

Case Study – Colombia TOD NAMA



Traffic congestion and air pollution in Colombian cities is projected to increase substantially under current trends – CCAP’s recent analysis of a new University of the Andes study indicates that driving in Colombia is expected to quadruple over the next 30 years. Already a leader in implementing bus rapid transit (BRT), Colombia is ready to take the next step and address land use and urban design, tackling traffic and greenhouse gas (GHG) emissions over the long term.

Since 2012, CCAP has worked on-the-ground with leading Colombian stakeholders to develop a [Transit-Oriented Development \(TOD\) NAMA](#) to implement and finance catalytic transit neighborhoods. Driving is expected to quadruple in Colombia over the next 30 years, increasing traffic congestion and air pollution substantially. The TOD NAMA addresses both land use and urban design, tackling traffic and GHG emissions over the long term. The NAMA was recently chosen by the UK-Germany NAMA Facility during their initial round of proposals and is poised to receive €14.7 million in technical and financial resources for implementation.

CCAP partnered with Findeter (the national development bank), the Colombian ministries of Transportation, Environment, Housing and Planning, as well as key local governments, leading real estate developers, NGOs and university researchers. CCAP played a key role in obtaining cooperation from multiple ministries on the design and development of this NAMA, in a strong showing of cross-ministerial support – a critical component to the NAMA’s success. This effort will link funding for low-income housing from the Ministry of Housing with the Ministry of Transportation’s major investments in BRT and take Findeter’s Sustainable Cities efforts to a new level to create a new model of urban development for the region and the world.

The TOD NAMA will capitalize on Colombia’s new public-private partnership legislation by providing additional incentives to develop vibrant transit neighborhoods that will enhance economic prosperity, save Colombians time and money on travel, reduce government infrastructure costs, increase returns for real estate and retail, and improve the financial sustainability of transit operators.

The fundamental “technology” of this NAMA is the TOD neighborhood – focused real estate development near transit stations where people can safely walk, live, work, shop and play.

Empirical evidence indicates that people drive 30-70 percent fewer kilometers in TOD neighborhoods than in more sprawling, car-oriented development. CCAP analysis shows that the TOD NAMA is expected to cut driving growth by 25-36 percent through changes in land use and travel patterns, and reduce annual GHG emissions by 3.6 to 5.5 MMTCO₂ by 2040.



The NAMA will fund the formation of an independent Center for the Promotion of Transit-Oriented Development, staffed by experts in TOD design, evaluation, finance and public-private agreements, who

would be supported by technical consultants and guided by an independent technical secretariat. The Center would have two functions:

- 1. Technical and Financial Assistance for Implementing Catalytic Transit Neighborhoods.** Initially focusing on a few transit districts in Colombia's largest cities, the help could include local project development, private-sector partnership models, finance, or other technical assistance.
- 2. Policy analysis and guidance** to provide the cohesive "glue" to connect national and local policies on transportation, land use and housing with private sector efforts on TOD. For example, providing guidance on TOD public-private partnerships, integrating national policies and plans with local instruments, and developing a financial sustainability plan.

The NAMA is designed to overcome important barriers to TOD implementation such as local investment gaps, imperfect public-private collaboration, inadequate urban policy integration and limited value capture and finance mechanisms. Together, CCAP and Findeter identified a variety of early strategic TOD investment opportunities for NAMA assistance, including a new Metro station, bike and pedestrian-related infrastructure, and enhanced public spaces. These opportunities in Cali, Medellin, and Manizales include private-sector-driven redevelopment, mixed-use transformation of existing station areas, redesign of car-oriented infrastructure plans, and improvement of extremely low-income informal settlements.

NAMA Design and Development

CCAP worked with Colombian stakeholders to develop the concept of integrating land use and transportation into a NAMA. The idea really took off when CCAP hosted a delegation of national and local Colombian officials on a study tour of the Washington DC region. There the visitors saw how local governments partnered with the private sector (developers and retail) to create dynamic, efficient "transit neighborhoods" with low rates of driving and high quality of life. The Columbia Heights neighborhood was of particular interest to the Colombians with its focus on affordable housing, design improvements for pedestrians and strong engagement with developers and developers to ensure a coordinated transformation to a high-quality neighborhood.

Recognizing the need for additional high level champions in the early design stages of the NAMA, CCAP secured a meeting with officials from the Presidencia, also attended by several national Vice Ministers, the President of FINDETER, the Colombian Agency for International Cooperation and a senior official from Cali. The support and cooperation expressed at this meeting provided significant value in synergizing national policy efforts and promoting the concept of TOD.

The Colombian Vice Minister of Transport presented the TOD NAMA proposal at the [CCAP Global NAMA Financing Summit](#) in Copenhagen to senior representatives from developing countries and international financial institutions. At the Financing Summit, the NAMA received valuable feedback from the international community on its proposed design. CCAP then worked to incorporate this feedback into a proposal which was submitted to the UK-Germany NAMA Facility in 2013.

Using the funds from the NAMA Facility, the TOD NAMA will drive investments and technical assistance to locally-articulated opportunities in urban development improvements, starting with at least three catalytic neighborhoods in the first four years. CCAP and FINDETER are currently completing an appraisal process with the NAMA Facility, and working on developing an innovative Measurement & Evaluation (M&E) process that fully captures the GHG co-benefits of TOD neighborhoods. The NAMA has aroused additional interest in financing Transit Oriented Development opportunities in Colombia. KfW is exploring an additional \$100 million credit line with FINDETER that would include sustainable urban development. FFEM (Fonds Français pour l'Environnement Mondial), the French global environmental fund, is undertaking a process to provide a grant of €1.5 million to support TOD NAMA implementation in Cali's Green Corridor, developing national policies for replication and launching M&E efforts.