



Mexico

Improving Public Transportation Systems in Mexico

Overview

Owning division	GGPI
Country / Region / Global implementation	Mexico / Large Emerging Economies
Thematic area	Green City Development
Project start date	Q1 2017
Funding source	Core
Approved budget for 2018	USD 299,558.19
Actual expenditure	USD 144,671.93
% utilization of inputs	48.30%
% of outputs achieved	100.00%

Highlights

Support from GGGI led to Sonora securing support from the C40 Climate Financial Facility which will support Sonora in the introduction of electric buses in the capital city of Hermosillo over the next 1-2 years.

Context

Mexico, an upper middle-income country, is the second largest economy in Latin America. However, as Mexico's economy continues to grow, the country faces increasing environmental and climate change related challenges. The transportation sector is the second highest source of GHG emissions in the country (26.00% of total), after electricity generation. In fact, the transport sector, based almost exclusively on fossil fuels, has significant negative effects on local pollution and congestion particularly in Mexico's urban areas where close to 80.00% of the population live.

For Mexico to continue growing in a sustainable way, the country needs to curb its GHG and pollutant emissions from the transport sector and improve its urban mobility options particularly as it relates to public transportation.

The Government of Mexico (GoM) clearly understands the impact of the country's transportation system on GHG emissions, public health, quality of life and productivity. However, the goal to create integrated, multi-modal and sustainable transportation system is yet to be realized in most Mexican cities. Improving the public transport system will have benefits in the three pillars of green growth: environmental (GHG and local pollution), economic (reduced congestion leading to improved productivity; creation of formal enterprises and jobs) and social (improved access and service for the poor).

Relevant SDGs



SDG 11.2. By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons..



Overall objective

Public transportation is improved, leading to better quality of service and access, as well as reduced emission of GHG and local pollutants, in line with Mexico's NDCs.

Results achieved in 2018

OUTCOME 1	STATUS	ACHIEVED
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Recommendations to improve local transport are adopted by local government.

Following up on GGGI's 2017 transport diagnosis developed as part of the development of Sonora's Green Growth Strategy, GGGI continued with a more in-depth diagnosis and identification of opportunities for public transport improvement in Hermosillo, the capital city of Sonora.

As a result of the recommendations and advice delivered by GGGI, the Sonora Government will in 2019 estimate the environmental, social and economic benefits from the integration of electric buses in its Bus Rapid Transit (BRT) project and options to finance it. To support this, GGGI identified potential support from C40 Climate Financial Facility and supported Sonora in its application from said facility, which they were successful in securing.

The Government of Sonora has also committed to undertake steps to finance public transport investments through the issue of a green bond.

OUTPUT 1.1	STATUS	ACHIEVED
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Project management.

OUTPUT 1.2	STATUS	ACHIEVED
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Recommendations to improve the public transportation system are delivered to one local government.

Various interviews, field visits and analyses were carried out to diagnose Sonora public transport and identify opportunities for improvement. GGGI delivered recommendations to improve Sonora's public transport system including improving the adoption of cleaner technology, gather and use available data to improve public transport logistics and improve concession contracts.

To facilitate the discussion of public transport improvement options, GGGI facilitated the formation of a transport steering committee with key state authorities.

GGGI identified an opportunity to secure support from the C40 Climate Financial Facility (CFF) to determine how to integrate electric buses into Sonora's ongoing BRT project, and to quantify the environmental, social and economic benefits from doing so. GGGI facilitated meetings with CFF officials and supported Sonora's application to get support.

OUTPUT 1.3	STATUS	ACHIEVED
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Deliver recommendations to improve access to finance for the improvement of the public transport system in one local government.

Throughout 2018, GGGI supported the Sonora Government in finding finance options to improve its transport system. Specifically, two were pursued:

1. GGGI identified a funding opportunity from the North American Development Bank (NADBANK) that could potentially improve costs in a Sonora's procurement process for new buses. Further discussions between NADBANK and Sonora took place, although an agreement has not materialized.
2. Throughout 2018, GGGI also supported the development of what will be the first Green Bond (GB) issued by the state of Sonora. Significant support was given to the Finance Ministry and the Environmental and Sustainable Commission to improve their capacities and readiness. This has included the development of a Green Bond Framework and delivery of a capacity building workshop.

Partners

Local

Sonora State Government

- Commission for Ecology and Sustainable Development (CEDES)
- Operator of Strategic Projects of Sonora (IMPULSOR)
- State Fund for the Modernization of Transport (FEMOT)
- Sonora General Transport Direction (DGT)
- Sonora Ministry of Finance
- Municipal Institute of Urban Planning of Hermosillo (IMPLAN)

International

- C40 Climate Financial Facility

Lessons learned

Leveraging support from other organizations and government institutions has been key to implement different workstreams related to Sonora's Green Growth Strategy. Transport has been one of these workstreams where support from other organizations has created significant momentum.