

Transport

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, centers for increasing urban traffic as well as transregional transport hubs. The transport sector is one of the fastest growing emitters of greenhouse gases. Higher volumes of traffic and freight transport, as well as lengthy traffic jams, increase air pollution endanger health and thus quality of life. The substantial need for action is evident, which is precisely why KfW promotes urban mobility, rural road, long-distance transport and logistics projects.

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. In this sense, access to schools, hospitals and potential employers is difficult too.

Background

Transport 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 effectiveness, 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

KfW transport commitments – 2011 to 2015

Total: EUR 1.3 billion



- Long-distance transport / logistics (airports, road and rail transport)
- Rural transport
- Urban transport / local public transport (incl. ferries)

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 1.3 billion. As transport is a growing challenge for many emerging and developing countries, KfW will continue to increase its commitment towards sustainable transport solutions. In so doing, it is pursuing the goal of making transport accessible to all, especially to poor and disadvantaged groups. Likewise, it promotes sustainable solutions so that more mobility doesn't automatically result in more traffic. At the same time, projects are being planned taking climate change and its consequences into consideration.

Public transport is at the heart of these efforts and can include bus rapid systems, trams, inner city ferry services or underground railway systems. Non-motorised transport such as cycle paths and pavements are being expanded too. Moreover, 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.

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 – test drive. Photo: Michael Evers, KfW.

Climate-friendly city travel

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, over the implementation process to performing checks to assess whether climate targets are actually being reached.

The first project in the programme – a tram in Rio de Janeiro – will be completed both on budget and on time for this year's Summer Olympic Games.