



# Strategic Public Transportation Systems (SETP) Program

Country / Region: **Colombia** | Project Id: **XCTFC0003A** | Fund Name: **CTF** |

MDB : **Inter-American Development Bank**

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	Christa Dirksen	Germany	Thank you for the document entitled, Colombia - Strategic Public Transportation Systems (SETP) Program, submitted by IDB. We are impressed to see how much effort was put into the proposal - among other issues into quantifying expected emission reductions. However, in order to ensure a most efficient review process by the members of the trust fund committee, we suggest that key parts of the proposal be structured along the CTF Investment Criteria (Document: CTF Investment Criteria for Public Sector Operations, p5, par5) which are: (i) Potential for GHG Emissions Savings; (ii) costeffectiveness; (iii) Demonstration Potential at Scale; (iv) Development Impact; (v) Implementation Potential; (vi) Additional costs and Risk Premium. Alternatively, another section might just be added, which describes how the proposal meets the respective criteria. Please be assured that it is our goal to organize the CTF approval procedure as efficient as possible in order to keep its current speed. We would therefore very much welcome a correspondingly adapted proposal that makes explicit how the proposal fulfills the CTF Criteria.	Jul 27, 2011
Response 1	Claudio Alatorre	IDB	Colombia is at forefront in incorporating gender aspects in the transport sector. The national Government has been respecting and promoting the "Quota Law", where women must occupy at least 30% of the management positions of the highest decision-making levels. In the case of the SETP, the transport systems in the cities of Santa Marta and Armenia ("SETP Santa Marta" and "AMABLE") are currently managed by women, and discussions are being held with operators to incorporate a gender focus in their operational plans. The Bank has invited the Colombian government to participate in the Transport Gender Lab, an initiative that promotes the incorporation of a gender perspective in public transport systems, based on the experience in four large Latin American cities. With regards to GHG emissions, the results matrix of the SETP program includes the reduction of GHG emissions. Therefore, periodic monitoring of the projected targets will be carried out.	May 30, 2017
Response 2	Claudio Alatorre	IDB	This comment appears as unanswered in the tracking system. However, it was answered during Q&A. The annex "Fit with CTF Investment Criteria" was submitted and is posted here: <a href="http://www.climateinvestmentfunds.org/sites/default/files/Colombia%20SETP%20Program_Fit%20with%20CTF%20Investment%20Criteria.pdf">http://www.climateinvestmentfunds.org/sites/default/files/Colombia%20SETP%20Program_Fit%20with%20CTF%20Investment%20Criteria.pdf</a>	Jun 21, 2017
Comment 2	Hugo Temby	Australia	Thank you for the opportunity to comment on the Columbia project proposal. Australia has the following comments about CTF support for the Strategic Public Transportation Systems Program (SETP): Australia is pleased to support the proposal. However, given CTF funding of US\$20 million is a relatively small proportion of the program's total funding of US\$320 million (with the remaining US\$300 million to be provided by IDB), the proposal would benefit from a clearer rationale for CTF funding, in particular a clear description of how CTF funding will have a transformational impact and is not being used to simply augment existing IDB funding for an existing program. This question has arisen before with respect to other CTF proposals so it might be helpful to add as an agenda item for the next CTF Committee meeting. We welcome the provision for mitigation and compensation for the population affected by the SETP but note that safeguard provisions will be delegated to provincial government officials. We would therefore like to see the proposal consider the capacity of provincial governments to ensure that appropriate safeguard provisions are applied in relation to resettlement.	Aug 02, 2011
Response 1	Claudio Alatorre	IDB	The Bank has been creating territorial institutional capacity in the internal processes and in particular in compliance with the Bank's Environmental Safeguards Policies (OP-703).	May 30, 2017



Additionally, with the purpose of guaranteeing the strengthening of the provincial governments, a series of specialists have been contracted by the Bank to support the SETP program, in coordination with the Ministry of Transport and the National Planning Department of Colombia. The actions implemented show excellent results and are now an example to replicate within the Bank and to export knowledge to other countries, such as the case of Paraguay (BRT in Asunción).

You can see some examples in these short videos in Spanish:

[https://www.youtube.com/watch?v=NWp5Rnjj\\_G4](https://www.youtube.com/watch?v=NWp5Rnjj_G4)

[https://www.youtube.com/watch?v=7pmUANxkY\\_E](https://www.youtube.com/watch?v=7pmUANxkY_E)

[https://www.youtube.com/watch?v=XPQHsB\\_4NrM](https://www.youtube.com/watch?v=XPQHsB_4NrM)

Comment 3 Annette Windmeisser Germany

We generally welcome this proposal. The concept appropriately aims at developing and establishing a modern, public transport system. By implementing public transport infrastructure, reducing excess supply, replacing obsolete buses with lower-pollution technologies, optimizing and coordinating route planning the Program will achieve greenhouse gas (GHG) emission reductions. We would therefore recommend the approval of the proposal, provided that additional information (especially on the terms of the CTF loan) is provided. Public Transport plays an important role in the overall GHG emissions. Therefore the mitigation potential of the proposed concept is high. Although the amount of CTF-funding per ton of abated carbon emissions seems rather high, a number of co-benefits including transformational impact are expected from the project. As a consequence, the proposal is generally in line with the CTF investment criteria and would justify the use of low-cost funds from the CTF. The proposal is not very explicit regarding the financial terms – especially interest, but also the seniority of the CTF loan relative to the involved IDB funds. Germany would request that this additional information will be presented to the Trust Fund Committee (possibly after approval as we realize that the timeline will be very tight). Likewise, we would appreciate a more concrete genderbased approach concerning development impact (see below). These improvements could also be done subsequently after approval. Comments on the Project Proposal Urban Public Transportation is a key issue to address GHG emission reduction. Especially in Colombia, cities have grown in very short period of time. The strategy presented takes into account the complexity of developing a Strategic Public Transportation System (SETP) in Colombia. It shows that IDB has built up know-how from experiences in other cities of Colombia, such as Cali. Risks and challenges are adequately incorporated in the project design. Currently there are 13 cities in Colombia with populations between 170,000 and 600,000 inhabitants with an upward trend. By choosing four midsize cities in Colombia the program has also a high demonstration potential for the other midsize cities in Colombia. The concept has also incorporated the Colombian political, legal and institutional parameters, which could be the key factors for sustainability. As there are other donors involved it would be important to ensure that measures are taken to optimize coordination and future projects. Comments on the Financing Terms The terms seem reasonable and appropriately. Nevertheless it should be made explicit whether CTF funding and IDB funding are ranked equal or whether the IDB loan is considered senior to the CTF means. What is the interest rate of the CTF loan? CTF Investment Criteria 1. "Potential for GHG Emissions Savings" The Program is expected to reduce 86,000 tons ofCO2-equivalent per year, or 0.86 MT CO2e over the next 10 years. The presented CO2 saving figures in the document are not always identical (page 12, Annex IV) and should be corrected or explained how it has been calculated. 2. "Cost-Effectiveness" The cost of each ton of CO2 saved related to the CTF support (\$197m) has been calculated at approximately 23 USD. As stated under point 1 different figures have been used. 3 " Demonstration potential at scale" The cities in Colombia are growing fast. By choosing four midsize cities in Colombia the program seeks to support the midsize cities at an early stage in the direction of a sustainable growth. Besides the biggest cities (Bogota, Medellin, Cali, Cartagena) there are currently 13 cities in Colombia with populations between 170,000 and 600,000 inhabitants with an upward trend. Therefore the program has a high demonstration potential for other midsize cities in Colombia, but also in the rest of Latin America. 4 "Development Impact" The project has several expected impacts: - Mitigation of local pollution - development of sustainable cities - reducing poverty by lower transportation costs - as the main users of public transportation belong to the lower income segments - reliable and safe public transportation for almost 800,000 passengers/ day - shorter travel times From our point of view the impacts from existing SETP e.g. in Cali (also partly financed by IDB) could have been considered more in detail. Especially given the already existing knowledge about gender-related impacts in transport sector, we would encourage partners to include project components with a clear gender focus based on disaggregated data with appropriate performance indicators. 5 "Implementation Potential" The institutional set-up and the legal framework are very supportive to implement the project. As the

Aug 17, 2011



Ministry of Transportation will be the responsible executing agency we expect that experiences (also lessons learned e.g. in Bogota) with similar programs in other cities will have a positive effect on the successful implementation of the programme. As there are other donors involved in co-financing the program it will be important to establish an effective coordination mechanism during project implementation. 6 Additional cost and Risk Premium Such high investment costs require a well thought design/monitoring of the GHG emission reductions. Therefore CTF funds are crucial for the monitoring of such emission reduction.

Response 1 Claudio Alatorre

IDB

The Bank has been creating territorial institutional capacity in the internal processes and in particular in compliance with the Bank's Environmental Safeguards Policies (OP-703). May 30, 2017

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