


2019



# Transport & Mobility

ACTIVITY REPORT

#WorldInCommon



**T**he mobility of people and goods is a prerequisite for the achievement of the Sustainable Development Goals (SDGs). Indeed, it plays a fundamental role in providing people with access to employment and essential services, and determines whether productive economies function effectively and sustainably, so that cities can be not only efficient, but also breathable and “livable”.

The transport sector is more than 90% dependent on hydrocarbons and is responsible for 14% of total greenhouse gas (GHG) emissions. Individual or collective road vehicles are responsible for three-quarters of these emissions and about half of GHG emissions are emitted in cities. Now more than ever, in light of expanding urbanization and the increase in demand for mobility, reducing the carbon intensity of the transport sector is a major challenge.

To address these issues, AFD Group provides financing to develop low-carbon modes of transport, support the integrated planning of mobility systems and reduce motorized travel.

# AFD Group's transport and mobility strategy

AFD's operations in the transport and mobility sector are based on four goals:



## Inclusive mobility systems

AFD promotes social cohesion and an approach to projects that connects isolated or disadvantaged areas to ensure the inclusion of vulnerable communities (through equal access and fair pricing), as well as the participation of users in the design of projects.



## "Green" and low-carbon mobility systems

AFD supports "green" and low-carbon mobility systems, aimed at reducing local pollution and accelerating the decarbonization of the sector.



## Efficient and sustainable mobility systems

AFD ensures that projects are sustainable by analyzing the effectiveness of technical choices and sectoral governance (planning, financing, and management) for operations and maintenance.



## Safe and secure mobility systems for all

AFD finances mobility systems that promote road safety and the safety of complex forms of travel such as air and rail. Such systems also tackle the insecurity of women in transport and public spaces.

**Three cross-cutting acceleration tools** are used to fast track AFD's action in the transport and mobility sector:



Promote technological and digital innovations in mobility



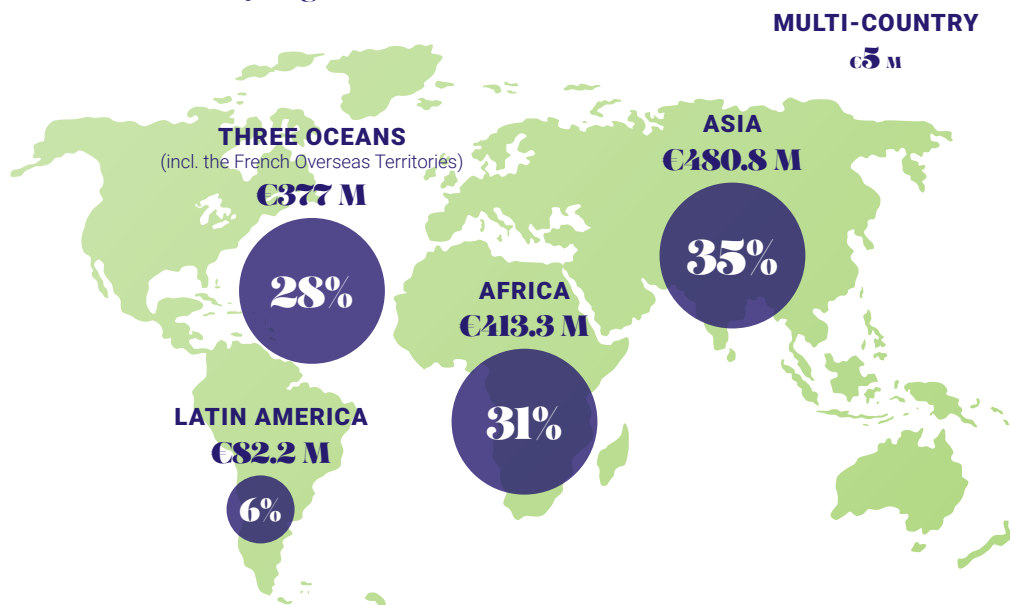
Effectively mobilize the private sector



Mobilize French and European expertise

# Transport and mobility projects approved by AFD Group in 2019

## Breakdown by region



**€1.36 BN**

for transport and mobility in 2019,  
47 projects approved



**Partnership  
by design**

**60%** (in amount) of projects  
are co-financed with other donors  
and/or mobilize French expertise

## Ex ante estimated impact of 2019 projects

**The projects approved in 2019 should bring  
about the following results or achievements:**

1,850,000 people will benefit from improved  
access to sustainable transport

178,000 tCO<sub>2</sub>eq (CO<sub>2</sub> equivalent, in tons) that  
would otherwise be emitted, will be avoided

87 km of mass public transport lines will be  
created, refurbished or upgraded

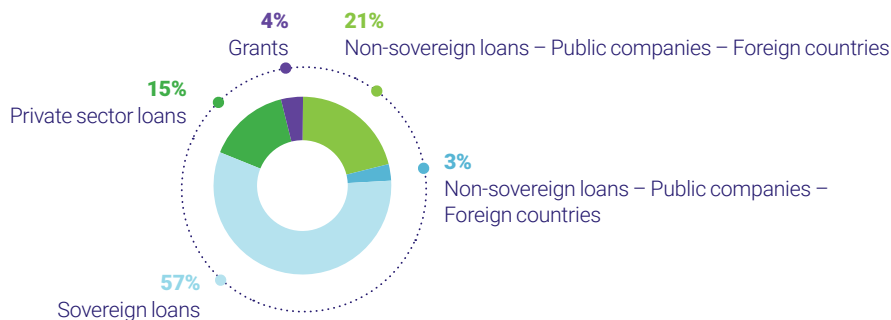


In 2019,

**50%** of new commitments in the transport sector have **climate co-benefits.**

With all sectors taken together, public transport projects account for almost a third of AFD's mitigation commitments.

## Breakdown by financial tool



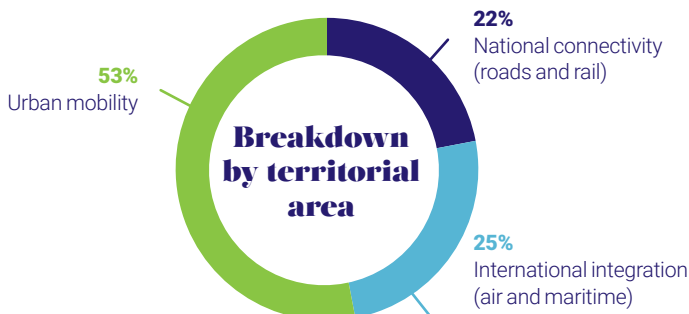
Sovereign loans are used to finance major infrastructure projects, such as the building of roads and developing urban public transport, based on a "public service" approach. Public non-sovereign loans are mainly used in the maritime and air transport sector. The sector benefits from very few grants.



**40%**

of financing were allocated to non-sovereign stakeholders

## Urban mobility, a strong marker for AFD Group



In 2019

**32%**

of projects approved in the sector will reduce gender inequalities

# Urban mobility

In the urban sector, the objective is to promote livable and inclusive cities by financing not only the “hard” infrastructure of mass transit systems, but also “soft” modes, passenger interchanges and the optimization of traffic flows. This integrated vision should be part of a sustainable urban plan.

53%

of projects approved in 2019 concern urban mobility.

Almost all of these projects have climate co-benefits.



## SECONDARY CITIES

16 planning or feasibility studies are underway in secondary cities



## ELECTRIC MOBILITY

3 projects include an electric mobility component



## PARATRANSIT

4 projects include a component to professionalize the paratransit sector



## PUBLIC POLICIES

17 activities contribute to the ongoing public policy dialogue

## Pakistan:

### Karachi's Bus Rapid Transit (BRT) Red Line



**\$100 million sovereign loan** on-lended to the Government of Sindh, co-financed with Asian Development Bank (AsDB), Green Climate Fund and Asian Infrastructure Investment Bank (AIIB)

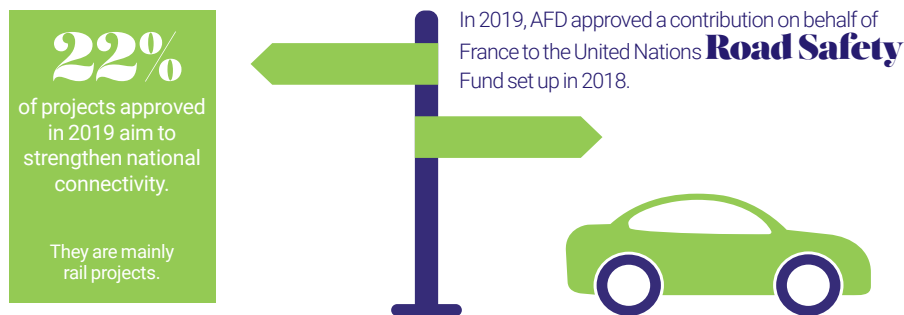
**Beneficiary:** Government of Sindh

**Targeted outcomes:** 1.5 million inhabitants live less than 500 meters from a station and have access to all the BRT lines in this corridor, reduction of GHG emissions are estimated at 78,000 tCO<sub>2</sub>eq per year

In Karachi, the main economic and financial center in Pakistan (23 million inhabitants), AFD is supporting the creation of the first BRT (Bus Rapid Transit) line. It is 107 km-long and the daily number of passengers is estimated at 320,000. This corridor comprises a 26.6 km-long main line with exclusive right-of-way (where cycle tracks and sidewalks will also be developed) as well as secondary lines. The project will also support the development of a fleet of hybrid biomethane and electric buses. This integrated project, which will improve residents' quality of life, requires the setting up of a transport authority, as well as the drafting and implementation of reforms of the paratransit sector.

# National connectivity

At the national scale, the objective is to unleash the economic and social potential of territories by supporting the controlled and sustainable development of road networks (including in rural areas) and rail or river networks as part of a territorial project.



## Gabon: rehabilitation of the Transgabonais, a “Group” approach

**PROPARCO**  
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT



**€53 million non-sovereign**/private counterparty loan from PROPARCO, co-financed with the International Finance Corporation (IFC).

**Beneficiary:** Société d’exploitation du Transgabonais (SETRAG),

**€94 million on-lended sovereign loan from AFD.**

**Targeted outcomes:** Contribute to the development of economic activities by supporting employment (1,300 jobs created over the next 5 years) and increasing access to a reliable transport service for all

SETRAG, the private subsidiary of COMILOG Group, has been the manager of Gabon’s rail network since June 2003, serving both passengers (some 300,000 passengers in 2019) and general and mineral freight (some 7 Mt in 2019). The Transgabonais crosses five of Gabon’s nine provinces and is an indispensable tool for trade and territorial cohesion, opening up interior regions. This program, supported by AFD Group, aims to improve the safety, reliability and availability of transport, provide equal access for all users, restore the rail capacity to initial levels, and reduce operating costs.

# International integration

At the international scale, the objective is to open up territories, especially island territories, and integrate economies into global trade. AFD wants to accelerate the energy and ecological transition in the airline and maritime sectors and focus on security and safety.

25%

of the financial volume approved in the transport sector in 2019 supports the integration of countries into international trade.

AFD has numerous Funds for Technical Expertise and Experience Transfers (FEXTE) to support the energy transition in the airline sector, in partnership with the Directorate-General of Civil Aviation (DGAC).



60%

of approved projects include a component to accelerate the energy transition in the airline or maritime sectors.



## Ethiopia: refurbishment and restoration of seven regional airports to improve the country's connectivity

### €100 million non-sovereign loan

**Beneficiary:** Ethiopian Airlines Group and Ministry of Transport.

**Targeted outcome:** Improve the country's connectivity and strengthen its territorial cohesion, promote economic development in isolated regions and contribute to the energy transition in the airline sector in Ethiopia.

Ethiopia is experiencing a significant economic and population growth, and faces a severe lack of infrastructure to provide transport for people and goods. Yet this infrastructure is essential in providing access to economic and social opportunities. Air transport and Ethiopian Airlines Group play a key role in

connecting the capital with catchment areas over 6-7 hours away by car.

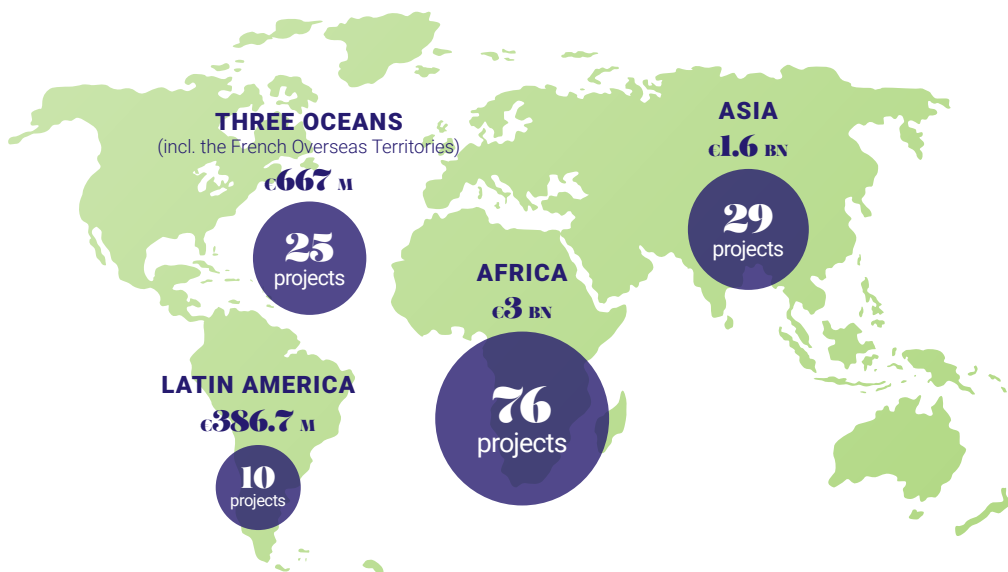
AFD is financing the refurbishment of the facilities of seven regional airports, the construction of seven new terminals and the provision of equipment. It is also providing backing for the upgrading of security and safety standards in airports and improvements in their energy efficiency. This latter component reflects the commitment to accelerate the energy transition in the sector.



# Ongoing projects

AFD Group's transport and mobility activity also involves managing a portfolio of ongoing projects, with the supervision of contracts for standard infrastructure projects. The teams are also working on the implementation of projects for capacity building, studies and planning in order to feed into the sectoral dialogue.

## Breakdown by region



# 140

## ongoing projects

in the sector at 31 December 2019, with total commitments amounting to €5.7 BN and an undisbursed amount of €4.2 BN.



# 56

## agreements

(for loans or grants)  
signed in 2019



# €600 M

## disbursed in 2019

# Achievements and outcomes

## There are three main types of projects and targeted outcomes:

- **Projects that aim to build infrastructure**, to increase access to economic and social opportunities, improve the functioning of cities, and contribute to the functioning of the economy through the movement of goods;
- **Projects that aim to improve a public policy. They have an intangible benefit**, but provide the framework required to ensure that the benefits of the infrastructure fully materialize;
- **Technical assistance projects that aim to build the capacities of stakeholders** and generally complement the first two types of projects.

"Tangible achievements" can be reported in the first project category.

## Between 2017 and 2019, 15 AFD-funded transport infrastructure facilities were completed and commissioned, with the following results:



**ABOUT 1 MILLION  
PASSENGERS**

use public transport every day  
on the funded sections.



**155 KM  
OF LINES**

for mass urban transport  
(BRT) have been created  
or rehabilitated.



**200 KM OF INTERURBAN  
LAND ROUTES**

(road/rail) have been created  
or refurbished  
(excluding rural roads).

### Morocco: fastest train in Africa commissioned in 2019



#### €300 million sovereign loan

AFD has supported the construction of the first high-speed train (HST) line in Morocco and Africa, which links Tangiers and Kenitra. The targeted outcome is to improve connections in the country's northern regions.

A year after its commissioning, it is clearly a success: more than 2.5 million passengers have travelled on the HST and the desired levels of technical performance have been reached.

**6 million**

**passengers a year**

expected from 2025 onwards



# A partnership-based approach to sustainable mobility

AFD promotes partnerships and exchanges between peers. They are effective tools for building capacities and gaining support from public decision-makers. AFD has built up a network of professional partners, leading French and international institutions, such as CODATU (CSO committed to sustainable urban transport in the South), CEREMA (Center for Studies and Expertise on Risks, Environment, Mobility and Urban and Country Planning), ADEME (French Environmental and Energy Management Agency), SLOCAT (Partnership on Sustainable, Low Carbon Transport), and French authorities that organize mobility (Île-de-France Mobilités, Greater Lyon).



## Support and partnerships for public policies on air quality



Air pollution, targeted by Sustainable Development Goal (SDG) no. 3, is a major health, environmental, economic and social challenge. All continents are concerned (including Africa), with 7 to 9 million premature deaths a year and an annual reduction of several percentage points of world GDP. Furthermore, the combats against air pollution and climate change are intrinsically linked: the sectors of activity involved – as well as the solutions – are roughly the same.

In this context, in 2019, AFD approved a new facility to support public policies on air quality. To continue to advance in a sector still little-known to donors, AFD has decided to establish partnerships with Airparif (the French organization approved by the Ministry of the Environment to monitor the air quality in the Île-de-France region), as well as with the Institut de recherche pour le développement (IRD), the C40 cities network and German Development Cooperation (GIZ). This facility will finance the various “upstream” intervention tools: raising awareness among public authorities and civil societies, continuing to educate people about pollution, as well as defining action and investment plans. In addition, AFD wants to offer more conventional financing, in the form of project loans or public policy loans, to take real action against the scourge of air pollution.

## For a World in Common

Agence Française de Développement (AFD) is a public financial institution that finances, supports and accelerates transitions towards a more just and sustainable world. As a French overseas aid platform for sustainable development and investment, we and our partners create shared solutions, with and for the people of the global South.

Our teams are active in more than 4,000 projects in the field – in the French overseas departments and some 115 countries. They strive to promote health, education and gender equality, and are working to protect our common resources – peace, biodiversity and a stable climate.

It's our way of contributing to the commitment that France and the French people have made to achieving the Sustainable Development Goals. Towards a world in common.

