WELCOME!

Welcome to the first edition of the GFDT newsletter. Established by the World Bank in 2021, the Global Facility to Decarbonize Transport (GFDT) aims to accelerate innovation and investment toward climate-smart mobility solutions in developing countries. To achieve its vision of a carbon-neutral global transport sector by 2050, GFDT provides grant funding and technical assistance to transport decarbonization projects across the world.

GFDT is supported by the governments of Germany, Luxembourg, the Netherlands, and the UK.

About this newsletter
GFDT newsletters will be published approximately four times per year. Each edition will include GFDT news and grantee updates, a Q&A with a GFDT grantee, a featured chart related to transport decarbonization, and info on upcoming events and activities.

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NEWS

GFDT at the 2023 International Transport Forum


Mr. Peltier-Thiberge reiterated the World Bank’s commitment to sustainable, low-carbon mobility, and highlighted GFDT as a key vehicle to achieving this vision.

“With the help of this new facility, we are working with developing countries to prepare for the electrification of thousands of buses, improve public transportation, and advance zero-emission mobility. When completed, these projects will improve the quality of life for citizens in many corners of the world – Peru, India, Ghana, Egypt, and the Pacific Islands to name a few.”

View his short remarks here.

First Round of Grantees

GFDT announced its first round of grantees in late 2022, awarding a total of USD 3.5 million in funding to seven projects following a competitive selection process.

The grant awards were focused on three pillars:
1. Decarbonized and Resilient Transport
2. Inclusive and Safe Mobility and Accessibility
3. Integrated and Competitive Logistics and Connectivity.

Selections were based on priority areas identified by the Annual Work Plan and the GFDT grant selectivity criteria.

To learn more about the projects funded by GFDT, visit the Grantees page on the GFDT website.
Second Partnership Council Meeting

In March 2023, GFDT held its second Partnership Council meeting on the sidelines of the Transforming Transportation conference in Washington, D.C.

During the meeting, representatives from GFDT’s seven grant-funded projects provided updates on their progress and outlined areas of opportunity, challenges, current disbursement amounts, and next steps.

The GFDT Program Management Team also presented a financial update for GFDT and presented a unified results framework for review.

GRANTEE Q&A

In this edition, we chat with Daniel Benitez, who is leading a program to establish a low-carbon mobility investment facility in Africa.

Q: Put briefly, what is this project trying to achieve? In what sense is it transformational?
A: This project proposes the establishment of an Africa Regional Transport Investment Facility (ARTIF) to promote low-carbon mobility in sub-regions of Africa. It is transformational as it brings together financial resources, coordinates technical assistance, and leverages private sector capital to accelerate the transition to low-carbon vehicles. Today, vehicle financing markets in the region are limited and mostly focus on non-electric vehicles.

Q: If all goes to plan, what is the decarbonization potential of this project?
A: Carbon emissions from the transport sector in Africa accounted for 27% of all energy-related emissions in 1990, and 42% in 2020. The project aims to curb this emission trajectory by promoting a
transition to clean vehicles in public transport and freight sectors in Africa. Another goal of the project is to improve air quality, especially as vehicles in most African cities tend to use low-quality fossil fuels.

**Q: What is the biggest challenge you are facing and how are you overcoming it?**

**A: The biggest challenge is overcoming the multiple demand and supply-side barriers that hinder public and private investment in low-carbon vehicles in Africa. To overcome this challenge, the project aims to coordinate capacity development and policy reform support, creating a unified platform to boost investment in low-carbon vehicles in Africa.**

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**FEATURED CHART**

**Why e-Buses Make Economic Sense in Developing Countries**

In this edition we look at the lifecycle cost savings offered by electric buses over conventional buses in a variety of low- and middle-income countries. This chart was adapted from the report *The Economics of Electric Vehicles for Passenger Transportation*, published by the World Bank in October 2022.

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**Lifecycle Cost Savings of Electric Buses**

*Normalized by million passenger km traveled*

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**Chart takeaways:**

- In many low- and middle-income countries, the economic benefits of switching to electric buses **more than offsets** the higher initial costs when viewed in terms of millions of passenger kilometers traveled over a vehicle’s lifecycle.
• For example, in Egypt, a single electric bus would cost an estimated $18,143 more than a conventional bus due to its higher cost and the added expense of building out additional charging infrastructure. However, it would accumulate $65,729 in economic benefits over its lifetime, resulting in net savings of $47,586.
• Economic benefits of electric buses come in the form of lower operating costs (cheaper maintenance + lower fueling/charging costs) and significantly reduced negative externalities, such as improved air quality and lower carbon emissions.
• Switching to electric buses makes economic sense in 16 of the 20 low- and middle-income countries studied in *The Economics of Electric Vehicles for Passenger Transportation* report.

**ON THE HORIZON**

• Sep-Oct: Second call for proposals for GFDT grants
• Nov 30-Dec 12: GFDT participation at COP28