1. Facts

Implementing partners
Ministry of Transport, Ministry of Environment & Sustainable Development,
Ministry of Housing, National Planning Department
Center for Clean Air Policy (CCAP)
KfW
Financiera de Desarrollo Territorial S.A. (FINDETER)

NAMA Facility funding EUR 14.9 million
Project duration four years
Status implementation

2. Toward a New Urban Landscape

The TOD NAMA Support Project is designed as an umbrella programme that will address barriers to equitable and sustainable urban development through a combination of technical and financial support. The project aims to transform the Colombian urban development model by focusing on a transformation of the urban residential and transit landscape.

As its cornerstone “technology”, TOD NAMA will support the creation and growth of transit-oriented development (TOD) neighbourhoods. These innovative urban areas will rely on a higher population and building density and mixed-use development near transit stations where people can safely walk, live, work, shop and play. TOD areas will reduce personal vehicle use and mitigate urban sprawl. This approach will ultimately lower transport-related greenhouse gas (GHG) emissions and contribute to the national climate goals detailed in Colombia’s nationally determined contributions (NDC).

TOD NAMA will also endeavour to create an attractive policy framework, coordinate support, develop the expertise and resources of private and public institutions, and leverage private and public financing to bridge prevailing investment gaps.
3. Catalysing Change in the Face of Challenge

The transport sector is Colombia’s largest and fastest growing energy consumer, accounting for 35% of the country’s demand for oil (373,000 TJ in 2009) and rapidly rising GHG emissions. A study by the University of the Andes predicts that driving rates in Colombia will quadruple over the next 30 years. Increasing transport is further aggravated by urban sprawl, expanding the physical boundaries of urban landscapes, as well as by the growing presence of underutilised, vacant plots in city centres.

Different governmental levels are already working to reverse these land use trends and promote more compact, transit-oriented, mixed-use neighbourhoods. The Ministry of Environment and Sustainable Development recognises the importance of these urban development measures to reduce GHG emissions and has included a national transit-oriented development policy as part of its Sectoral Mitigation Action Plans (SMAPs). Yet in order to effectively transform urban development, these various efforts and policy proposals require an overarching framework. While Colombia has been a leader in implementing bus rapid transit (BRT) systems, the government now seeks to adopt a more integrated development approach that coordinates land-use and transport systems and incorporates social housing policies.

In 2012 Colombia’s national development bank, FINDETER, launched the Sustainable and Competitive Cities Initiative, which has already identified promising investments in sustainable urban growth totalling $1.5 billion USD. However, FINDETER now needs experienced staff and expertise to fill these immediate investment gaps in catalytic neighbourhoods so that this new model can later be launched in additional cities while reforming internal policies that impede transformation. Barriers to the adoption of TOD neighbourhoods include:

- Limited experience in planning and designing TOD projects
- Lack of institutional capacity to coordinate large-scale TOD developments
- Weak policy framework to facilitate TOD initiatives, presenting an unattractive and unreliable environment for potential private sector investors
- Gaps in public infrastructure investment and access to finance for TOD projects

4. How to Achieve Transformational Change

TOD NAMA will promote transformational change by introducing successful TOD pilot projects and enabling long-term policy coordination among all relevant institutional stakeholders, including different levels of government, ministries, and planning and transportation bodies.

Currently, efforts to identify pilot projects are ongoing in Cali, Manizales and Pasto. The activities and investments to be financed will target gaps and fund key components of neighbourhood development. Potential urban investment activities may include enhancements to transit stations, pedestrian and bicycle amenities, public spaces, design, architecture and engineering activities to integrate transit with mixed-use (commercial-residential) development. Strategic land purchases to assemble important locations and critical design documents or specialist studies to move projects forward are equally targeted as priority measures.

NSP funds will be used to co-finance financially viable TOD projects to demonstrate their profitability. Demonstrating profitability will lead other market participants to recognise the potential of TOD projects and modify their behaviour without further need for NAMA Facility support.

In addition to pilot projects, TOD NAMA will target an improved collaboration among stakeholders as outlined below.
5. Stakeholders and Financing

TOD projects throughout the country will be led by a new, inter-ministerial coordination body, the Centre for the Promotion of Transit-Oriented Development in Colombia (CIUDAT: Centro para Intervenciones Urbanas de Desarrollo Avanzado hacia el Transporte). CIUDAT was established in 2016 as an independent organisation to address knowledge gap in the area of TOD; it is housed within FINDETER and works to develop a more robust policy framework and support both better coordination and institutional capacity development. It serves in a policy advisory capacity to ensure the replication of TOD across Colombian cites and the harmonisation of policies across ministries. CIUDAT also works to integrate national and local policies, particularly concerning topics such as transportation, land use, housing and private sector TOD initiatives. The organisation is staffed by experts in TOD design, evaluation, finance and public-private agreements and is supported by additional technical consultants and directed by an independent Board made up of Vice Ministers of Transportation, Environment, Housing, Planning and the Presidents of FINDETER and CCAP (in an advisory role). The CIUDAT Board develops selection criteria and guides strategic investments in catalytic neighbourhoods to implement TOD.

6. Expected Outcomes

The TOD NAMA will reduce private vehicle GHG emissions by creating urban environments that provide alternatives to automotive travel. Real-world studies show that people drive 30 to 70% fewer kilometres in TOD areas than in zones characterised by car-oriented development. Although driving will continue to increase as Colombia develops economically, the NSP will facilitate a range of reductions in this growth, varying by city type but yielding a national weighted average of 19 to 28% vehicle kilometres travelled (VKT) below business-as-usual projections.

Through catalytic local projects and national policies for replication, the NSP is projected to cumulatively reduce GHG emissions by 3.6 to 5.5 Mt CO$_2$e by 2040. However, these projected emission reductions will be further refined once the pilot programmes have been identified.

The NSP aims to leverage over 10 billion USD in public and private Colombian investments in public transport, social housing and GHG mitigation, increasing economic, environmental, and social returns. Furthermore, measurable targets for the NSP include the number of staff trained by CIUDAT and the degree to which the agency’s guidance is used as well as the number of people living or working in TOD neighbourhoods. Other co-benefits include reduced commutes, increased pedestrian traffic and enhanced accessibility for pedestrians as well as greater reliance on public transit. All of these steps will contribute to an improved quality of life for citizens, not least by lowering household transportation costs, expanding access to jobs and services and improving social inclusion.