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Mobility

No way forward without it

Mobility is a key factor in economic growth, delivery chains and trade. Well-developed road and railway networks, ports and airports have always offered a competitive edge. Rural regions that are frequently cut off from markets not only need reliable transport for reviving the economy, but also for providing people with access to basic services such as health and education. Cities, home to roughly two third of the world's population by 2050 are both centres for increasing urban traffic as well as transregional transport hubs. The transport sector is one of the fastest growing emitters of greenhouse gases. In addition to urban mobility, KfW also supports rural road projects, but also long-distance transport and logistics projects.

Context

Mobility is the driving force behind growth and trade. People have always settled along rivers and roads to benefit from favourable transport opportunities. Nowadays, access to trans-regional networks such as long-distance motorways, ports and airports allows countries to participate in global trade. This allows them to specialise and enhance their efficiency, which in turn ultimately stimulates the economy and reduces poverty. Transport infrastructure also forms the backbone of other supply services, such as power lines and water pipes. Traffic planning should thus be integrated into spatial planning so that land can be used efficiently and sustainably. However, the rapid growth experienced in cities in emerging and developing countries is often unregulated; roads are built without any regard for integrated planning along transport routes. In parallel to these developments, the number of vehicles is increasing sharply; the current figure is estimated to double to

2.5 billion within 35 years. Extremely long traffic jams and a growing number of accidents are the result. Additionally, the economy suffers due to inefficient transport systems. At the same time, poor areas on the outskirts of towns and cities are often cut off from urban transport. As a result, transport affects people's living conditions and it aggravates climate change.

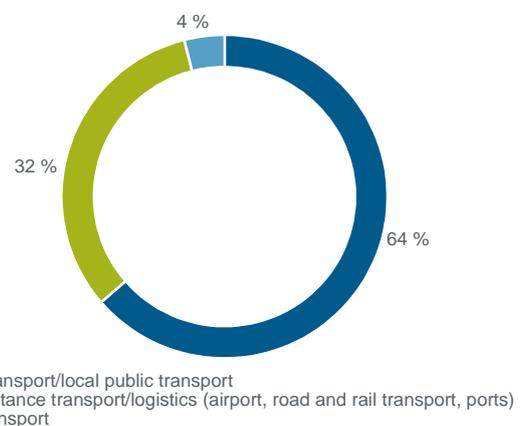
While the aim is to avoid traffic or increase its efficiency in urban areas, rural regions suffer from a lack of mobility and means of transport, which makes access to markets more difficult and thus reduces sales opportunities for rural goods. Access to schools, hospitals and potential employers is difficult too.

The KfW development approach

KfW's investments in transport infrastructure projects have risen recently, in the past few years they amounted to a total of EUR 2.9 billion. As transport is a growing challenge for many emerging and developing countries, KfW on behalf of BMZ participates in the Transformative Urban Mobility Initiative (TUMI). KfW has set itself the target of achieving EUR 2 billion in commitments

KfW commitments for transport 2013 – 2018

Total: EUR 2.9 billion



Source: own data

under TUMI by 2020. KfW aim is to of make transport accessible to all, especially to poor and disadvantaged groups. In doing so, it promotes sustainable solutions so that more mobility doesn't automatically result in more traffic. At the same time, projects are being planned that take climate change and its consequences into account.

The focus is on public transport. These can be fast bus systems, suburban and underground trains, but also special solutions such as cable cars and inner-city ferry connections. Infrastructure for non-motorised traffic, i.e. bicycle paths and footpaths, will also be promoted. A further goal is to prevent traffic and make journeys as short as possible to reduce emissions harmful to health and the environment, and to reduce the amount of time wasted in traffic jams by supporting urban planning.

Beyond urban centres, KfW supports the building of reliable roads that can be used all year round. This makes it easier to exchange goods, opens up markets and boosts economic growth. It also facilitates daily journeys to school and speeds up travelling times to public health care centres.

But, ultimately, connecting all regions requires quicker and more cost-effective trans-regional connections through for example ports, airports, long-distance roads and railroads. This increases competitiveness and facilitates the movement of people and exchange of knowledge – which are cornerstones for innovation and progress.



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Tram in Rio de Janeiro. Source: KfW photo archive, photographer: Michael Evers.

Brazil – New tram for climate-friendly travel in Rio de Janeiro

Brazil has a great need for local public transport that is not just environmentally friendly, but also eases congestion on the roads. In the past the Brazilian government has primarily promoted individual means of transport with the corresponding consequences for cities and hubs where traffic has constantly increased.

This is precisely why KfW, on behalf of the German Federal Government, is promoting the expansion of sustainable local public transport systems through BNDES, the Brazilian development bank. For this purpose, KfW is providing a development loan of EUR 265 million. BNDES, in turn, is awarding loans to public and private establishments that implement climate-friendly transport projects. In parallel to providing financial support, KfW is supporting its Brazilian partner by providing technical expert knowledge: from selecting projects in line with climate criteria, the implementation process right up to performing checks to assess whether climate targets are actually being reached.

With this commitment, KfW is supporting Brazil in its conversion to public transport and in achieving the national climate targets (NDC) within the framework of the Paris Agreement.