



Role of AFD in Financing Urban Transport

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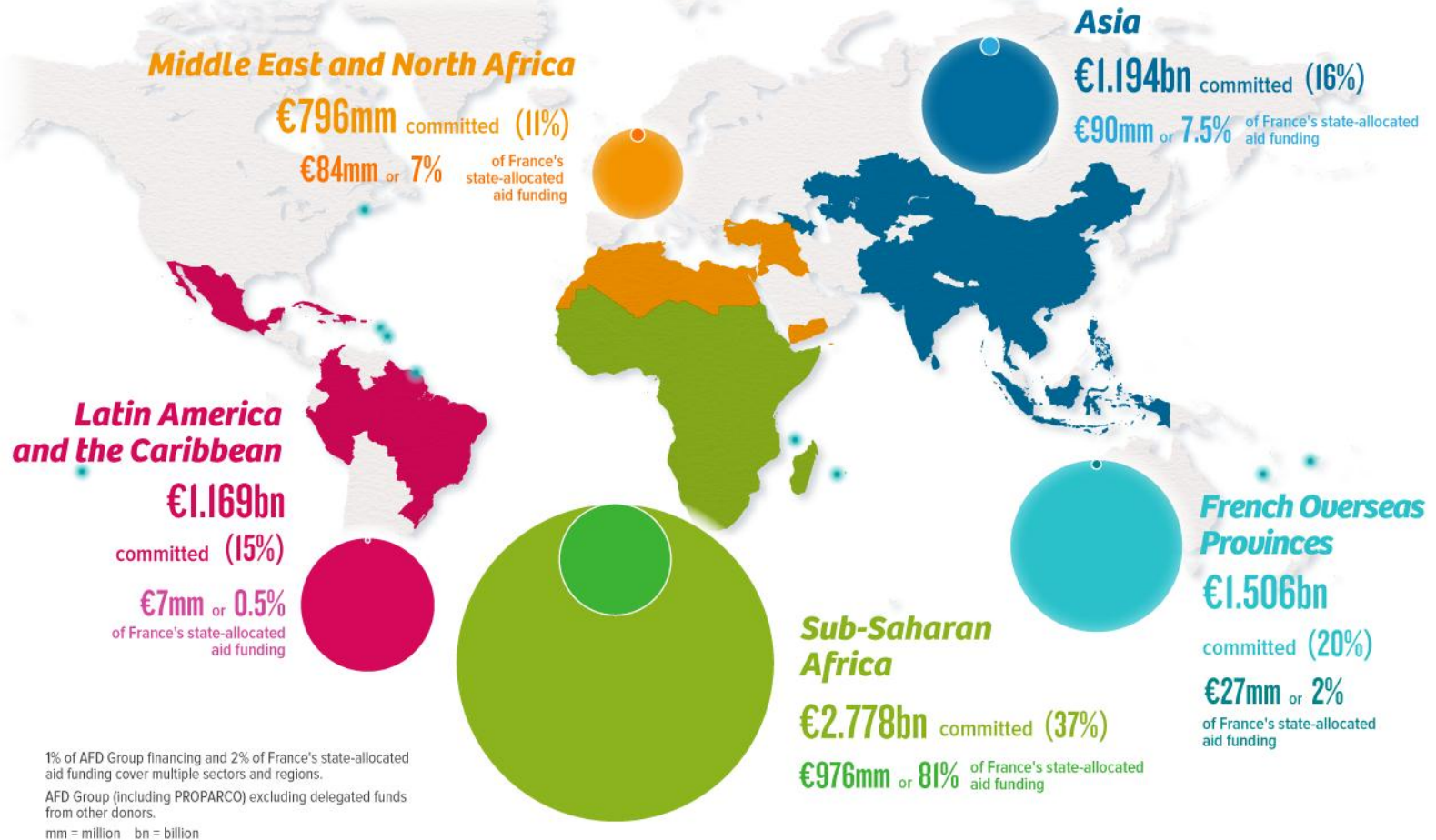
20 November 2014, Izmir



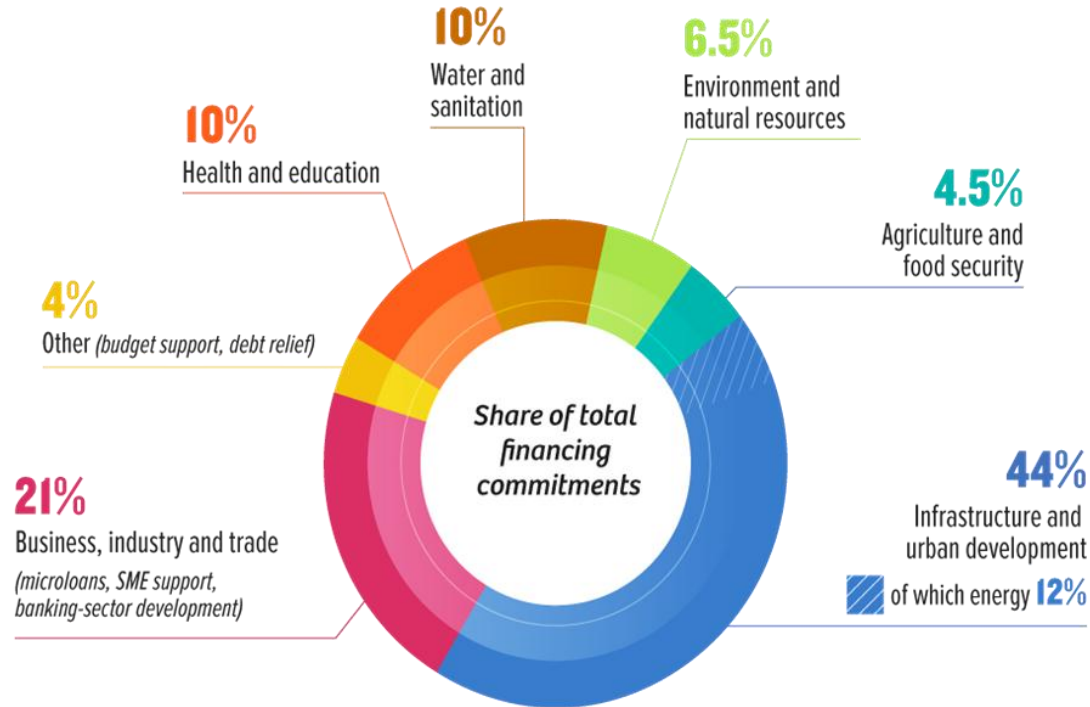
AFD in a Nutshell



AFD in 2013: €7.8 billion of financing commitments



A strong focus on infrastructure and urban development



AFD Group including PROPARGO; excluding delegated funds from other donors

Overview of AFD activities in Turkey

Established in Turkey since 2004 (total portfolio of €1.9 bn)

Opening of bureau in Ankara (September 2014)

Mandate: support green and inclusive growth in Turkey

AFD works with:

- Public sector : State, public enterprises / banks and municipalities
- Private sector : Banks and enterprises (with PROPARCO)

Financial tools :

- Long-term loans on preferential terms
- Technical cooperation

Various projects in support of sustainable development:

Forest management, credit lines to local banks to promote CSR and access to credit for SMEs, energy efficiency & climate change program, modernization in agro-industry, cities' urban development...

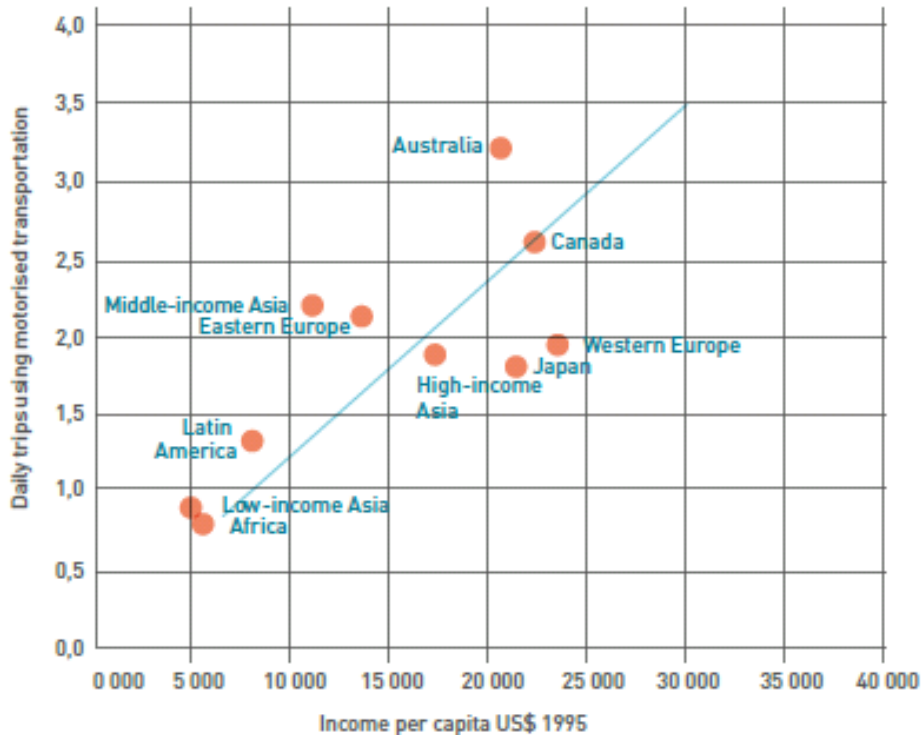




Supporting Sustainable Transport



Challenges of urban mobility



- Challenge of urban growth, which creates new needs that have to be met due to the increase in the size of population and longer travelling distances.
- Environmental issues (energy and climate change): requires finding a new balance between private and public modes of transport.
- Cities with between 1-5 million inhabitants will experience the strongest demographic growth in the coming 15 years.

Strategic Orientation Plan for Transport

AFD Transport
strategy

Economic growth



Efficient transport

Vehicle for economic relations that bring about territorial or regional integration and facilitate integration into globalisation

Poverty reduction



Equitable transport

Open up and give access to areas and support economic growth

Protect global public goods



Sustainable transport

Safety and mitigation of GHG emissions

AFD Urban Transport Portfolio

- All transport modes projects represent 12 to 15 % of annual AFD new commitments - **i.e. around € 1 Bn/year**
 - Out of which **50% is dedicated to urban transport** (about €500 M/year), with a clear focus (80 %) on **rail modes** (metro and tramways).
- **A wide range of approaches:** from project type (for metro/tramways) to budget support (for a global mobility policy)
- **Importance of technical assistance support:**
 - For strategic planning and project preparation
 - For governance issues
 - For twinnings and partnerships with French entities (STIF, SYTRAL, etc.)
 - For training (CEFEB, LUTP)
 - **Importance of CMI platform on these issues**



Examples of Urban Transport Projects financed by AFD around the Mediterranean

- **Turkey:** Istanbul metro – Line 2; Kayseri tramway; Izmir ferries, tramway and metro
- **Tunisia:** suburban train (RFR) and tramway for Tunis
- **Morocco:** Casablanca tramway (line 1); Rabat tramway - line 1 (Morocco) and (*under appraisal*) future bus project in Agadir
- **Egypt:** Cairo metro – line 3 in different phases and (*under appraisal*) a future project in Alexandria
- **Jordan:** Amman BRT



...and in other parts of the world !

■ Africa: a focus on BRT

- two BRTs (Lagos and Akkra) and future prospects in Ethiopia and Kenya

■ Asia: a focus on metro due to high densities

- Metro in Hanoi (Vietnam), Bangalore and Kochi (India)
- Dhaka BRT (Bangladesh)
- Bandung suburban train (Indonesia)
- Wuhan intermodal pole (China)

■ Latin America: integration of modes

- São Paulo suburban train Line 13 (Brazil)
- Rio de Janeiro : budget support for urban mobility policy
- Curitiba BRT (Brazil)
- Medellin Tramway and Metrocable (Columbia)
- Saint-Domingue Metro (Saint-Domingue)



Municipal Projects Financed in Turkey in support of sustainable transport

Municipality	Project	Financing
Metropolitan municipality of Kayseri	Urban development and tramway line	22 MEUR Non-Sovereign loan
Metropolitan municipality of Gaziantep	Climate change action plan (CCAP)	grant
Metropolitan municipality of Istanbul	<ol style="list-style-type: none"> 1. Taksim-Haciosman metro line 2. Taksim-Yenikapi metro line & decentralized cooperation with the City of Paris 	<p>60 MEUR NS loan</p> <p>45 MEUR NS loan</p>
Metropolitan municipality of Izmir	<ol style="list-style-type: none"> 1. Financing of passenger ferries 2. Financing of 2 new tramway lines 3. Financing of metro line extension (under appraisal) 	<p>With IFC, EBRD and ING</p> <p>45 MEUR NS loan</p> <p>55 MEUR NS loan</p>



Izmir



Signature ceremony of the CCAP



Istanbul



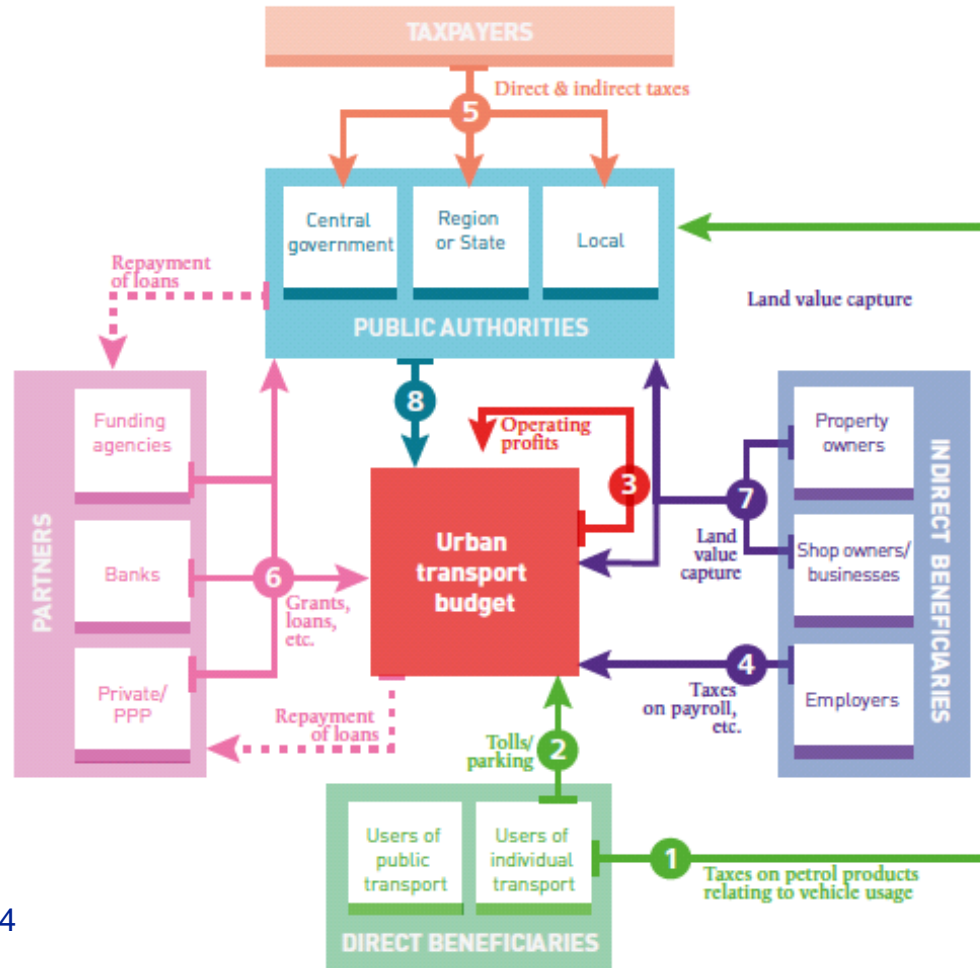
Kayseri

Key elements for a successful urban mobility policy

- Need of a unique entity to carry out **the functions of the « organizing body »** (i.a. planning and integration of modes, project implementation and regulation)
 - Increasing role of municipalities in decentralized countries (Morocco, Turkey, Jordan)
 - Creation of a specific entity in centralized countries (Egypt, Tunisia)
- Need of a **clear financial policy**:
 - who pays for what?
 - contractualisation of performance against transfer of subsidies

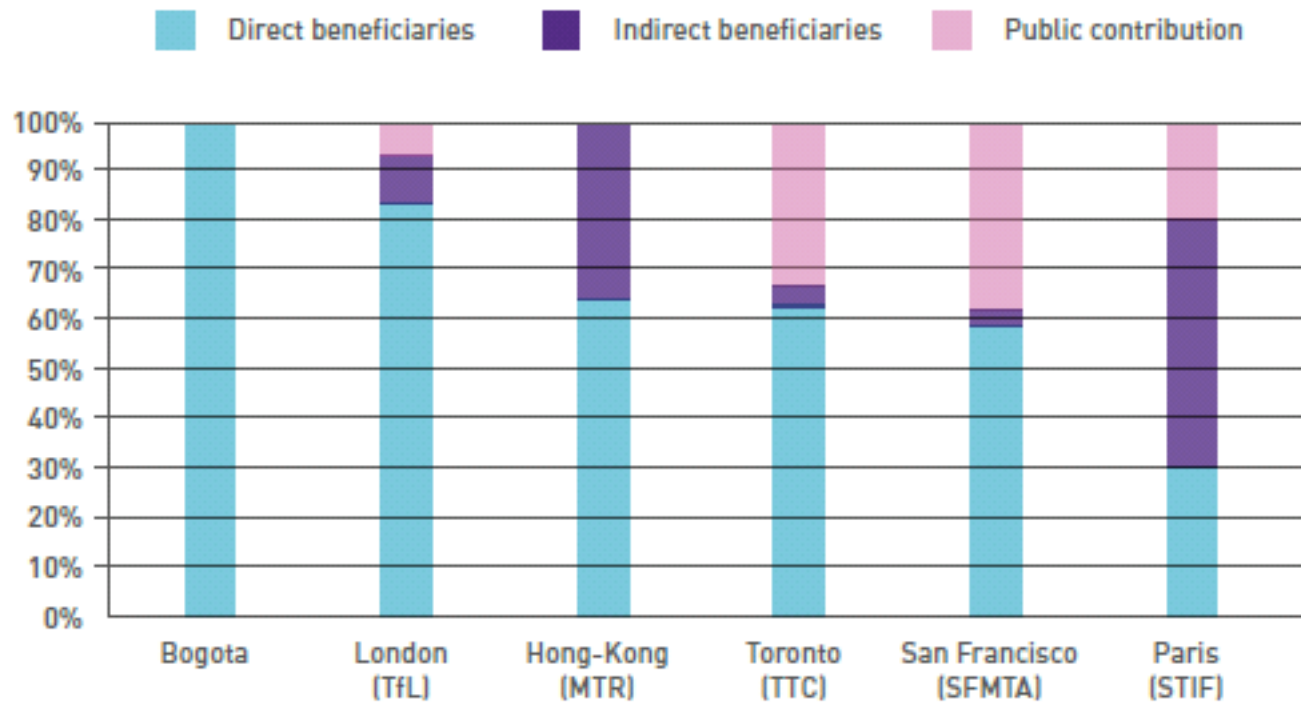
AFD is keen on supporting not only projects, but also **urban transport policies and governance** as well as facilitating **partnerships**

Who pays what for investments?



Source: AFD-Codatu 2014

No one-size-fits-all funding model



Source: AFD-Codatu 2014

Reference



WHO PAYS WHAT FOR URBAN TRANSPORT? Handbook of good practices

Edition 2014

- Who can and who must pay for urban transport?
- How should the various sources of financing be distributed to the various modes of transport?
- What funding sources are the most favourable for the sector's sustainable development?
- How should they be mobilised?
- http://www.codatu.org/bibliotheque/doc/a-traduire-en-en_us-qui-paie-quoi-en-matiere-de-transport-urbain/
- Also available online in Turkish.



Thank you!

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développeur d'avenirs durables

Some innovative projects in urban transport

■ Metrocable

- Medellin (Columbia)
- Rio de Janeiro (Brazil)

■ Urban ferries

- Rio de Janeiro - Niteroi (Brazil)
- Istanbul and Izmir (Turkey)

■ Intermodal poles

- Wuhan (Metro/TGV/Airport) – China

■ Soft modes and parking

- Green Corridor in Cali (Colombia)
- Two-wheels plan in Toledo (Brazil)

■ Partnerships with French entities

- Bordeaux-Le Cap (South Africa)
- Paris (STIF)-Rio and Sao Paulo in Brazil
- Lyon (SYTRAL)-Kochi (India)

