

TC ABSTRACT

I. Basic Project Data

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| ▪ Country/Region: | COLOMBIA/CAN - Andean Group |
| ▪ TC Name: | Sustainable Urban Transport in Colombian Cities |
| ▪ TC Number: | CO-T1558 |
| ▪ Team Leader/Members: | CAMOS DAURELLA, GIBET (INE/TSP) Team Leader; LEFEVRE, BENOIT JEAN MARIE (CSD/CCS) Alternate Team Leader; ALONSO MARTIN, TANIA (INE/TSP); BALADI RODRIGUEZ, AZIZ (INE/TSP); MONTER FLORES, ERNESTO (INE/TSP); PEREYRA DA LUZ, ANDRES (INE/TSP); CRUZ MORENO, PAULA (INE/TSP); CABRERA BOTERO, MARIA MARGARITA (CSD/CCS); SANDOVAL PEDROZA, JOSE MANUEL (CSD/CCS); GRECO, MARIA SOFIA (LEG/SGO); HILLMAN, EUGENIO F. (VPC/FMP); CRAUSAZ SARZOSA, ERNESTO PATRICIO (VPC/FMP); BEAUJON MARIN, AMANDA (INE/INE); MONTES CALERO, LAUREEN ELIETH (INE/TSP); ARIZA DONADO, NATALIA (CAN/CCO); BERTOSSI, FANNY (INE/TSP) |
| ▪ Taxonomy: | Client Support |
| ▪ Number and name of operation supported by the TC: | N/A |
| ▪ Date of TC Abstract: | 16 Dec 2019 |
| ▪ Beneficiary: | Bogotá, Medellín, Cali or other cities |
| ▪ Executing Agency: | INTER-AMERICAN DEVELOPMENT BANK |
| ▪ IDB funding requested: | US\$500,000.00 |
| ▪ Local counterpart funding: | US\$0.00 |
| ▪ Disbursement period: | 36 months |
| ▪ Types of consultants: | Individuals; Firms |
| ▪ Prepared by Unit: | INE/TSP - Transport |
| ▪ Unit of Disbursement Responsibility: | CAN/CCO - Country Office Colombia |
| ▪ TC included in Country Strategy (y/n): | No |
| ▪ TC included in CPD (y/n): | Yes |
| ▪ Alignment to the Update to the Institutional Strategy 2010-2020: | Social inclusion and equality ; Productivity and innovation ; Environmental sustainability |

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to mitigate the climate change impacts of the transport sector in Colombia and improving sustainable urban transport by accelerating electric buses deployment in Colombian cities. This TC will help strengthening the necessary technical and knowledge management of urban stakeholders in Colombian cities.
- 2.2 In the past years in Colombia, under the conceptualization of the national urban transport policy, the urban transport systems have been structured and implemented in order to counteract the externalities generated by the growth of the motorization rate and the operation of traditional public transport. This policy proposed the development of two strategies to improve urban transport in Colombian cities: (i) The first strategy was applied to cities or metropolitan areas with a population greater than 600,000 inhabitants, for which the development of mass transport systems (SITM by its initials in Spanish) was contemplated. (ii) On the other hand, the strategy for cities with a population between 250,000 and 600,000 inhabitants was to reorganize the operation

of public transport and implement traffic management measures. Although the national urban transport policy and its updates have given a clear north to Colombian cities, the challenges along the way for cities in the implementation of transport systems have been challenging. In recent years, the use of public transport has decreased, due to the low rates of service quality and the emergence and strengthening of informal/illegal transport. For this reason, urban transport systems in Colombian cities are identifying and implementing measures that improve the quality of their service to attract and recover users. Among these measures, the following stand out: (i) incursion of low emission buses in public transport; and (ii) identification of transport-oriented development projects (TOD), with potential for capturing value and mixing land uses. The initiative of incursion low emission buses in public transport is stated as a key action in most LAC countries' Nationally Designed Contributions (NDCs) to the Climate Paris Agreement, partly because of the many co-benefits this technology-shift will generate. Clean buses are already deployed at scale in USA, Europe, China and in Latin-American has already started the transition of change. For example, Santiago de Chile has more than 200 electric buses operating, Medellín started the incursion with 64 buses and Cali with 28 buses. Also, Bogotá should be operating 379 buses by the end of 2020. The technologies are now mature and alternative business models have been successfully mobilized. Despite political support for decarbonizing bus systems, the uptake of clean bus options is still limited in LAC. The potential market volume is large, but adoption is slow, despite good experiences worldwide. As many LAC cities are renewing their fleet in the 3 to 5 years to come, the window-of-opportunity is open and the failure to embed clean bus technologies could lock-in long-lived and high-emission buses. In this context, the added value provided by the IDB through this TC will be to continue building the knowledge and capacity of public and private stakeholders, to address institutional coordination and capacity barriers, to support the high transaction cost of new technologies of buses; with the big purpose to improve urban transport systems, considering good practices and lessons learned in the region and internationally.

III. Description of Activities and Outputs

3.1 Component I: Component 1. Accelerating electric buses deployment in Colombian cities

IV. Budget

Indicative Budget

| Activity/Component | IDB/Fund Funding | Counterpart Funding | Total Funding |
|--------------------|-----------------------|---------------------|-----------------------|
| Component 1 | US\$500,000.00 | US\$0.00 | US\$500,000.00 |
| Total | US\$500,000.00 | US\$0.00 | US\$500,000.00 |

V. Executing Agency and Execution Structure

5.1 By request of different cities, such as Cali, Medellín or Bogotá, the Ministry of Transportation and DNP, and in accordance with Point D of Annex 10 of GN-2629-1 and Point D of Annex 10 of OP-1155-2, the TC will be executed by the IDB in coordination with the mentioned entities. The Transport Division (INE/TSP) staff at IDB Country Office in Colombia (CAN/CCO) and the Climate Change Division (CSD/CCS) staff in Headquarters will be responsible for its execution. The Bank will contract individual consultants, consulting firms, and non-consulting services in accordance with the Bank's current procurement policies and procedures: (i) the individual consultants will be hired in accordance with the guidelines set out in the AM-650; (ii) the procurement process for consulting firms will follow the Bank Policy for the Selection and Contracting of Consulting Firms for Bank-

executed Operational Work (GN-2765-1) and the related Operational Guidelines (OP-1155-4), and (iii) the procurement of non-consultant services will follow the Bank Corporate Procurement Policy (GN-2303-20). In compliance with the Operational Guidelines for Technical Cooperation Products-Revised version (GN-2629-1), this TC is classified as Client Support. The technical responsibility is in INE/TSP and CSD/CCS. The focal points responsible for executing this TC will be the Senior Climate Change Specialist in Headquarters and the Senior Transport Specialist of the IDB based in Bogota, Colombia.

- 5.2 The IDB will execute this TC to: (i) avoid lengthy internal budgeting procedures that can jeopardize the achievement of its objectives by delaying the start of the TC execution and consultants' payments, as the TC is not included in the DNP 2019/2020 budget, and (ii) facilitate coordination between the different public-sector entities.

VI. Project Risks and Issues

- 6.1 No major risks are anticipated for the development of the TC. A couple of modest risks have been anticipated, including eventual delays in the development of the studies due to potential difficulties in coordinating the different counterparts involved: DNP, Transport Ministry and local governments. This risk can be mitigated by involving the counterparts from the beginning of the execution of the TC. The execution from INE/TSP and CSD/CCS, with the support of specialized consultants, will help to mitigate these potential risks. The draft of Terms of Reference (ToR) of the key studies to be financed under the TC are under preparation by the Government Counterparts and will be ready before funds become available.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".