

## Energy, climate and air quality challenges: the role of urban transport policies in developing countries



### Financing Low Carbon Urban Transport: Experience gained by AFD

Session “Financing and optimizing benefits from low carbon urban transport”

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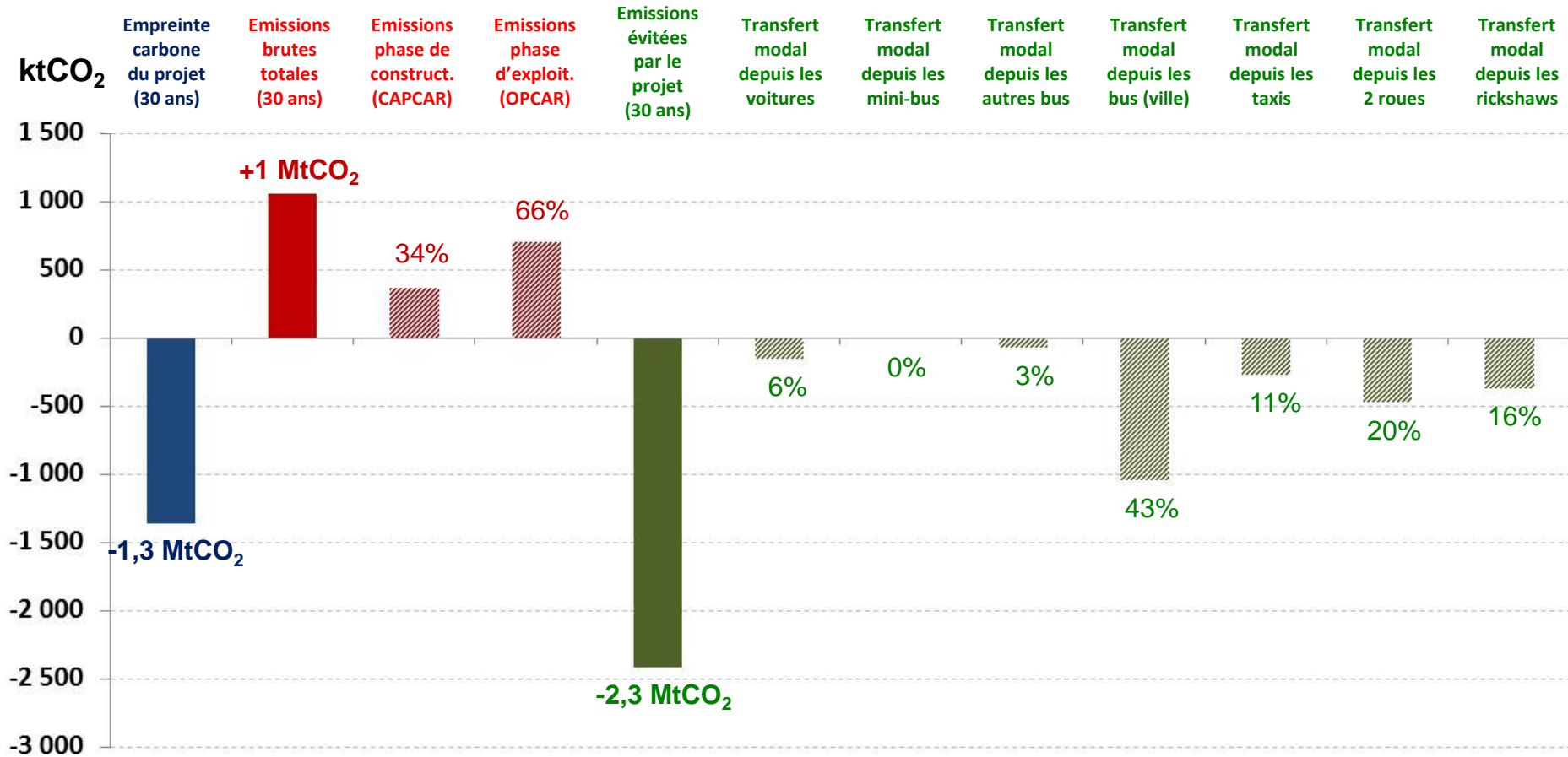


# Message # 1: Climate challenges are a real opportunity for urban transport

- AFD climate strategy (2012)...
  - 50 % of approved financing is “climate impact”
  - Carbon footprint is calculated on all projects
  - Criteria to select/reject emissive
- ...had put urban transport higher on the agenda...
  - Commitments of 0,5 Bn €/year for urban transport, out of which 80 % for rail modes
- ...but project approach is not the right scale for urban transport
  - Carbon emission reduction of urban transport projects range from 10 to 50 000 tCO<sub>2</sub>/year
  - Need of integrates approach at appropriate scale – the NAMA



# Case study of carbon footprint assessment : detail of carbon footprint for each source (ex. Subway)



# Carbon footprint of different urban transport projects

	PROJET	DESCRIPTION	EMISSION REDUCTION
<b>This project</b>	<i>Metro Kochi section 1 (25,6 km)</i>	130 to 260 million trip per year 350 M€ (180 M€ of AFD funding)	~ 40 ktCO <sub>2</sub> / yr
<b>For information</b>	<i>20 MW windfarm in India</i>	20 wind turbines of 1 MW CAPEX 50 M€	~ 40 ktCO <sub>2</sub> / yr
	<i>Hanoi light rail train (LRT)</i>	70 million trips per year CAPEX 521 M€	~ 5 à 15 ktCO <sub>2</sub> / yr
<b>Others AFD projects</b>	<i>Saint Domingue metro ligne 2 (MRT)</i>	160 M€ (AFD funding)	~ 25 à 50 ktCO <sub>2</sub> / yr
	<i>BRT Cebu (Philippines)</i>	75 à 100 million trips per year 30 km of lines	~ 20 à 40 ktCO <sub>2</sub> / yr
	<i>BRT Insurgentes, Mexico</i>	80 million trips per year	~ 50 ktCO <sub>2</sub> / yr
	<i>BRT Zhengzhou, China</i>	100 km of lines	~ 200 ktCO <sub>2</sub> / yr
<b>Others CDM projects</b>	<i>BRT Bogotá, Colombia (TransMilenio Phase II to IV)</i>	500 million trips per year 130 km of lines	~ 250 ktCO <sub>2</sub> / yr
	<i>Metro Dehli (Phase II)</i>	350 million trips per year 100 km of lines	~ 500 ktCO <sub>2</sub> / yr



## Message # 2: To optimize financial sustainability of urban transport, improve governance!

- Optimized **planning** through a **unique entity, at appropriate scale**, allows greater efficiency of investment
- Promote compact planning to limit the need to construct costly infrastructure
- Integrate modes at large scale to avoid redundancy, duplication and competition between projects
- Choose one entity to channel funds, coordinate donors and ensure best financing schemes and conditions
- Introduce performance based contracts to better regulate and control operation and maintenance costs

# The role of financiers is more than financing!

## AFD supports urban transport through :

- **Financing of project** : From project loan to budget support
- **And Technical Assistance** to strengthen governance and set peer to peer partnership. Importance of training and exchange of expertise :
  - Brazil : Rio de Janeiro – STIF
  - Brazil : Sao Paulo – STIF
  - India : Kochi – Sytral with CODATU
  - Tunisia: Ministry of Transport – Cerema with CODATU
  - Peru: Ministry of Transport – STIF with CODATU (tbc)





**Merci!**

**Thank you!**

**Teşekkür ederim!**

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# AFD at a glance

- AFD group is the main implementing agency of France's official aid to developing countries
- Operates on 5 continents with 71 overseas offices
- Provides project funding and assistance to central and local governments, NGOs, financial institutions, public entities and private companies
- Objectives
  - *Promote sustainable and inclusive economic growth*
  - *Alleviate poverty and inequalities*
  - *Help to preserve the environment*
  - *Contribute to the stabilization of fragile contexts*

**AFD**  
means\*

€**7.8** billion  
of financing commitments

**46%**  
of France's bilateral aid funding

**1** million  
more people now live in safer homes

**71** offices  
around the world

**1.5** million  
more people now have access to drinking water

more than  
**90** countries  
helped

**878,000**  
family farms received support

**1,744** employees

**47%**  
of foreign-aid funding benefits the climate as well as people