

2.2 Road-based public transport: Governance and market players

The main implementing partners of the Jeepney+ NAMA are the Department of Transportation (DOTr) and the Climate Change Commission (CCC).

The DOTr, the key player in the road-based public transport sector, is the lead executing government agency responsible for public transport planning and for the promotion and development of a reliable and coordinated transportation network. In contrast to many other countries worldwide, the national DOTr is also issuing out the franchises for public buses, AUVs, and jeepneys. In most countries, the management and regulation of the public transport industry is within the responsibility of the regional or local political level.

The CCC is the lead policy-making body of the government in the coordination, monitoring, and evaluation of climate change programs and action plans. Moreover, the CCC is responsible in strengthening the capacities of all sectors on the development of NAMAs and the design of MRV systems to support the implementation and evaluation of NAMAs and is the overall coordinator of the NAMA to the UNFCCC.

Further relevant stakeholders for the implementation of the Jeepney+ NAMA are outlined in **Figure 4**. Stakeholders are divided into four categories:

1. Veto players: actors whose support and participation are necessary in order to achieve the targeted results of the project or actors who may veto the project;
2. Key stakeholders: actors directly involved in the decision-making of the project and who are able to strongly influence the implementation of the project;
3. Primary stakeholders: actors directly affected by the implementation of the project; and
4. Secondary stakeholders: actors that are temporarily or indirectly involved in the implementation of the project.

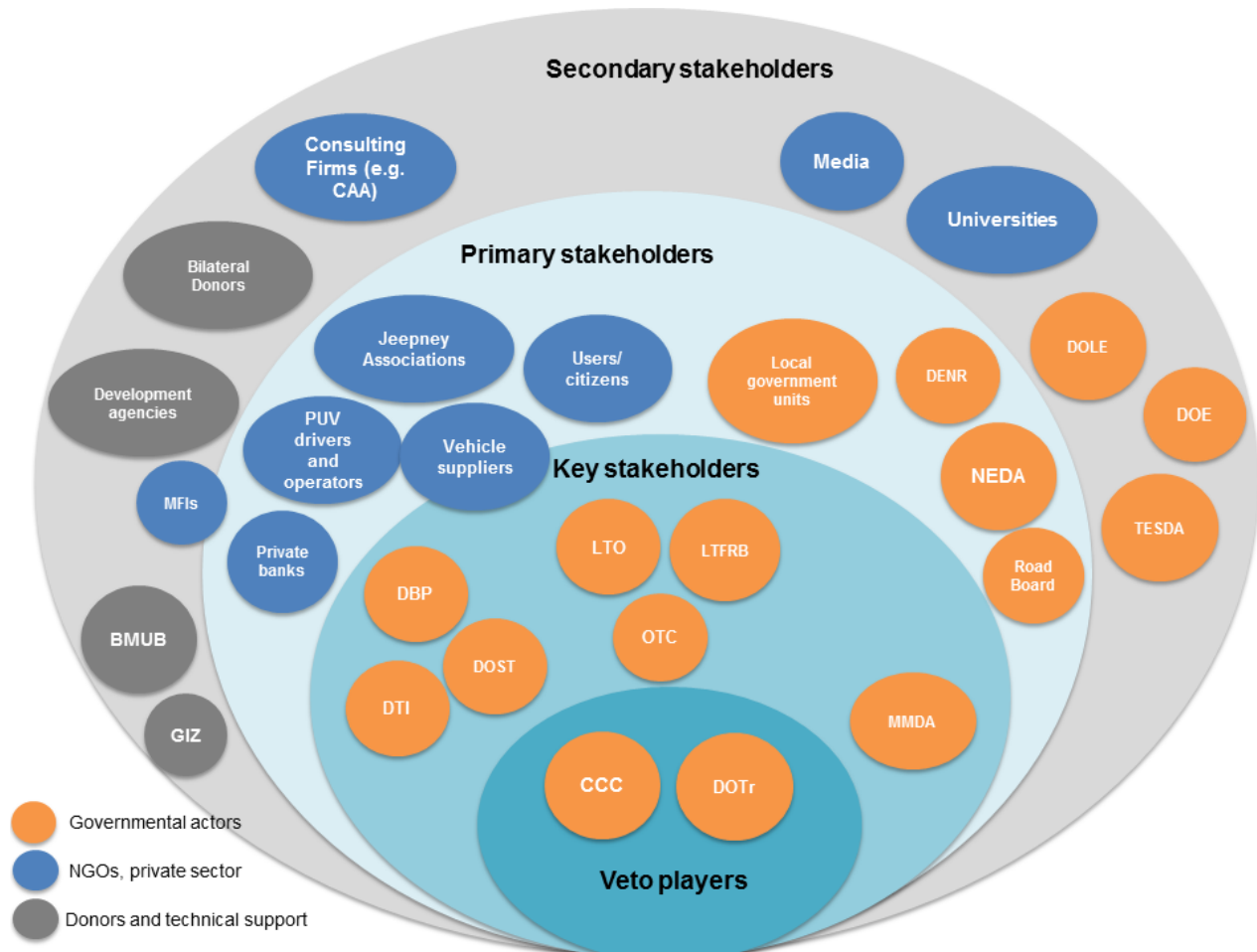


Figure 4: Stakeholder map

Source: Own illustration, see Annex 5 for further explanation

The DOTr is responsible for public transport planning. The *Road Transport Planning Division* of the DOTr identifies and rationalises major public transport (bus, jeepneys, AUVs, such as vans and shuttle services) routes and determine the routes to enable an efficient management of the public transport service. It furthermore is responsible for the development and planning of programs, projects, and policies on environmentally sustainable road transportation, especially geared towards mass public transport.

The *Metro Manila Development Authority* (MMDA), a subnational/regional special purpose government body, is in charge of traffic management and enforcement operations on national roads in Metro Manila. Cities or local government units (LGUs) within Metro Manila are in charge of traffic management and of the maintenance of secondary roads.

The *Land Transport Franchise Regulatory Board* (LTFRB) regulates entry and exit of bus operators into the market and regulates bus fares. The *Land Transportation Office* (LTO) is mostly responsible for vehicle registration and inspection. The market operates under a highly complicated enforcement regime wherein enforcement of traffic policy is shared by several agencies including the MMDA, the Philippine National Police (PNP) and the responsible LGU. Also indirectly involved through planning and development of road

infrastructure are the Department of Public Works and Highways (DPWH) and National Economic Development Authority (NEDA).

Given the discussed structure, road-based **public transport planning and regulation is highly fragmented**. Figure 5 illustrates the main market players in the road-based public transport sector including their functions.

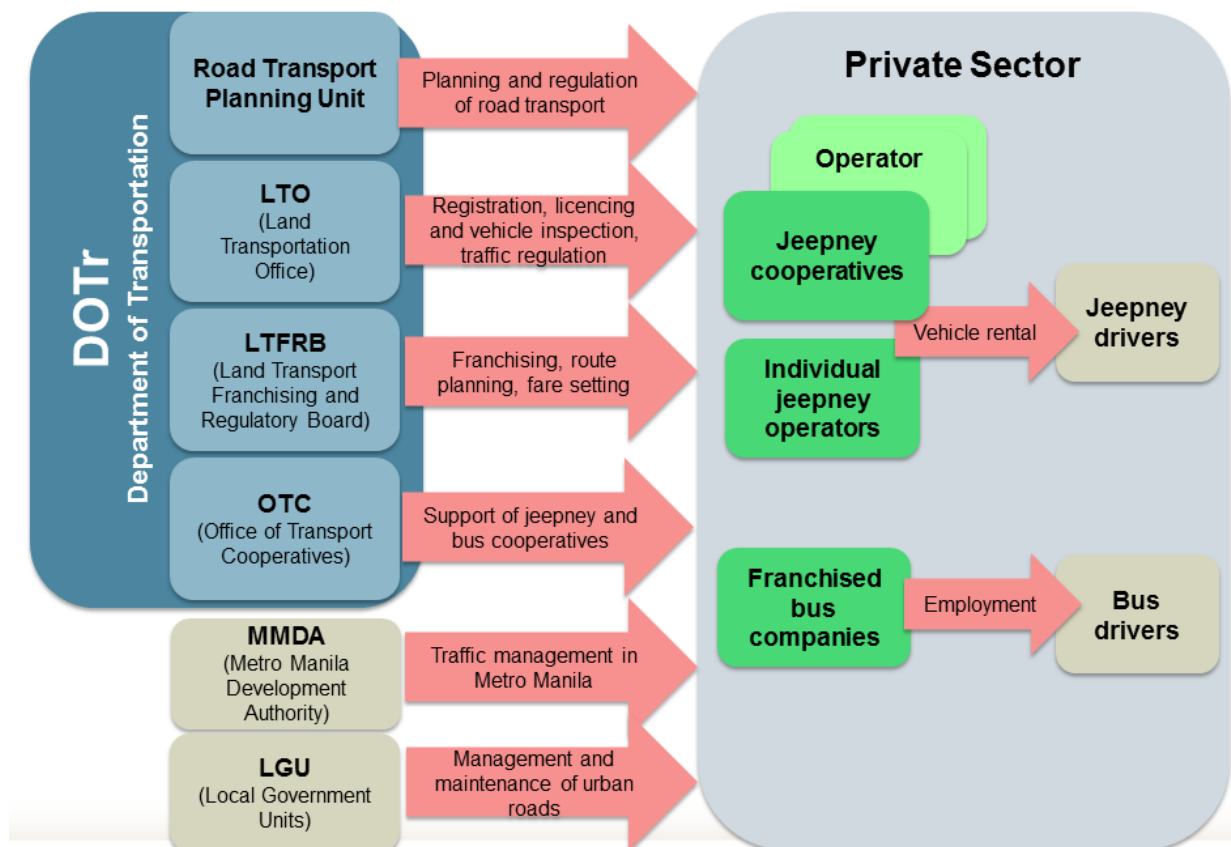


Figure 5: Market players in the road-based public transport sector in Metro Manila/Philippines

Source: Own illustration

The **LGUs** are responsible for regulating the franchises of tricycles and pedicabs (bicycles with side-cabs) and for the maintenance of local urban roads. In most cities, there is no particular agency that develops local public transport plans. Some cities have a transport plan as a result of their cooperation with multilateral development agencies. However, in order to ensure the implementation of the public transport plans, it is essential that the local transport agencies have a leading role in developing the according plan.

The **typical operational arrangement** for jeepneys is a rental contract between the owner of a jeepney (often called: “operator”) and the driver. The driver rents the vehicle and serves on a certain route agreed with the owner. The owner or operator holds the franchise certificate and is responsible for ensuring that the service complies with all regulations.

In the late 2000s, the DOTr, through the Philippine Cooperative Code of 2008¹⁵, began to foster the introduction of **jeepney cooperatives**, in which several jeepney operators are loosely organized with the objective of improving the efficiency of operations and management. The cooperatives were intended to contribute to the integration and consolidation of public transport services and to improve the socio-economic conditions of its members. Through membership in a cooperative, jeepney drivers and operators (owners) would benefit from more accessible loans and statutory benefits like health insurance, social security system membership and specific housing loans. Jeepney operators are not yet legally demanded but encouraged to belong to a cooperative to renew their franchise. The *Office of Transportation Cooperatives* (OTC) is responsible for promoting cooperatives by regularly conducting trainings and by providing administrative advice. At the moment, however, in Metro Manila, less than 10% of jeepney operators are organised into cooperatives.¹⁶

Bus services are also regulated by a franchise system. The LTFRB regulates the entry of bus operators, issues bus franchises, and regulates bus fares¹⁷. Operators that apply for a franchise must undergo a financial and technical evaluation to prove capability of maintaining the service. According to data from the LTFRB, 5,057 buses, covered by 381 franchises, are registered in Metro Manila. Bus operators vary in their size. Small-scale operators owning 10 to 14 buses dominate the system. Some large-scale operators have a fleet of more than 100 buses. A franchise for bus operation on a specific route is not directly connected to a specific bus company. In contrast to the jeepney sector, there is usually a formal employer-employee relationship between the bus operator and the driver and bus conductor.

For buses (as well as for taxis and school buses), a 15-year age limit applies since 2013, which is supposed to lead to fleet renewal towards vehicles complying with Euro IV emission standards (introduced in 2016). To date, the implementation of the 15-year age limit for jeepneys is pending the approval and issuance of the Department Order (DO) on the age limit.

¹⁵ Republic Act No 9520, February 17, 2009 – “An Act amending the Cooperative Code of the Philippines to be known as the “Philippine Cooperative Code of 2008”

¹⁶ Biona 2015

¹⁷ The LTFRB is mandated to review and implement any fare adjustments under Department Order No. 92-587.

Annex 5: Stakeholders and their roles and responsibilities

Roles and responsibilities with regard to the NAMA	
Veto players	
Department of Transportation (DOTr)	The DOTr is the lead executing government agency responsible for public transport planning. In the context of the NAMA, the DOTr is the main implementing agency at the national level and is responsible for the overall design, planning, development and implementation of the NAMA. The DOTr forms part of the Political Board and is the Chair of the Technical Steering Committee of the envisaged NAMA Steering Structure. This signifies its key role in decision-making and its tasks of providing strategic guidance to the project and of mainstreaming the NAMA in all relevant political levels and the public. The DOTr is also expected to convene and moderate meetings of the Steering Committee, monitor and actively follow-up the implementation of the annual work plan for the NAMA.
Climate Change Commission (CCC)	The CCC is the lead policy-making body of the national government in the coordination, monitoring, and evaluation of climate change programs and action plans. The CCC is the overall lead in the implementation of the Philippine Greenhouse Gas Inventory Management and Reporting System, which signifies its role in providing direction and guidance to the DOTr in developing a GHG inventory system for the transport sector. This further enables the development of the MRV system to support the implementation and evaluation of the NAMA. Moreover, the CCC is the overall coordinator to the United Nations Framework Convention on Climate Change (UNFCCC) and is a part of the Political Board of the envisaged NAMA Steering Structure, which highlights its key role in decision-making and in mainstreaming the NAMA.
Key stakeholders	
Land Transportation Franchising and Regulatory Board (LTFRB)	The LTFRB is the attached agency of the DOTr responsible for issuing franchises that authorizes the operation of public transport services. Moreover, the LTFRB prescribes and regulates public land transport services for all routes in the country. In the context of the NAMA, this signifies its role in regulating the entry and operation of buses and jeepneys and in administering franchises to the modernised public transport vehicles for operation. The LTFRB also determines fare rates of public land transportation services. The LTFRB is also a part of the Technical Steering Committee, which highlights its role in providing inputs to the annual work plan for the NAMA.
Land Transportation Office (LTO)	The LTO is the attached agency of the DOTr responsible for the inspection, licensing, and registration of all private and public vehicles nationwide. In the context of the NAMA, the LTO plays a key role in defining the requirements and standards for the registration of public transport vehicles. The LTO is also part of the Technical Steering Committee, which enables it to provide inputs to the annual work plan for the NAMA.
Office of Transportation Cooperatives (OTC)	The OTC is the attached agency of the DOTr that governs the organisation, supervision, and development of transportation cooperatives. The OTC forms part of the Technical Steering Committee thus, providing inputs to the annual work plan of the NAMA. Moreover, the OTC plays an active role in realising the objective of institutional reorganisation (NAMA component), as it is the

	lead agency in consolidating and managing jeepney operators into cooperatives.
Department of Science and Technology (DOST)	The DOST provides direction and coordinates scientific and technological efforts in the national level. A key component of the DOST research agenda is on climate change adaptation and mitigation, while sustainable mass transport has been identified as a priority research area. In the context of the NAMA, the DOST is the executing agency of the development of Customised Local Road Vehicle (CLR) standards, which entails the design and formulation of environment-friendly and roadworthy dimensional standards for mini buses and utility vehicles including jeepneys.
Department of Trade and Industry (DTI)	Through the Bureau of Product Standards (BPS), the DTI is the lead national agency in promoting the use of Philippine National Standards (PNS), standardisation, and conformity assessment activities in the country. The DTI-BPS also coordinates with industry organisations and other government agencies on the implementation of standards. In the context of the NAMA, the DTI-BPS is the approving entity of the CLR standards. Moreover, the DTI-BPS is also responsible for the standardisation of key vehicle parts, which includes tires, windshields, and brake systems under the PNS. The DTI also forms part of the Technical Steering Committee thus, providing inputs to the annual work plan of the NAMA.
Metro Manila Development Authority (MMDA)	The MMDA is the government regulatory and supervisory authority that is responsible for the delivery of services, which includes transport and traffic management, within Metro Manila. Specifically on traffic management, the MMDA is responsible for the enforcement of traffic operations in metro-wide thoroughfares, traffic engineering services, and traffic education programs, including the institution of a single ticketing system in Metro Manila. The MMDA is thus recognised to play an active role in the implementation of the NAMA in routes located in Metro Manila.
Development Bank of the Philippines (DBP)	The DBP is a government-owned and controlled development bank. In the context of the NAMA, the DBP is identified by the DOTr as its potential financing partner in developing a financing scheme that will encourage jeepney owners to switch to modern and cleaner vehicles.
Primary stakeholders	
Department of Environment and Natural Resources (DENR)	The DENR is the lead agency in the overall implementation of the Philippine Clean Air Act, which provides the policy framework for air quality management of the country and which addresses air pollution from the transport sector. The DENR also issued the Department Administrative Order No. 2015-14, which provides the full implementation of Euro 4 standards on new cars in 2016. Moreover, the DENR is an approving entity in terms of emission standards of new vehicles that could replace the jeepneys, which highlights the role of the DENR in the context of the NAMA.
National Economic and Development Authority (NEDA)	The NEDA is the government agency that formulates and coordinates national development plans and priorities, which includes the modernisation of road-based public transport that the NAMA addresses. As the NAMA supports the development of the road-based public transport reform program, which is a major program of the sector, the NEDA takes on an active role in updating the PDP based on the developments of the NAMA.

Road Board	The Road Board is responsible in ensuring that the projects financed by the Special Vehicle Pollution Control Fund (SVPCF) are earmarked and utilised solely for the purpose of reducing air pollution in the road transport sector. Moreover, the Road Board mainly approves projects proposed for SVPCF funding and consistently monitors the utilisation of the SVPCF. The SVPCF is a special government fund which the NAMA will utilise as a seed fund to catalyse the implementation of the NAMA.
Local government units (LGUs)	LGUs are responsible for traffic management enforcement at the city level, which includes jeepneys plying its area of jurisdiction. The policy direction of the DOTr is geared towards empowering the LGUs to develop, implement and monitor its own city transport development plan, which involves determining the level and kind of public transport service needed. In the context of the NAMA, LGUs is an implementing partner of the DOTr in terms of traffic management in the city. Moreover, LGUs form part of the Technical Steering Committee thus, providing inputs to the annual work plan of the NAMA.
PUV drivers and operators	PUV operation is a main source of income for PUV drivers and operators, which requires the NAMA to develop a customised financing scheme that is able to provide adequate equity assistance and operational cost savings to enable the shift to clean and modern vehicle technologies. The planning and implementation of the NAMA is a consultative process that mainly considers the needs of and addresses the financial risks and technical concerns in adopting new technologies by PUV drivers and operators.
Jeepney associations	Jeepney associations or cooperatives are intended to contribute to the integration and consolidation of public transport services. The existing jeepney associations are to serve as models in order to promote further industry consolidation. Initial implementation phases of the NAMA will focus on developing and fine-tuning the structure and business models of the different jeepney associations in Metro Manila.
Vehicle suppliers	To undertake the modernisation of public transport services, initial stages of NAMA planning and implementation requires the identification of and coordination with vehicle suppliers mainly to discuss the possibility of supplying clean and modern vehicle technologies that also meet vehicle standards. Moreover, the NAMA also explores the possibility of suppliers providing financing and incentive schemes to jeepney operators and drivers in order to encourage industry consolidation and fleet modernisation.
Private banks	Private banks are identified beneficiaries as the NAMA project provides the opportunity for private banks to develop arrangements with cooperatives or fleet management companies in the financing of modern and clean units.
Microfinance institutions (MFIs)	MFIs, similar to private banks, are identified beneficiaries as the NAMA project provides the opportunity for MFIs to offer financing schemes to PUV drivers and operators who are unable to access loans from private banks.
Users/citizens	The support of public transport users and the general public is crucial in the planning and implementation of the NAMA as it encourages the needed political will. To garner support and prepare the general public for the NAMA, IEC campaigns and awareness raising on the reform program.

Secondary stakeholders	
Department of Energy (DOE)	The DOE is responsible for strengthening the implementation and monitoring of energy efficiency programs with government agencies and promotes fuel and energy efficient vehicles through fuel economy runs and labelling, and IEC. The direction of the DOE is to develop fuel economy standards for vehicles, which need to be considered by the new vehicle fleet replacement.
Department of Labor and Employment (DOLE)	The DOLE is the government agency responsible in assessing the working conditions and prospects of laborers in the country and ensures the protection of labor welfare and employment, which includes PUV drivers and operators. It is crucial that the NAMA justifies and ensures that the transformation allows PUV owners and drivers to gain more income compared to revenues generated from the boundary system in order to secure the one-time approval of DOLE.
Technical Education and Skills Development (TESDA)	The TESDA is the government agency that provides programs that provides technical education and skills training for the national workforce. An incentive offered to affected PUV drivers and operators by the NAMA is the provision of skills or entrepreneurship training and employment assistance through TESDA programs.
Universities and consulting firms	Universities and consulting firms are sources of technical expertise for studies and capacity development measures needed to support the implementation of the NAMA.
Media	The media enables awareness raising and the promotion of the NAMA to the general public.
Bilateral donors and Development agencies (e.g. GIZ)	Several development agencies have contributed to the planning and expressed interest in the implementation of the NAMA. The GIZ supports the NAMA through the TRANSfer project that conducts technical studies that defined the NAMA and provides capacity development training needed to support the NAMA.