CODATU XVI in Istanbul, February 2015

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 tCO2/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

<table>
<thead>
<tr>
<th>PROJET</th>
<th>DESCRIPTION</th>
<th>EMISSION REDUCTION</th>
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<tbody>
<tr>
<td><strong>This project</strong></td>
<td><strong>Metro Kochi section 1 (25,6 km)</strong></td>
<td>~ 40 ktCO₂ / yr</td>
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<tr>
<td>130 to 260 million trip per year 350 M€ (180 M€ of AFD funding)</td>
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<td><strong>For information</strong></td>
<td><strong>20 MW windfarm in India</strong></td>
<td>~ 40 ktCO₂ / yr</td>
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<td>20 wind turbines of 1 MW CAPEX 50 M€</td>
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<tr>
<td><strong>Others</strong></td>
<td><strong>Hanoi light rail train (LRT)</strong></td>
<td>~ 5 à 15 ktCO₂ / yr</td>
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<td>70 million trips per year CAPEX 521 M€</td>
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<tr>
<td><strong>AFD projects</strong></td>
<td><strong>Saint Domingue metro ligne 2 (MRT)</strong></td>
<td>~ 25 à 50 ktCO₂ / yr</td>
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<td>160 M€ (AFD funding)</td>
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<td><strong>Others</strong></td>
<td><strong>BRT Cébu (Philippines)</strong></td>
<td>~ 20 à 40 ktCO₂ / yr</td>
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<td>75 à 100 million trips per year 30 km of lines</td>
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<td><strong>Others</strong></td>
<td><strong>BRT Insurgentes, Mexico</strong></td>
<td>~ 50 ktCO₂ / yr</td>
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<td>80 million trips per year</td>
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<td><strong>Others</strong></td>
<td><strong>BRT Zhengzhou, China</strong></td>
<td>~ 200 ktCO₂ / yr</td>
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<td>100 km of lines</td>
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<td><strong>CDM projects</strong></td>
<td><strong>BRT Bogotá, Colombia (TransMilenio Phase II to IV)</strong></td>
<td>~ 250 ktCO₂ / yr</td>
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<td>500 million trips per year 130 km of lines</td>
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<tr>
<td><strong>Others</strong></td>
<td><strong>Metro Dehli (Phase II)</strong></td>
<td>~ 500 ktCO₂ / yr</td>
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<td>350 million trips per year 100 km of lines</td>
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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**

- €7.8 billion of financing commitments
- 46% of France's bilateral aid funding
- 71 offices around the world
- 1 million more people now live in safer homes
- 1.5 million more people now have access to drinking water
- More than 90 countries helped
- 878,000 family farms received support
- 47% of foreign-aid funding benefits the climate as well as people
- 1,744 employees

**développeur d’avenirs durables**