

**SUSTAINABLE URBAN MOBILITY PROGRAM FOR SAN JOSE, COSTA RICA**

**CR-T1119**

**CERTIFICATION**

The Grants and Cofinancing Management Unit (ORP/GCM) certifies receipt of the Global Environmental Facility (GEF) approval letter dated June 12, 2014 for project Sustainable Urban Mobility Program for San Jose, Costa Rica in the amount of US\$1,782,257, chargeable against the GEF Trust Fund (GEFTF).

Original signed

7/11/2014

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Sonia M. Rivera  
Chief

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Date

Grants and Cofinancing Management Unit  
ORP/GCM

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**COSTA RICA**

**SUSTAINABLE URBAN MOBILITY PROGRAM  
FOR SAN JOSE COSTA RICA**

**(CR-T1119)**

**TECHNICAL COOPERATION DOCUMENT**

This document was prepared by the project team consisting of: Rafael Acevedo-Daunas (INE/TSP), Team Leader; Ramiro Alberto Ríos (INE/TSP), Alternate Team Leader; Miroslava Nevo (INE/TSP); Juan Carlos Perez-Segnini (LEG/SGO); and Giovanna Mahfouz (INE/TSP).

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## TC DOCUMENT

### I. BASIC INFORMATION DATA

▪ Country/Region:	Costa Rica (CR)
▪ TC Name:	Sustainable Urban Mobility Program for San Jose Costa Rica
▪ TC Number:	CR-T1119
▪ Team Leader/Members:	Rafael Acevedo-Daunas (INE/TSP), Team Leader; Ramiro Alberto Ríos (INE/TSP), Alternate Team Leader; Miroslava Nevo (INE/TSP), Juan Carlos Perez-Segnini (LEG/SGO); and Giovanna Mahfouz (INE/TSP)
▪ Taxonomy	Client support
▪ Number and name of operation supporting the TC	CR-T1077, Sustainable Urban Mobility for the Greater San Jose Metropolitan Area
▪ Date of TC Abstract authorization:	April 4, 2014
▪ Beneficiary:	Ministry of Environment and Energy of Costa Rica
▪ Executing Agency:	Inter-American Development Bank (IDB) through Transport Division (INE/TSP)
▪ Donors providing funding:	Global Environment Facility (GEF)
▪ IDB Funding requested:	US\$1,782,257
▪ Local counterpart funding, if any:	N/A
▪ Disbursement period (which includes execution period):	September 2014 – March 2017 (two years and six months)
▪ Required start date:	September 3 <sup>rd</sup> , 2014
▪ Types of consultants :	Firms and/or individual consultants
▪ Prepared by Unit:	INE/TSP
▪ Unit of Disbursement Responsibility:	INE/TSP
▪ TC Included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Protect the environment, respond to climate change and promote renewable energy.

### II. OBJECTIVES AND JUSTIFICATION

- 2.1 While transport is crucial to a country's growth and development, it is also closely linked to global warming that causes climate change. On a global level, transport produces 23% of the world's carbon dioxide (CO<sub>2</sub>) emissions. In Latin America, the transport sector is the largest contributor of CO<sub>2</sub> emissions from energy consumption, producing 35% of these emissions. Road transport accounts for 90% of transport emissions in the region, half produced by passenger transport and the other half by freight transport. In the face of the high urbanization rate in the region, and the rapid increase in the number of private vehicles, a strong increase of Greenhouse Gas (GHG) emissions caused by the transport sector is expected. To combat the increase in emissions, countries are trying to move towards a more sustainable low-carbon transportation path through an integrated

Avoid-Shift-Improve (ASI) approach. This integrated and comprehensive approach seeks to avoid the rapid increase of vehicle kilometers travelled by energy intensive modes, to shift passenger and cargo movements to efficient modes, and to improve the energy efficiency of the vehicle fleet, reducing GHG emissions from urban transportation and increasing urban areas competitiveness and the quality of life of their residents.

- 2.2 Costa Rica is internationally known as being a country with high conservation and environment standards. However, in urban transport, Costa Rica has not been able to “go green.” Public transport in San Jose Metropolitan Area is still marked by a variety of operators and vehicles of greatly varying technology and age, many of them far from current environmental standards, producing unnecessarily high levels of emissions. The Global Environment Facility aims to finance incremental costs of turning local investments in transport into projects that provide global environment benefits, namely GHG emissions reductions through transport efficiency and technology improvement.
- 2.3 Currently, the IDB is executing a Technical Cooperation (TC) (CR-T1077) with the Ministry of Public Works and Transport (MOPT) for an amount of US\$800,000<sup>1</sup> to support the development of studies that will aid the Ministry in reorganizing public transport services in the Metropolitan Area. The main objective of the aforementioned TC is to guide decision makers in the City of San Jose and the Government of Costa Rica to develop the necessary studies to support a sustainable transport framework that is conducive to the reduction of GHG from improving the integration of public transport services, support the use of non-motorized transport, implement travel demand management policies and improve vehicle technology. Additionally, *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ), the German Government international development agency has also provided co-financing in the amount of US\$250,000 to aid the Government of Costa Rica protect the environment through the reduction of GHG in the transport sector.
- 2.4 The Government of Costa Rica and the Municipal Government of San Jose have been implementing public transport improvements through the financing of studies and analyzing the possibility of implementing high quality mass public transport corridors. Given the nature of such investments, these will complement the work financed by this technical cooperation. The Ministry of Environment and Energy (MINAE) is contributing US\$170,000 in in-kind support to complement the GEF funding providing through this project.
- 2.5 The general objective of the project is to support the development of activities that have a transformative impact in helping Costa Rica move towards a low-carbon development path, through a concerted effort to improve land use management, transport planning, and the implementation of an integrated public transport network in the San Jose Metropolitan Area. The specific objectives of

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<sup>1</sup> This amount comes from the Sustainable Energy and Climate Change Initiative (SECCI) Fund.

this project are to produce studies and other knowledge creation materials for the support of: (i) public transport integration with Non-Motorized Transport (NMT) and private motorized modes; (ii) develop comprehensive travel demand management policies and tools for San Jose Metropolitan Area; (iii) development of land-use and transport policies; and (iv) improvement in technology for a portion of the vehicle fleet in Costa Rica Metropolitan Area. This project is aligned with the Ninth General Increase in Resources of the Bank (AB-2764) CGI-9 as its activities will focus on reducing environmental degradation, responding to through activities that can reduce the effects on climate change and promote sustainable urban development through sustainable urban transport policies, programs and projects.

- 2.6 According to the “Costa Rica’s Second National Communication to the UNFCCC<sup>2</sup>, the country, with support GEF, has identified priority sectors to contribute to its sustainable development. Climate change has been identified as a key area and the country has developed a National Climate Change Strategy (NCCS) with the ambitious goal of becoming climate neutral by 2021. To achieve this, the government has established priority sectors, with transport as their second most important sector to become carbon neutral through the improvement of fuels, vehicle technologies and managing transport infrastructure in the most efficient way. Their National Development Plan (2011-2014) has a main axis of environment and urban planning, where transport appears as one of the two specific areas of action to mitigate climate change (the other one being reducing deforestation). Further, they have developed a detailed Action Plan as of April 2012 which has established specific guidelines and actions to be taken in every sector, including transport with a main role.

### III. DESCRIPTION OF ACTIVITIES/COMPONENTS AND BUDGET

- 3.1 **Component 1: Studies for supporting the integration of public transport with non-motorized and private motorized modes (US\$239,191).** The objective is to complement the baseline project (public transport zoning project for San Jose, a proposed suburban rail corridor and improvements to the various public transport modes). The mode integration component will include the following activities: (i) workshops with the public sector and operators; (ii) development of integration guidelines; (iii) compilation of key data on NMT and private motorized transport; (iv) workshops with stakeholders and dissemination strategy for multimodal integration; and (v) design of a pilot project of multimodal integration in San Jose City center.
- 3.2 **Component 2: Development of travel demand management policies and instruments for San Jose (US\$193,993).** The objective is to complement the overall public transport zoning project (CR-T1077) with the development of

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<sup>2</sup> <http://unfccc.int/resource/docs/natc/cornc2.pdf>

guidelines for a travel demand management policy that aims to reduce the demand for motorized private vehicle trips, which would increase the demand for public transport and other less energy-intensive modes. This component will include four measures:

(i) development of Travel Demand Management (TDM) Policy guidelines for San Jose; (ii) workshops with the private sector to implement win-win solution on travel demand management for San Jose; (iii) compilation of data on travel, demand and transport indicators; (iv) development of a policy document for the implementation of travel demand management measures; and (v) pilot project of TDM in San Jose's City Center.

- 3.3 **Component 3: Development of land use and transportation policies based on relevant studies (US\$392,029).** The objective is twofold: To review the existing studies that have been developed over the last years, and to develop new plans where necessary. The component includes the following activities: (i) a study of different possible land uses along the future Bus Rapid Transit (BRT) corridor; (ii) strategy document for implementation of land use policies in the medium and long term; (iii) compilation of data on urban development indicators; and (iv) agreement between public and private sector to implement a pilot project of land use and transport integration in the medium term.
- 3.4 **Component 4: Improvement of vehicle fleet (US\$403,069).** In order to adopt the ASI paradigm and build a roadmap towards a more sustainable transport sector, it is important to include a framework to improve vehicle technologies in San Jose, including the improvement of vehicle technologies in services such as “cuasi-rentas<sup>3</sup>”. In order to arrive in a scenario of an improved vehicle fleet, the following steps must be taken: (i) diagnosis of the vehicle fleet technology in San Jose; (ii) data consolidation on vehicle fleets for the city and related indicator; (iii) improvement of conditions of the “cuasi-rentas” vehicle fleet technologies; (iv) feasibility of implementation of clean fuel technologies and development of pilot project; (v) guidelines towards a vehicle monitoring system; and (vi) pilot project of improved conditions for clean vehicle fleets.
- 3.5 **Component 5: Baseline studies and estimated GHG emissions reductions (US\$391,951).** To be able to measure reductions in GHG emissions from various transport projects, it is important to have a high quality GHG emissions inventory for the transport sector in the San Jose Metropolitan Area. This component will provide: (i) revision of existing data and studies related to the sources of GHG emissions from the transport sector; (ii) use of GEF and the Scientific Advisory Panel (STAP) methodology developed by the GEF to calculate GHG emissions; (iii) development of baseline studies on current GHG emissions from transport in the San Jose Metropolitan Area; and (iv) creation of model estimating potential GHG emissions reductions to be achieved through sustainable urban mobility, with short, medium, and long term scenarios and preliminary proposal for a

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<sup>3</sup> In this context, cuasi-renta is a transport mode using taxis. For more information please see [this link](#).

monitoring (measurement), reporting and verification (MRV) system in order to arrive at the first stages of a NAMA proposal.

3.6 The main outcome of this TC is to support the Government of Costa Rica in their goal towards becoming carbon neutral by 2021 through the development of studies and the implementation of transport policy conducive to the reduction of GHG and improvements in transport intermodality.

3.7 The results matrix table below shows each project component as well as its associated products ([Results and Products Matrix](#)).

**Table 1. Indicative Results Matrix**

Strategic result	Product indicators by component	Objective
Integration of public transport, TDM policy creation and GHG emission reduction	<p><b>Component 1. Integration of public transport improvements with non-motorized and private motorized modes:</b></p> <ul style="list-style-type: none"> <li>- increased kms of integrated public transport coverage</li> <li>- increased km in coverage of NMT, mainly the implementation of 20 km of bikeways</li> <li>- reduced tons of CO<sub>2</sub>e from more efficient operation of public transport vehicles in 1.7 million tons of CO<sub>2</sub>e in 20 years</li> <li>- Five Workshops with public sector and private transport operators delivered</li> <li>- integration guidelines developed</li> <li>- promotion activities for users (existing and potential) of multimodal public transport system</li> <li>- compilation of key data on NMT and private motorized transport</li> <li>- workshops with stakeholders and dissemination strategy for multimodal integration</li> <li>- Pilot project of modal integration in San Jose's city center</li> </ul>	Study development to understand the impact and implementation of 20 km of bike lanes and improve intermodality in San Jose
	<p><b>Component 2. Development of a TDM policy and instruments for its application in San Jose:</b></p> <ul style="list-style-type: none"> <li>- Reduction of Vehicle Kilometers Traveled (VKT) in private automobiles and greater use of public transport</li> <li>- Reduction of 278,000 tons of CO<sub>2</sub>e in a 20 year period due to reduction of private vehicle VKT</li> </ul>	Creation of a TDM policy and instruments to its application to reduce vehicle use and facilitate CO <sub>2</sub> emissions reductions
	<p><b>Component 3. Development of transport and land use policy based on relevant studies:</b></p> <ul style="list-style-type: none"> <li>- Land use study for possible uses along the public transport system corridors in San Jose</li> <li>- Strategy document for implementation of land use policies in the medium (5 years) and long term (20 years)</li> <li>- Compilation of data on urban development indicators</li> <li>- Agreement between public and private sector to implement a pilot project of land use and transport integration in the next 5 years</li> </ul>	Development of land use and transport studies that could help on the implementation of transport and land use policy in the medium and long terms
	<p><b>Component 4. Improvement of vehicle fleet:</b></p> <ul style="list-style-type: none"> <li>- Diagnosis of the Light-Duty Vehicle (LDV) fleet in San Jose</li> <li>- Data consolidation on vehicle fleets for the city and related indicators</li> <li>- Feasibility of implementation of clean fuel technologies and development of pilot project for substitution of 1% of</li> </ul>	Facilitate the technological improvement of the LDV fleet

**Table 1. Indicative Results Matrix**

Strategic result	Product indicators by component	Objective
	cuasirentas LDV- taxis - Guidelines towards a vehicle monitoring systems	
	<b>Component 5. Development of GHG inventory and estimate GHG emissions reductions:</b> - Detailed tracking of current and future GHG emissions from the San Jose Transport Sector within the Greater Metro Area - Implementation of a Monitoring Reporting and Verification (MRV) system for the project and for the city with the goal of producing a NAMA in the transport sector for Costa Rica	Development of a GHG inventory and a MRV system for the project to support a transport NAMA

- 3.8 The total cost of this TC is US\$1,782,257. The financing originates from the Global Environmental Facility (GEF) and is complemented by IDB technical cooperation funds (CR-T1077) through the SECCI Fund, and GIZ funding in cash in the sum of US\$250,000.

**Table 2. Indicative Budget and parallel financing<sup>4</sup> (US\$)**

Component	Description	GEF Funding
Component 1	Transport intermodality (mode integration)	239,191
Component 2	Development of TDM instruments	193,993
Component 3	Transport and land-use policy	392,029
Component 4	Vehicle technology improvement	403,069
Component 5	Baseline studies for estimating GHG emissions	391,951
	Project management cost	162,024
	<b>Total project cost</b>	<b>1,782,257</b>

- 3.9 The designated focal point for the supervision for this TC will be the Team Leader (INE/TSP), and the specialist responsible for the execution will be the Transport Specialist in the Country Office of Costa Rica (TSP/CCR).

#### IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 4.1 At the request of the Ministry of Environment and Energy of Costa Rica the Inter-American Development Bank (IDB), through the Transport Division (INE/TSP) will be in charge of the execution. This TC will be executed in a total of 30 months with two main phases. The first phase will have total funding of US\$1,000,000 and will be executed in 16 months. The second phase will have total funding of US\$782,257 and will be executed in 14 months.

#### V. MAJOR ISSUES

- 5.1 The main issues for the execution of this project are the following:

- (i) The lack of institutional capacity for the review of studies and documents is a prominent risk of this project. To mitigate such risks the Transport Division will



closely supervise studies and the progress of the project to ensure the Government of Costa Rica can use these documents and studies to support their policy making efforts towards reducing environmental degradation.

- (ii) The lack of institutional coordination is also an identified risk in this operation. The TC counterpart from the Government of Costa Rica is MINAE. However, MOPT is also very involved in this project and will have the most important input in terms of revising and approving documents and studies. The IDB will mitigate this issue by having periodic coordination meetings throughout the project's life.

## **VI. EXCEPTIONS TO BANK POLICY**

- 6.1 There are no exceptions to Bank policy that have been identified.

## **VII. ENVIRONMENTAL AND SOCIAL STRATEGY**

- 7.1 No negative environmental or social impacts will derive from this TC. The benefits from this project will have a positive socio-environmental impact given the reduction in GHG and local pollutant emissions as well as promoting social and economic equity for public transport and NMT users. In compliance with the Environment and Safeguards Policy (OP-703), this TC was classified category "C" (see [Safeguard Policy Filters](#)).

### **ANNEX:**

- [Procurement Plan](#)

### **ELECTRONIC LINKS:**

- [Letter od Request](#)
- [Terms of Reference](#)