

# City Development: The State of Public Transportation in Nairobi City

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## ABSTRACT

Globally, cities are undergoing urbanization. The rate of urbanization differs from city to city. This phenomenon brings about spontaneous increased demand for urban space, infrastructure, services and housing. Which leads to development of high-rise apartments, commercial malls and public facilities in meeting needs of the increased population. However, if not well managed, certain urban functions like public transportation often become constrained. The public transport system in Nairobi City has been an episode of efficacy and unreliability. The current state benefits the operator rather than the customer. The travel times and route fares are unpredictable. The system is characterized with fragmentation, congestion and disorder. Besides, the state is worsened by all travel routes terminating in the Nairobi Central Business District leading to acute competition between vehicle and non-motorized. The attempted regulative framework by the National and County authorities have failed overtime leading to a more confusing state of order.

## 1. Introduction

Urbanization is a contemporary phenomenon being experienced in the global cities. In Nairobi City, the increased demand for space, services and infrastructure has resulted in spontaneous development of residential high-rise units, commercial malls and constrained public transportation. Nairobi City is an iconic economic hub in the Eastern Africa. It is ranked 10th most dynamic city globally (JLL, 2019). At metropolitan level, the GDP is \$116.66 billion while at nominal level the city contributes \$35 billion GDP and sustains an approximate population of 5.7 million residents as represented in figure 1 (United Nations, 2025). The city has evolved over the years emerging as a transportation depot, serving as a colonial center to being the capital city of Kenya (Nairobi City County, 2014). The city's urbanization rate is 4.1% (United Nations, 2024).

The public transport system in Nairobi City has been an episode of efficacy and unreliability. The current state benefits the operator rather than the customer. The travel times and route fares are unpredictable. The system is characterized with fragmentation, congestion and disorder.

Further, the state is worsened by all travel routes terminating in the Nairobi Central Business District (CBD). Therefore, pressure is exerted on the limited infrastructure spaces leading to acute competition between vehicle and non-motorized. Thus, this paper presents the chronological state of public transportation in Nairobi City.

## 2. The Rationale

The period between 1960s to 1980s, Nairobi City had reliable and effective public transport system. We had defined bus routes and clear travel fares. The Stagecoach buses had assigned routes with scheduled travel times, affordable and comfortable passenger seats. Integrated with the commuter trains which served the passenger demands adequately. The road infrastructure was adequate and the City's network system was functional. It was a British based system. Currently, one cannot believe this story was true. Since the public transportation system is characterized by privately owned matatus with no fixed routes or stops, unreliable, road unworthy vehicles and poor driver's character. Often, the trip fares are unpredictable. They are determined by demand of passengers and weather conditions. Many studies and designs on how to advance the transportation system in

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Nairobi have been provided since the beginning of the millennium. However, the public transportation system seems to wobble as the city urbanizes (figure 1). Thus, the need to probe why?

### 3. Methodology

The exploratory nature of this policy paper, and the limited resources, necessitated the adoption of the qualitative and quantitative methods. The data collection was by both primary and secondary approaches. The primary data captured from passengers, drivers and operators was analyzed to determine passenger travel demands, routes and vehicle ownership status. In-depth key informant interviews were conducted with purposefully selected stakeholders. Semi structured interview guides were applied during urban planning and transport expert discussions. The secondary data capture entailed desktop reviews and analysis of available data. The focus was on urban transport planning, policy papers, infrastructure design frameworks, institutional structures, legislation, urban management and regulatory ordinances on public transportation. In addition to assessing the prevailing operating conditions of public transportation in Nairobi City. Therefore, the paper states the current situation through a reflection of historical events and contemporary assessment of public transportation in Nairobi City.

### 4. Evolution of Public Transportation in Nairobi City

During the colonial era, the public transport system was efficient and managed effectively. It was reliable, comfortable, affordable and sustainable. The British Government had contracted the Overseas Transport Company (OTC) by 1934 to offer public transport services in the broader Nairobi City metropolitan. Through a signed Private Public partnership (PPP) the company joined with The Nairobi Municipality which owned 25% of shares (Kenya Bus Services Ltd. (n.d.), 2022). The company introduced 13 buses to serve 12 commuter routes in Nairobi City which served so efficiently a population of approximately 33,000 people (Sverdlik, 2021). The buses as presented in Figure 2, were clean, comfortable, efficient and reliable (Nairobian, 2022). The OTC was favoured for both passenger and parcel services. In 1963, when Kenya attained independence, the public transport system was still operating efficiently. However, a decade later, the OTC fleet management was overwhelmed by the increased demand for transport services. The high demand was mainly as a result of the increased urban population (middle and low-income population). The then urban agglomeration population had grown to approximately 400,000 people (Sverdlik, 2021). The Government had changed travel policies to allow many locals to migrate to the city seeking for employment and better services (Mutongi, 2017). Gradually, the then efficient public transport system started experiencing limitations. Therefore, a gap in the public transport operations was established. This then led to the emergence of an alternative informal public transport service. The objective was to service the unmet public transport demands as a result of

high travel costs and the inadequate capacity for complete trips.

As a result, the informal public transport service was introduced. It was characterized by conversion of pickups into a face-me public transport vehicle as shown in Figure 3. The passengers sat on fixed benches facing each other while seated. The pickup box carried 14 passengers when fully occupied. At the inception, the vehicles charged 30 cents. Therefore, the informal transport system was christened 'Matatu'.

The Matatus had operated illegally since 1950s (Mitullah & Onsate, 2013). The then contracted public transport company OTC filed law suits and mounted pressure for matatus to be banned (CEC Mobility & Works, 2024). Fortunately, in 1973, the new Kenyan government gazetted matatus as a legal public transport mode in Kenya without road licensing and mechanical inspections (Kenya Bus Services Ltd. (n.d.), 2022). This resulted into an influx of matatus in the city as investors rushed to maximize on ferrying passengers for profits. However, as a result of the unfavourable government policies, OTC operations began to collapse. The formal public transport services operated by OTC could not cope with the mess. OTC then sold the company to Stagecoach Ltd who eventually sold to Kenya Bus Ltd. Figure 4, shows one of the Kenya Bus Ltd buses at KenCom bus terminus.

The operation of the matatus as an informal public transport mode was promoted because it was seen as a form of improving the public transport services and offered employment to the informal sector. A populist notion by the President Kenyatta bolstered the operation of Matatus. He asserted that the industry being important to the common man, who the owners were mainly the drivers; contributed exceedingly to the Kenyan Development. That it was such a good example of the hardworking African entrepreneurship. The President perceived it as a new form of Kenyanization. Since matatus were operated by the African Community members and not the white British, they were mainly used by Kenyans. This inception mis-conceptualization of the matatu industry strongly contributed to the ineffective governance of the informal public transport sector which resulted into overt informal governance and management systems comprising of uncertified groups managing operations and routes. They even formed the Matatu Vehicle Owners Association (MVOA) to aid them in submitting their entreaties to the government. The matatus quickly became popular as they were easily available round the clock, source of employment and created investment opportunities. The matatus connected to all regions including high- and low-density estates, suburbs and informal settlements. Offered fair travel fares and were non-discriminative as we had varieties for the customers to select depending on their preference. However, the matatu owners did not pay government taxes, evaded the traffic rules and they picked and dropped passengers unrestricted.

To address the menace caused by the matatu industry, President Daniel T. Arap Moi passed regulations for matatus to be inspected, insured and road licensed. The policy was passed without proper public participation

leading vehement resentment from the matatu owners. It was unimplementable though it provided some direction in defining passenger routes and decongestion of the CBD. In 1986, President Arap Moi with the foreign investments from Japan, Dutch and Danish introduced government managed bus system named Nyayo Bus Service (NBS). Figure 5, presents one of the NBS buses enroute from Nairobi CBD. The Matatu Vehicle Owners Association (MVOA) had consolidated members who had gained ground of the city routes. There was stiff competition thus the NBS collapsed as well. Over decades, the matatu industry engulfed in corruption and indiscipline acts with limited focus on service provisions. Therefore, the emerging policy interventions focused on disciplinary measures and organizational strategies with no regard on the gap-objective the sector was coined to fill. At this juncture, the informality in the public transport system was obvious. Eventually, that is how Nairobi City ushered itself into the current informal public transport system.

## 5. Operation of public transportation in Nairobi City

The functioning of the public transport system in Nairobi City is predominantly by public transportation at 40% and walking at 40% as presented in figure 6. The use of private car is limited at 13%, while 7% account for other modes of transport (Mwaura, et al., 2025). The commuter rail is partially operational as it is mainly utilized during the peak hours of morning when passengers are getting to work in CBD and evening hours while getting back home. Taxis, tuk tuks (3-wheeler motorized), motor bikes and cycling form the other modes and are used on shorter distances.

According to the recent studies, 95.8% of the trips are by matatus while only 4% by bus. The passengers are classified within the cadres of mid and low-income earners (Mwaura, et al., 2025). There are approximately 235 routes in Nairobi City covering on average trip distance of 25.8 km (Kwoba, et al., 2023). These routes originate from the CBD with destination to various neighbourhoods within Nairobi City and outside. The termination of trips in the CBD makes passengers to have two or more trips before arriving at their destination. The passenger demand is peak during morning hours (6am – 9am) and evening hours (4pm – 7pm) when people are opening and leaving offices.

Further, studies show that there are only 21,000 public transport vehicles in Nairobi City operated by 236 companies (Kwoba, et al., 2023). The vehicles are classified in figure 7, as 14 – seater van (59%), 33-seater (28%), 31-seater (9%) mini-buses and 42–48-seater buses (4%). The adoption of mini-buses is rising as the 14 – seater vans are being phased out.

Since the introduction of matatus and the collapse of the OTC, and NBS management, the operation of public transportation in Nairobi City is run by the private sector, with no government subsidy, no legal framework, no policy and institutional framework. The sector operates with no rules of entry and capacity initiatives for human resource. The law enforcement measures have been influenced by corruption and illegality resulting to introduction of

second-hand low-capacity vehicles. The liberalization of matatu industry therefore brought about the collapse of the formal transport companies in the City.

By the 1990s the owners of the 14-seater matatus had increased their investments. An introduction of the 14-seater minivan matatus had taken place. Figure 8 presents the 14 -seater van as they violate the law. As others increased fleets along the city routes others opted to upgrade to the 28/33-seater minibus matatus. Figure 9 shows the advanced 28/33-seater minibus with graffiti. The vehicles were even made fancier by introduction of graffiti, music system, Tv screens and lavish interiors (AllAfrica, 2014). This attracted customers and as well became the norm for the public transportation sector in Nairobi City. It was coined as the “Generation matatus” (Muraya, 2013).

Essentially, the lack of a defined bus system in Nairobi City to serve the respective passenger routes results in matatus being the most preferred mode of public transport service in the city (Gupta, 2022). It is a phenomenon that has led to “matatu culture” that is associated with chaos, indiscipline and corruption (Jensen & Katy, 2017). The industry is also characterized by cartels with absentee ownerships that control termini. Unprofessional and poor management schemes, inadequate knowledge on traffic laws (Kariuki, 2017), unfair competition from unlicensed matatus, inadequate policy measures for training and licensing matatu crews and limited knowledge in running of saccos.

## 6. Policy Interventions

The sessional paper on The Integrated National Transport policy acknowledges the need for urban transportation policy to address the serious underlining transport needs being experienced in the urban areas and cities in Kenya (Republic of Kenya, 2010). It is noted that there is lack of policy direction on type of transport mode and facilities to be encouraged and promoted in urban areas (Mitullah & Onsate, 2013). The public transportation in Nairobi City has continued to worsen in the eve of the augmented rates of urbanization. It is recognized that the initial policy intervention for public transportation in Nairobi City was the 1973 Presidential decree which legalized matatus as a mode of public transport without licensing. The objective was to fill the gap of the unmet demands by the formal public transportation. However, this initiative introduced a phenomenon in Nairobi City’s public transportation services that faced off the formal public transportation services in addition to the chaos and indiscipline operations arose with the decree. Figure 10 shows a converted Land Rover riskily carrying passengers. No proper policy and regulation aided the establishment of the decree. Perhaps the intended objective had been achieved.

In 2003, the Legal Notice No. 161 as captioned in figure 11 was introduced (Republic of Kenya, 2003), which amended the Traffic Act Cap 403 of the Laws of Kenya. It was gazetted in January 2004 and implemented in six months. The decree was aimed at addressing road safety by providing rules and mode of demeanor of passengers, vehicle crews and owners. It was a good move as there was

sanity in public transportation operations and reduction in road accidents immediately the regulations were implemented. The rules improved safety on the roads, allowed only compliant vehicles and certified crew in the operations. This resulted to reduced number of vehicles on the road leading to increased fares thus reduced vehicle passengers as many travelers opted for alternative means of transport for shorter distances. The regulations are still in place as per the requirement of the Transport Licensing Board (TLB). As the government objective was being realized, a majority of stakeholders felt the transition was more costly. The investors spent about Ksh. 50,000 – Ksh. 100,000 per vehicle for seat belts, speed governor, refurbishing and inspection provisions. However, at least 20 transport companies collapsed as they could not attain the requirements as many were servicing loans or operated on minimal cash returns.

Initially, the matatus were restricted from gaining entry into the Nairobi Central Business District (CBD). Only the formal commuter buses were allowed. The restriction was aimed at decongesting the CBD. Over time, the PSV started being allowed to the CBD by charging parking fees with no allocations of appropriate parking spaces. As chaotic and indiscipline arose in the matatu sector, the CBD became congested as every matatu tried to move in the CBD to drop and pick passengers. Figure 12 unveils congestion of matatus along Ronald Ngala Street in Nairobi City. To address the issue, satellite termini namely, Green Park, City Bus Station, Khoja Mosque, Muthurwa, Globe Cinema Round About and Hakati were designated outside the CBD in 2011. The objective was to allow only private cars into the CBD while passengers were dropped in the satellite termini. However, this intervention was not well thought through as the government and the local authorities had not provided feeder buses to take passengers to and from their last destinations. Many passengers were forced to walk lengthy miles to their destinations while others opted to hire taxis to complete their travels. It was a costly move which lasted only a few days of its implementation as it collapsed.

A new thought was also proposed in 2011. The Government had observed that the 14-seater minivan matatus were in numbers and truly congested the Nairobi CBD (Figure 11). Therefore, the Ministry of Transport placed a Legal Notice that the Transport Licensing Board shall not license the 14-seater minivan matatus beginning of January, 2011. That those already licensed were to be allowed to phase out naturally through attrition. The objective was to permit the high capacity mini-buses and buses to ferry passengers in Nairobi City of which was to decongest the Nairobi CBD. The implementation of this policy was heavily challenged since the 14-seater minivan matatus formed the highest percentage of the public transportation sector in Nairobi City. Studies provide that for effective public transport operation; Nairobi City needs a hybrid system of public transport which accommodates all modes of transport including the 14-seater minivan matatus.

To eliminate the penetration of cartels in public transportation sector, the government legalized through the Transport Licensing Board (TLB) that all public service

vehicles (PSV) should belong to a Savings and Credit Cooperative Societies (SACCOS) or alternative member of a management company (Republic of Kenya, 2010). This was to ensure self-regulation of the public transportation sector. TLB directed that only SACCOS formed by genuine members would be registered upon submission of certificate of registration, SACCOS members and officials, list of vehicles owned by the SACCOS and copies of vehicle logbooks. Initially, there was resistance especially from the cartels who charged illegal fees to operators who wanted to join SACCOS. In other incidents, the cartels devised craft ways of operating vehicles without adhering to stipulated TLB standards as a way of opposing the new legal regulation (Mitullah & Onsate, 2013). This policy move has worked as all PSV are now only issued with the operation license upon confirmation of SACCOS registration. Currently, there are over 300 registered and active SACCOS in Nairobi City operating public service vehicles.

## 7. Proposals

It is clear that the public transportation system in Nairobi City is unique by its operation. However, the dynamics on usage of public transportation have changed overtime. Fundamentally, the demand for travel has increased as a result of the high rate of urbanization. Initially, the 1934 bus transport system was effective since the population was barely less than 100,000 people. With the current acute city population of over 5.7M people, there is need for a proper and effective public transportation system to be implemented.

Hence Nairobi city deserves a transport system that can accommodate mass transits within a specific time. The introduction of the Bus Rapid Transit (BRT) is a priority. In addition to meeting the passenger travel demands, the BRT shall also catalyze decongestion of Nairobi CBD. The gazetted BRT lanes should be implemented respectively.

The operations for commuter train should be increased. Advancement and introduction of new lines to serve more neighbourhoods is pertinent. Additional couches should be added to serve the increased passenger travel demands during the peak hours. The management should also consider spontaneous lines based on passenger demands to avoid underutilization of train services.

The integration of the BRT and train services should be considered. The BRT should complement and be mapped for zones that cannot be served by the commuter train operations. Further, matatus should be allocated travel routes that cannot be reached by the BRT and the commuter trains. In this regard, the need to have both formal modes of higher passenger capacities and matatus with proper assignments for routes. The matatus irrespective of their capacities, should come along side to fill the gaps where the formal modes cannot service the routes.

The government ought to invest in the route infrastructure if such modes as the Bus Rapid Transit (BRT) and non-motorized can function effectively. There is need for self-regulations to solve the market failures and offer protection to the formal mode of transportation. This is

through city wide fleet management, establishment of high-capacity electrical minibuses, CBD decongestion strategies, training of matatu crews on laws and customer care services.

### 8. Conclusion

The rate of urbanization is high in Nairobi City. The upsurge in population growth has led to increased passenger travel demands.

The state of public transportation in Nairobi City is of a mix of inadequacy, informality and poor standards. The attempted policy interventions to regulate the public

transportation were vehemently challenged. For sustainable development, Nairobi city deserves an effective and efficient public transport system. As a culture the matatus seem to be a part of Nairobi City’s life. Therefore, the need to introduce a public transport model integrating the usage of BRT, commuter train, non-motorized and matatus. Proper regulatory framework should be approved and adhered to allow strategic implementation of policies and operations.

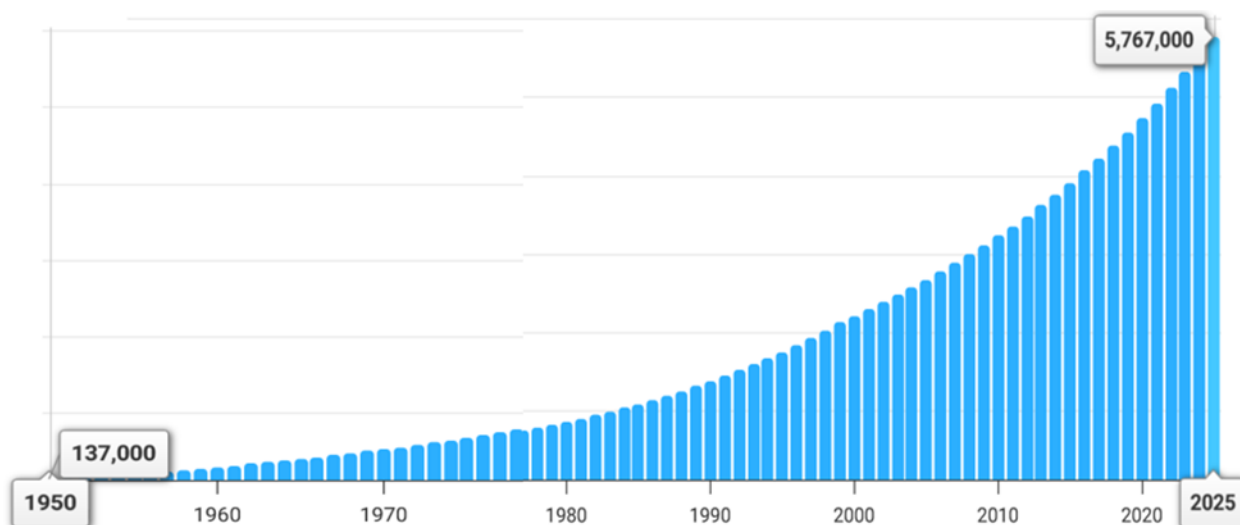


Figure 1. Nairobi City population trend; (Source: (United Nations, 2025))



Figure 2. OTC bus, (Source (Marie, 2022))



Figure 1. Face - Me box matatu; (Source: (Sverdlik, 2021))



Figure 4. Kenya Bus at Kencom Termini; (Source: (Nairobian, 2022))



Figure 5. Nyayo Bus; (Source: (Nairobian, 2022))

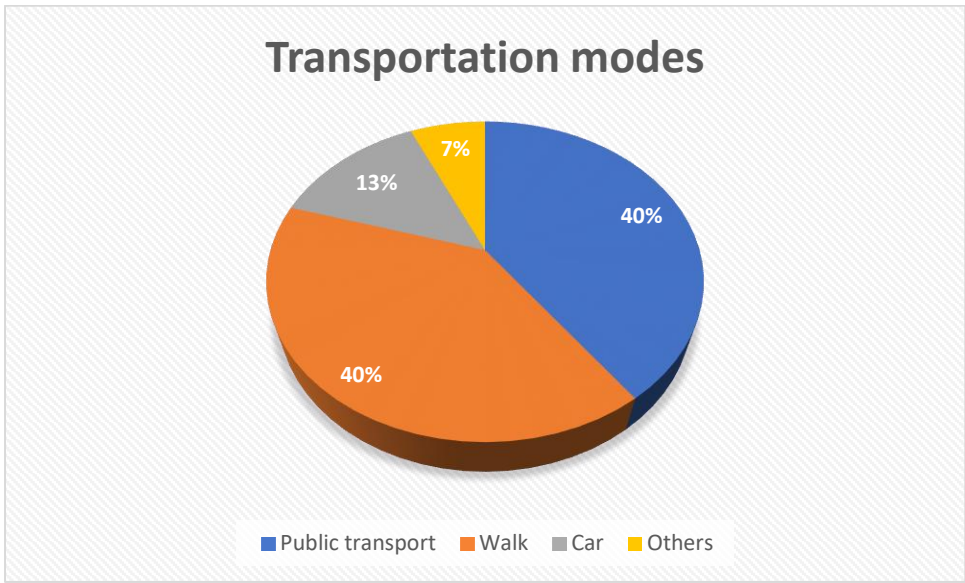


Figure 6. Transportation modes in Nairobi City; (Source: (Mwaura, et al., 2025))

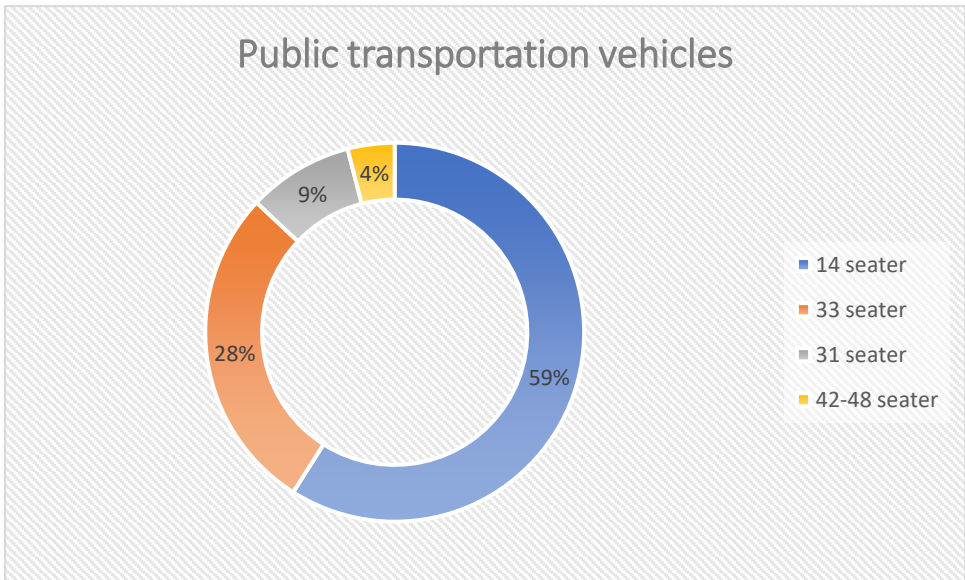


Figure 7. Public transportation vehicles; (Source: (Kwoba, et al., 2023))



Figure 8. Collage of Minivan Matatus; (Source: (Kariuki, 2017))



Figure 9. Minibus Matatus with Graffiti; (Source: (AllAfrica, 2014))



Figure 10. Conversion of Police vehicle for matatu service; (Source: (Mutongi, 2017))

### **Provisions of Legal Notice No. 161**

The provisions of the legal notice include: fitting approved seat belts, speed governors with speed limit of 80 km/hr, painting a continuous yellow band of 150 millimeters width clearly visible from a distance of at least 275 metres on both sides and on the rear of matatus. In addition, PSV owners are required to write their name and address on the front right hand door of the vehicle, and to indicate their registered route, licensed passenger carrying capacity and tare weight.

PSV drivers and conductors must wear uniforms and have special identification badges issued by the Registrar of Motor Vehicles after obtaining a certificate of good conduct from the Criminal Investigation Department (CID). The drivers are expected to display their photographs and also undergo testing after every two years to be certified both medically and professionally fit to drive. The PSV owners are further required to employ drivers and conductors on permanent basis and pay monthly salaries.

Figure 11. Legal Notice No. 161; (Source: (Republic of Kenya, 2003))



**Figure 12.** Matatu Congestion in Nairobi CBD; (Source: (Mutongi, 2017))

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