gain new routes or to displace other Operators in the initial phase. It is essential for Operator confidence that the new regulatory system is not perceived as an opportunity to favour some Operators and to push out others. Turf wars will not be allowed to occur.

After the initial issuance of Type A Permits, there will be three further developments in the ensuing years:

1) Applications for new Type A Permits will be assessed on the basis of need for the service. New routes may be opened where there is currently not a service, or they may overlap with current routes where there is need for additional capacity, but not where it is extractive and damages the viability of existing services

2) Quality standards will be progressively enhanced, taking into account the capacity of the industry. Operators, drivers and vehicle owners who are unwilling or unable to make the required improvements will not have their permits renewed.

3) Some Type A Permits may be adjusted or cancelled when higher order services are implemented. However, as the urban areas will continue to grow and need new
services, such Operators will face displacement rather than being forced out of the business (assuming they can meet quality standards).

**Type B Permits: Raising Quality and Stimulating Investment**

Type B Permits are intended for higher order services, especially where the Operator invests in vehicles and/or upgrades organisational and operational capacity. The main features of Type B Permits are:

- Issued for a period not greater than 3 years
- To be eligible, Operator must comply with published standards of service and operational capability. Type B is intended for services of higher standard
- Services would operate to a timetable or published headways, no ‘fill and go’
- Renewable at the discretion of the Assembly subject to satisfactory performance
- May be issued with or without a Route Service Contract
- May be associated with bus priority, traffic management and terminal improvements
- Higher level of protection, some Type A permits may be cancelled if they undermine the viability of Type B routes

Routes operating with Type B will initially be pilots/demonstrations in 2010-11 with assistance from the UTP via the PAO in design, implementation and operator capacity building. As the operational and financial benefits become visible, along with the ability to gain returns on investment, it is expected that a significant numbers of routes will be transformed to Type B, and that these will form the core network.

**Route Service Contracts: Enabling BRT**

Route Service Contracts will be offered for specific routes of strategic importance. This will include the routes operating on the BRT infrastructure and the designated feeder routes.

For the BRT, it is expected that the public sector will provide the infrastructure investments and that the Operators will make the investment in vehicles and operational capacity. The RSC will provide the framework and security required for Operators to mobilise investments and enter longer-term financing arrangements, while giving reasonable assurance and safeguards to the Regulator in relation to Operator Performance.

RSCs may be extended to some of the core Type B Permit routes, where it is deemed that an RSC would mobilise new investment or is needed to protect existing investments. RSCs may also be used where advanced agreements are needed on service provision, access to infrastructure or customer care. The strategy for extension of RSC will be better understood after the results of the initial Type B routes.

RSCs may be financially neutral, or may involve financial considerations from the Operator to the Regulator (where the route is expected to be quite profitable) or from the Regulator to the Operator (e.g. for feeder routes which do not have sufficient daylong ridership).

**Consultation and Working with the Operators**

An extensive process of Consultation has taken place with the Operators including and since the initial Project design in 2005-6.
It is recognised that whilst the project holds many benefits for the sector, it also challenges some specific stakeholders within the sector, in addition to the normal apprehension towards change. The self-regulating sector, in which the Unions had effective power over route allocation and market entry, will now be regulated with the rights of route allocation reverting to the Assemblies. Officials, officers and organisers at different levels face a new environment in which some individuals may lose their effective power and status. Drivers and owners who are unwilling or unable to meet the basic standards are unlikely to have a future in the industry. Some Unions fear that they may lose members when they no longer control market access.

The Urban Transport Project has worked closely with industry sector, explaining the scope, actions and the processes as the UTP developed. Operator representatives have been brought on study tours, participated in workshops and training, and have been active participants in the development of the regulatory procedures. Sensitisation meetings have taken place at every level down to the groups of drivers and organisers at the terminals. This does not guarantee co-operation or acceptance, but it does increase the chances that discussion or even disputes will focus on the facts and not about misrepresented versions. This will set the basis for informed negotiation and agreement.

**SUMMARY**

The Ghana Urban Transport Project was launched in late-2007 to provide frameworks and tools for the development of the Urban Passenger Transport in Ghanaian cities. The actions focus on Accra and Kumasi urban areas, with the intention to extend to all urban areas in Ghana over time.

The UTP contains a flagship BRT corridor, traffic management including area-wide traffic control in Accra and Kumasi, and a wide range of more modest but effective traffic management treatments on a number of bus routes.

However, the true core of the UTP is the development of the Institutional and Regulatory Framework, supported by a major effort on capacity-building. Starting from a position of a self-regulating UPT sector mostly operated by low-quality minibuses, the UTP is assisting the MMDAs to develop the institutional, regulatory, planning and management framework to implement and sustain major UPT projects such as BRT.

The UTP restores the authority and capacity of Local Government to guide and manage the development of the passenger transport in its area, through structures which are accountable to the citizens and other stakeholders. In addition to the benefits for citizens and operators, it makes a significant contribution to the Government of Ghana’s policy of decentralisation. The UPT is not just a milestone project for Ghana, it is a milestone project for Africa.