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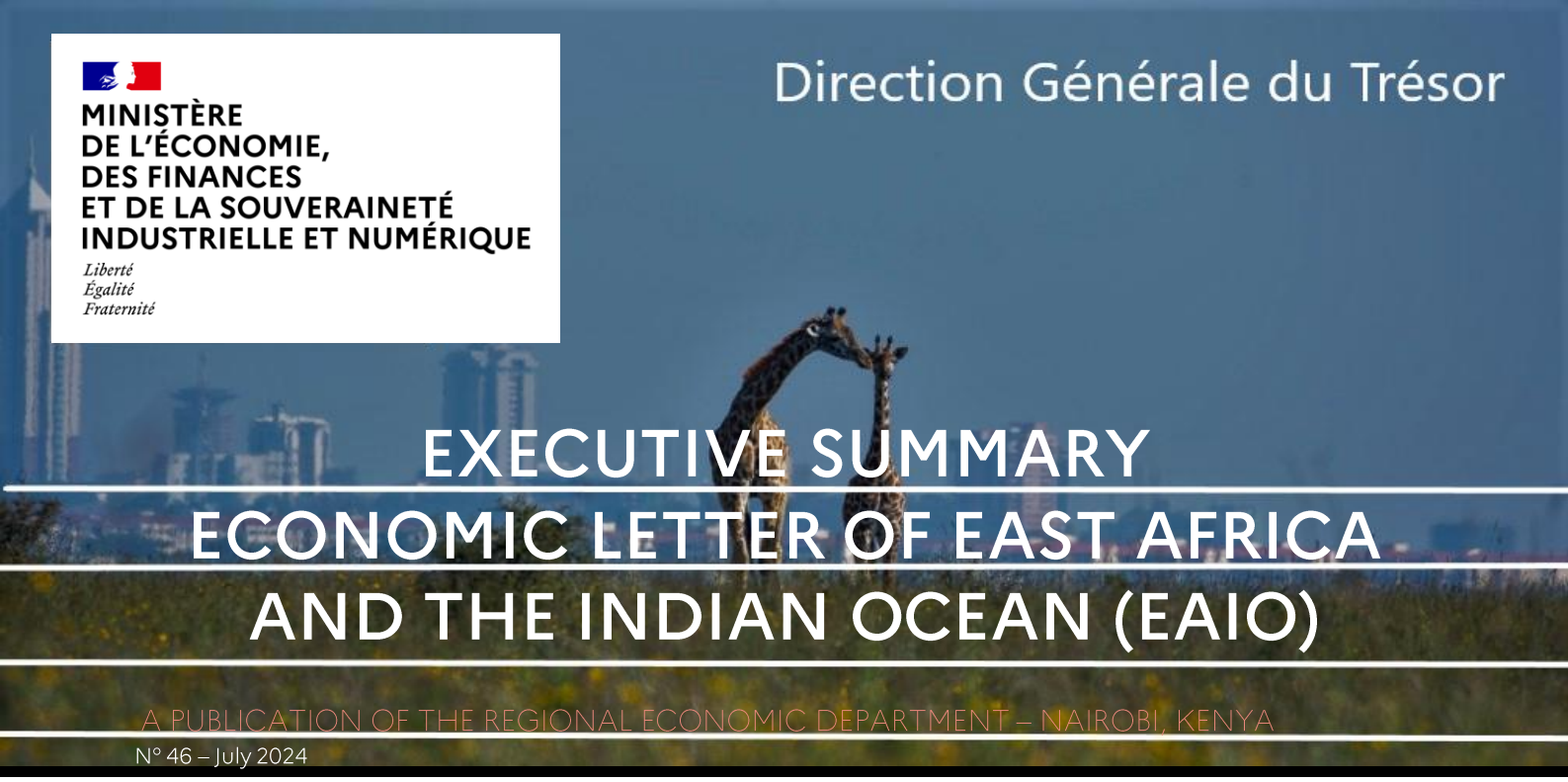

EXECUTIVE SUMMARY
ECONOMIC LETTER OF EAST AFRICA AND THE INDIAN OCEAN (EAIO)

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Urban transport in EAIO

Key numbers

- Over 50 % (on average) **of urban trips in the EAIO region** are made on foot
- **Urban population growth in the EAIO region** is estimated at 4 % per year on average, meaning that the demand for daily urban travel will continue to increase at the same rate as the population
- 93 % and 95 % of the continent's roads are **unsafe for cyclists and pedestrians** respectively

In summary...

The challenges of urban transport in the East Africa and Indian Ocean (EAIO) region

The region is characterized by a predominantly pedestrian and poorly structured mobility, with no city in the region currently having an organized public transport network. Compared to our last monthly newsletter dedicated to urban transport in August 2021, only a few of the countries covered below have made concrete progress in this area. Collective motorized mobility relies on a large number of often informal players, which largely contributes to road congestion. In view of past and future urban population growth, the development of mass transit networks is essential. Projects are concentrated in the capital cities, as secondary towns do not, in the short term, have the characteristics that require such networks: high population density, road congestion, extensive urban areas. The networks to be developed in the future will include road networks, such as the Bus Rapid Transit, and rail networks (urban trains, streetcars or light rail). Other projects under discussion, such as cable transport, are also envisaged, depending on the specific features of each city and the choices made by the authorities. In a context of complex and often deficient governance, the main challenge in setting up structured, multimodal public transport networks remains financial.

In detail...

Mobility remains predominantly pedestrian without established networks in the EAIO region

Mobility in EAIO is essentially non-motorized, with the majority (over 50 % on average) of urban trips made on foot. While average incomes remain low and secondary towns small, walking remains an inexpensive and essential mode of transport for the majority of the population. **No city in the region has a structured public transport network**, and the few existing infrastructures (Bus Rapid Transit line in Dar es Salaam, Light Rail Tram in Addis Ababa) do not form a network but rather isolated lines, placed on strategic axes. **Public transport is essentially provided by informal private operators with no centralized organization**, representing around **30 % of urban journeys and a significant share of the economic sector for private operators** (1.5 MUSD/d in Kampala). They use **buses and minibuses** (Matatus in Kenya and Uganda, Dala Dala in Tanzania, Taxi-bé in Madagascar), whose routes, stops and timetables are set at the drivers' discretion. In practice, the only regulation theoretically imposed on these operators by governments concerns registration or road safety (imposition of distinctive markings, etc.). While many lines exist and offer a relatively inexpensive service for a significant proportion of the population, their coherence remains limited and does not allow the formation of an interconnected, multimodal network with easy, clear connections.

The remainder of urban motorized mobility is provided either by **lighter modes such as mototaxis or motor tricycles**, or by private cars, the latter accounting for only around 15 % of journeys in the region's cities. Mototaxis are particularly popular in Uganda and Rwanda, as well as in Kenya, while in Sudan, Somalia and the coastal strip, motorized tricycles (*Bajaj* in Somalia or Tanzania, *Tuk Tuk* in Kenya, *rickshaw* in Sudan) appear to be more widespread. Personal urban transport (cabs or mototaxis) is also widely used, with mobile ordering applications such as Uber in Kenya, *Shilu ANA* in South Sudan or *Dhaweeye* in Somalia.

With an increased demand for mobility, the improvement of urban transport requires a diversification strategy in the region

With the **robust urban population growth** in the region, estimated at 4 % per year on average, the demand for daily urban travel will continue to increase, at least at the same rate as the population. Furthermore, the development of the countries in the region will result in an increase in the standard of living and in **the rate of ownership of personal vehicles**, with many negative externalities (congestion, noise and visual pollution, emission of greenhouse gases and atmospheric pollutants), while the cities in the region remain already very congested. **The construction mass transit networks, capable of meeting the demand for mobility appears to be an alternative solution for most cities in the region.**

The need for mass transit networks and the capacity to set them up, however, **remains very heterogeneous**, both at the regional level and within countries. Since the monthly newsletter of August 2021, no notable progress has been noted in the Comoros, Seychelles, South Sudan, Sudan, Eritrea, Somalia, Burundi and Djibouti. For almost all of these countries, the political and economic situations limit the possibilities of building such networks in the short term, which require significant and prolonged human and financial investment as well as a relatively stable political and economic environment.

Lastly, within countries that need mass transit networks and whose political and economic situation allows it, the **differences in demographic weight between main and secondary cities limit the opportunities for developing large-scale networks to the capitals**. Secondary cities have generally not yet reached a critical population size and often lack the technical and financial means to set up such networks. For secondary cities, the challenges are firstly **improving the quality of basic infrastructure (roads, civil engineering structures) and transforming the informal sector** to make urban transport more efficient, better organised and structured for urban development.

A gradual institutional concern, but limited by fragmented governance and a lack of human and financial resources

Since the 2010s, the urban transport sector has been the subject of a gradual institutional consideration through the implementation of numerous strategic plans, often carried out with the help of donors or foreign partners. Their realization is limited, due to the difficulties of governance and financing of all the planned projects.

Mobility and transport competence is often diluted at several levels, between government, local or independent authorities. Mass transit developments, which are highly visible and often symbols of modernity, are the subject of **significant political consideration**, encouraging various actors to be concerned about them, but this multiplication of interests and visions is an additional difficulty for companies carrying out urban transport projects in the area. In Nairobi, for example, urban transport governance is handled by Namata (transport regulatory authority), under the supervision of the national (Ministry of Transport) and local (Nairobi County) governments. The latter has few legal powers and human resources to plan and implement mass transit developments, and is heavily dependent on other actors (Kenya Railway Corporation, national road authorities) with different visions and skills.

Similar urban transport models across the region

Under the influence of research work done by international institutions (World Bank, African Development Bank), **bilateral development agencies** (AFD, Jica, GIZ) **or think tanks** (ITDP, Codatu), **certain transport network models have been identified as the most suitable to meet the needs of these capitals in the short or medium term**, according to criteria of cost, accessibility, intermodality and capacity. While **Bus Rapid Transit**, known as **BRT**, seems to be the most widespread means of mass transport among projects in the region, **light rail networks**, operational (Addis Ababa LRT, Mauritius Metro Express) or planned (rehabilitation of the Nairobi or Kampala commuter) are the subject of particular attention to relieve congestion on the main traffic routes via a modal shift. Lastly, **cable transport network projects (CTP)** exist in Kigali and Addis Ababa. Tananarive inaugurated the first section of its cable transport network in June 2024. Less expensive than a light rail network, the cable connects landlocked territories (due to the topography of the city) within urban areas. Although the cost of such a project is lower than for other types of networks, the capacity of a cable transport network is lower (3000 people/hour).

The development of non-motorized means of transport seems to be due to urban transport policies, with half of trips in urban areas are made on foot. While some cities include a non-motorized mobility component in their urban development programs (Addis Ababa City Development Corridor in Addis Ababa, NMT financing in Kampala), they do not include pedestrian paths. The latter face excess mortality compared to other road users. For example, in the first quarter of 2024, pedestrians account for 37 % of road deaths in Kenya. On the other hand, **the bicycle** remains **a very little-used means of transport** due to the **low level of equipment, the lack of dedicated infrastructure** (cycle paths) **and safety**. The insecurity of pedestrian and cycle transport is not inherent to the EAIO region: 93 % of the continent's roads are not suitable for cyclists in terms of safety, while this reaches 95 % for pedestrians.

Financing urban public transport projects remains a major challenge, while PPPs do not seem to be a viable solution

The development of mass transport infrastructure in urban areas remains costly and largely the responsibility of national governments, which particularly limits their implementation in a region where public finances are under pressure and debt risk is high. Projects regularly cost hundreds of millions of euros and therefore weigh heavily on the public finances of states.

Although considered so far as a promising co-financing method, the results of the public-private partnerships (PPPs) implemented are mixed. Concerning the Addis Ababa LRT, the profitability of the project comes up against **the need to maintain low prices for the user** (and therefore a good level of attendance and social acceptability). These common issues mean that **a PPP public transport project only seems realistic with a significant share of direct public subsidies** (via availability payments to the private company which then does not bear the traffic risk) or indirect via, for example, concessional financing of part of the infrastructure by international donors and operation by the private sector. **However, the uncertainty about the financial sustainability of the region's governments** and **the high debt levels** make it all the more **necessary to**

diversify the financing of these projects. In this context of weak state support, **PPPs are complex to implement and delay projects**, particularly in a sector with fragmented governance.

Opportunities exist for French players in the proposal and building of an urban transport network

The emergence of players in charge of planning and deploying heavy transport networks is a source of opportunities for French players, both for **studies or assistance with project management** and for the **works and operation of the networks**. Often financed by international donors, the most accessible opportunity for specialized French players lies in assistance with project management, with the institutions in the area appearing to be actively seeking to build complex systems requiring assistance.

Competition on BRT projects is tough for the construction phases, particularly with regard to Chinese companies, already active on the Dar es Salaam and Nairobi BRTs, and competitive on price. The low level of technicality makes the construction and operation of BRT networks attractive to foreign companies. **The supply of rolling stock running** on BRT networks is also a very competitive market where Chinese companies are positioning themselves. While today, buses mainly run on fuel, the transition to e-mobility will require the supply of electric buses in the short and medium term, a sector where Chinese companies are by far the most competitive. Opportunities exist for French expertise in **traffic management and bus system optimization** to reduce costs, whether in the study and construction phase (to reduce the length of dedicated lanes) or in operation (real-time intelligent management systems).

The development of rail solutions is a source of opportunities for French companies, both in terms of studies, track construction, rolling stock supply, and the repair and modernization of signage. These modes of transport, which are more difficult to set up but have greater capacity, are seen by institutions as essential for the implementation of long-term mass transport networks. This is also the meaning of rail projects such as the **Commuter Rail in Nairobi financed by the French Treasury**, the Light Rail in Mauritius or the Light Rail in Addis Ababa.

The French offer is also well positioned in the cable transport sector, recently implemented in Madagascar and envisaged in several cities, such as Kigali and Addis Ababa. Its low cost and ability to easily overcome natural obstacles make it attractive despite some doubts about the cost/benefit ratio of this type of project.

Beyond the mode of transport, **the integration of different transport solutions within a single digitalized system is a major source of opportunities**. **The acquisition of reliable data** and the **integration of ticketing** or **passenger information systems**, which have so far been virtually non-existent in the region, are essential to making urban transport efficient via **multimodal networking**. The French offer available in this area, both in terms of studies and implementation, could position itself, including within business groups.

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