Tunisia: Energy Efficiency in Sustainable Urban Mobility

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Energy Efficiency in Sustainable Urban Mobility

Tunisia

Overview

- The proportion of public transport usage in Tunisia has declined from 70% in the 1970s to under 30% now
- Transportation sector is now the primary consumer of energy and the second-largest source of greenhouse gas emissions
- Urban population is expected to increase from 67% of the total population in 2019 to 75% by 2030, leading to an expected rise in mobility demand
- The economic impact of worsening mobility levels on individuals and the community is escalating, now exceeding 2% of GDP

In response, Tunisia is implementing a new policy for sustainable urban mobility - a comprehensive program of reforms, investments, modernization, and capacity building for:

- Enhancing governance at national and local levels
- Improving financial mechanisms within the urban mobility sector
- Developing comprehensive urban mobility plans for Tunisia's major cities
- Modernizing public transportation with various upgrades
- Promoting the electrification of vehicles
- Implementing cost-effective infrastructure enhancements for traffic and pedestrian management

Main project partners include ’Mobilise Your City’ initiative (MYC), Agence Française de Développement (AFD), German International Cooperation Agency (GIZ), and World Bank via SSATP program

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Project/enterprise details

Background

- Ministry of Transportation, Tunisia
- **Project development:**
  - 2019-2020: Completed feasibility study
  - 07 May 2020: New policy and action plan approved by the government
  - 2021- 2022: Detailed study of the priority development axis of the PNMU (financed by AFD)

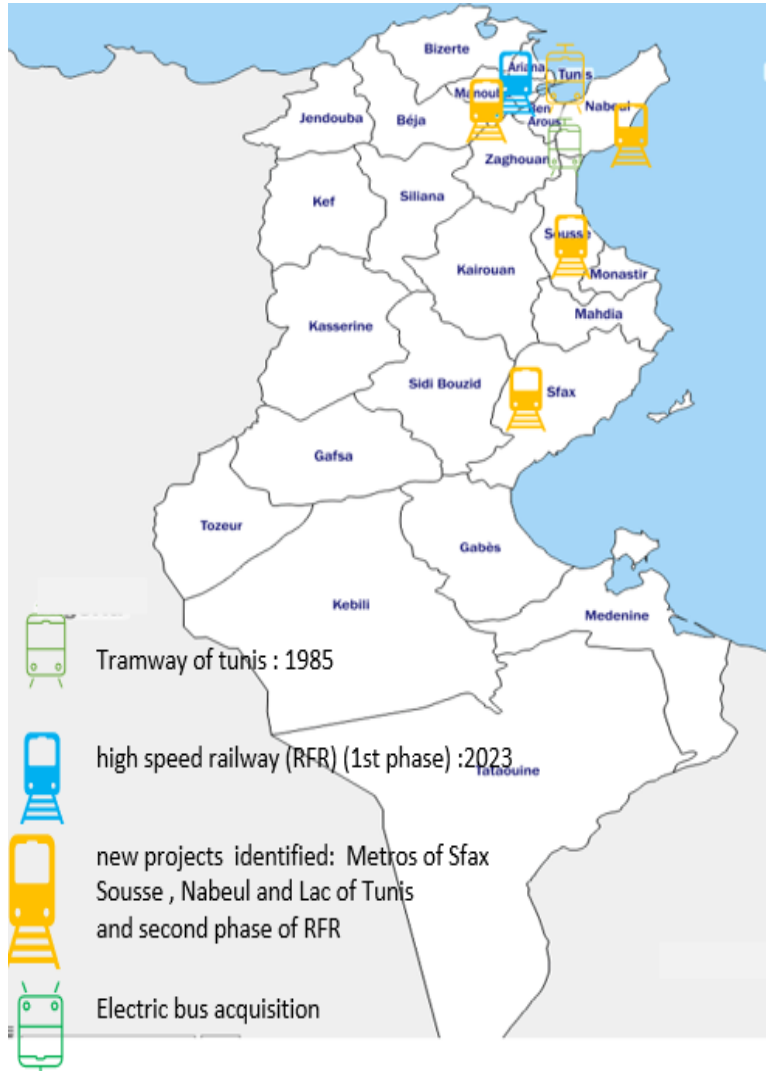
Milestones

This project has two phases:

- Phase 1 (2023-2025):
  - Establishment of institutional and regulatory structures, reforms, studies, master plan (ongoing)
  - Sustainable financing: A national fund for financing urban mobility will be established
  - Governing entities: “Enterprise Publique à Caractère Non-Administrative" (EPNA) will be created
  - Master Plans: Sfax (completed), Sousse (ongoing), Great Tunis and Djerba (starting soon)
- Phase 2: (2026-2030++):
  - Building and construction of main infrastructure projects
  - Main infrastructure projects include:
    - Sfax Tramway & bus networks
    - Tramway of Lac
    - RFR: tranche 2 (high speed rail network of Great Tunis)
- Other identified projects and initiatives:
  - Metro of Nabeul and Sousse
  - Development of electric mobility. Its main features include:
    - Incentives for the purchase of electric vehicles
    - Implementation of power-charging infrastructure
    - Acquisition of electric buses

Cost

- **Financial**
  - **Phase 1:** USD 138m
  - **Phase 2:** Sfax Tramway: USD 850m (Phase 1 USD 375m), Lac Tramway: USD 251m, RFR (cost to be confirmed through studies)
- **Partnerships:** These will be determined looking at the local private sectors and foreign partnerships after the completion of Phase 1



Tunisia

Sfax Tramway and Bus Network

Deal opportunity overview

The Sfax Urban Mobility Investment Project is an ambitious public-private partnership (PPP) initiative set to develop a comprehensive 70-kilometer tramway and bus network in the city of Sfax, an economic and educational centre, located 270 kilometers from Tunis. The government has greenlit the project's financing under a Design – Finance – Build and Maintain (DFBM) framework, with an aim to complete the work by the end of 2026. This project aligns with Tunisia's National Sustainable Urban Mobility plans and the updated Nationally Determined Contributions (NDCs), marking a step forward in the country's commitment to sustainable urban development

Society of Metro of Sfax /Ministry of Transportation

Investor Category: Fis, Funds, Development Agencies

Funding Required: USD 850m (Phase 1: USD 375m)

Use of Proceeds: 70km railway bus network Sfax - purchase of land, build of network and purchase of vehicles

Project/enterprise details

Background

- **Project development:**
  - 2012-2014: Completed pre- feasibility study (financed by EIB)
  - 2015: Creation of the society of metro of Sfax
  - 2018-2019: Detailed study of the first phase completed (financed by the national budget)
  - 2021: PPP approved
- **Partners:** With the assistance of the World Bank and AFD, the Ministry of Transportation has identified the need to create new governing bodies: a national commission for urban mobility (CNMU), a unit to accompany the works (UTAC), national observatory of urban mobility, metropolitan authority for urban mobility in the big cities (AMMU), and bureau of urban mobility in smaller cities (DMU)

Project details

- Sfax Tramway project will include:
  - Phase 1: tramway line (13.5km): USD 375m
  - Total project: 70 km (2 tramway lines + 3 Bus Rapid Transit (BRT) + multimodal station + 12 parking): USD 850m

Milestones

- Bid for commercial partner will open at the end of 2023, selection procurement to be completed by June 2024
- Diversion of the network: January to December 2024
- Work starts: June 2024 and ends December 2026

Impact Metrics

Tunisia

	Sustainable Urban Mobility Program by 2030+	Sfax Tramway and Bus Network
Project Beneficiaries	• Every city of more than 100,000 inhabitants • 1 million people per day of which 50% are women will benefit from more accessible and shorter commute • 80% of urban population served by a public transport station less than 500m away with a frequency of at least 20 minutes during rush hour rush hour which means better access to jobs, social and cultural and other events • **Road safety:** reduce the number of road deaths in urban areas by 50%	500,000 people (over half of the Sfax population) of which over half would be women will benefit from more accessible and shorter commute including 55% of households that do not own a car and 100,000 students
Employment Creation	Significant direct and indirect employment generation	The expansion of the city into new zones could provide housing for approximately 120,000 inhabitants and create around 32,000 new jobs
Sustainability	• Transport sector ranks in terms of energy consumption and second for GHG emission; this new urban mobility policy will allow the reduction of 12% of these emission by 2030+ (climate scenario) • Mitigation: decrease of CO2 emission by 350 tons over 10 years • The sustainable urban mobility action plan will contribute to achieve the net zero national strategy by 2050 and the NDC	• Transport sector ranks in terms of energy consumption and second for GHG emission; reduction of car use and increase in the use of public transport would reduce the emissions
Gender Equality and Social Inclusion Considerations	500,000 women /day will benefit from a better mobility and better access to jobs and cultural events. This includes all their dependent children	200,000 + women /day will benefit from a better mobility and better access to jobs and cultural events; this includes all their dependent children