



TRANSPORT

UPPER MIDDLE INCOME *

CLIMATE-SMART

TRADE-ENABLING

BRAZIL

Americana Rail & CPTM Line 7

GIF FUNDING & LEVERAGE

GIF Project Definition Grant:

\$458,000

Estimated Project Support:

\$2.5 million

Potential Private Investment Mobilized:

\$500 million

The State of São Paulo is one of the largest macrometropolis in the world with 30 million inhabitants, but the connection among its large municipalities is still largely road based, on a road network that is increasingly saturated. GIF is working with the State authorities to assess the viability of a regional commuter rail service and an upgrade to an existing suburban rail to improve accessibility for passengers and drive economic development in the key Americana – Campinas – São Paulo corridor.

EXPECTED PROJECT OUTCOMES

- ◆ Drive economic development and productivity in the existing corridor conurbation between Sao Paulo and Americana by offering a cleaner passenger transport alternative to the presently saturated road transport.
- ◆ Improve accessibility and travel conditions for around 60,000 passengers per day using the TIC service and 450,000 passengers per day using the upgraded suburban rail CPTM Line 7 service.
- ◆ Reduce CO₂ emissions by up to 82,000 tons per year.
- ◆ Support wider efforts to revise the concession model for freight rail in the State of São Paulo.

TECHNICAL PARTNERS



* Based on World Bank Group classification by income

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BACKGROUND

Despite the economic importance of the São Paulo macrometropolis, future economic growth in the region risks being hampered by infrastructure limitations since road infrastructure is already at, or close to, capacity. Travelling between São Paulo, Campinas and Americana is possible only by road along two tolled state highways, which are already heavily congested: travel times for the 95km journey between Campinas and São Paulo range greatly from 1.5 to 4 hours, depending on traffic. The bottlenecks reaching the city road networks cannot be resolved by expanding the roads, and travel times would continue to increase along with a further decrease in travel time reliability. In addition to improving service for existing travelers, there is a latent demand for passenger travel on the corridor that could be served by a rail service. The State of São Paulo is planning to develop a 130km Intercity Rail (TIC in Portuguese) Line I, a medium-speed passenger rail service between Americana and São Paulo that would also be complemented by an upgrade and O&M of the existing freight and suburban railway (CPTM Line 7) alignments. Early studies suggest the TIC line could carry 60,000 passengers per day. The institutional coordination between São Paulo State and the Federal Government Rail regulator ANTT will be critical for the timely and cost-effective delivery of the Intercity line in a manner that benefits both cargo and passenger users of the corridor.

PROJECT FEATURES

The objective of the PDA Activity is to provide São Paulo State with sufficient prefeasibility information to take a decision as to whether to proceed with the planned passenger rail TIC Line I and with the upgrade and O&M of

the existing suburban rail CPTM Line 7. The activity will encompass the prefeasibility work necessary to progress to the first of a series of rail transactions. Key elements include economic and financial studies, conceptual engineering design, procurement options, legal, environmental and social assessments, and institutional support for collaboration with municipal and federal governments. A go/no go decision will be taken at the end of this first phase, based on the project's prefeasibility outcomes and progress towards an agreement between state and federal governments over specifications and corresponding coordination between freight and passenger operations.

WHY GIF

The PDA builds from GIF's previous Project Readiness Assessment (PRA) that was used to identify new operational models and challenge current practices, to the point that the State of São Paulo has recognized the PRA as a potential turning point for a project that has been dragging for more than 12 years. GIF specialists will continue to provide commercial experience that complements the technical strengths of the IDB and WB teams. At their request, the GIF team will support them with the revision of deliverables and the bidding process as well as providing institutional support given that GIF is already working with the Federal Government on its Roads Concession Program. The GIF funds will complement existing IDB financed technical studies to provide the prefeasibility level commercial and affordability analysis, and institutional coordination support to allow an informed GESP decision over next steps. Of particular importance, is the support from GIF in the coordination between the multilaterals involved and between levels of government.

The Global Infrastructure Facility, or GIF, is a partnership of governments, multilateral development banks and private sector financiers that facilitates private-sector investment in complex infrastructure projects in emerging economies. We serve as a platform through which governments collaborate with international financial institutions and private sector investors to design, structure and implement these complex projects.

The comprehensive project-preparation support provided by the GIF draws on the expertise of its advisory partners which includes commercial banks and institutional investors. The broad partnership ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.