



TRANSPORT

LOW INCOME \*

CLIMATE-SMART

# SENEGAL

## Dakar Bus Rapid Transit

### GIF FUNDING & LEVERAGE

GIF Project Preparation and Structuring Activity:

**\$490,000**

Potential Private Investment Mobilized:

**\$50-60 million**

Dakar's public transportation system contributes to the city's congestion and imposes costs that inhibit economic growth. The government of Senegal has made improving public transportation in the Greater Dakar Area (GDA) a priority, with participation by the private sector. The GIF is supporting the World Bank and International Finance Corporation (IFC) in implementing a rapid bus transit system through a public-private partnership (PPP).

### EXPECTED PROJECT OUTCOMES

- ◆ Provide quick, safe and reliable public transport services to over 300,000 people per day, particularly low and middle-income users
- ◆ Reduce transit time between downtown Dakar and the northern suburbs from three hours to about 45 minutes
- ◆ Cut annual emissions to about 37,500 tons per year, about half of those produced by existing services
- ◆ Accelerate inclusive growth and create employment in the GDA

### TECHNICAL PARTNERS



\* Based on World Bank Group classification by income

## BACKGROUND

About 45 percent of Senegal's population of 15 million lives in the GDA. Eighty-two percent of motorized trips within GDA are made on public transport. However, the existing public transportation options are not efficiently organized and contribute to the city's congestion. This imposes significant costs in terms of fuel, air pollution, and lost economic opportunities.

The Dakar Urban Transport Executive Council (Conseil Exécutif des Transports Urbains de Dakar or CETUD) is responsible for implementing and monitoring public transportation policies within the GDA.

Public transport available within the GDA includes:

- ◆ The state-owned bus company, Dakar-Dem-Dikk, operating 475 vehicles on 23 routes, accounting for up to 10 percent of daily trips made on public transport
- ◆ The Urban Transport Association, which is made up of independent operators licensed by CETUD, accounting for up to 45 percent of daily trips
- ◆ Informal public transit operated by independent operators (generally a low level service), accounting for approximately 25 percent of daily trips
- ◆ An aging 25-kilometer suburban railway between the center of Dakar and Rufisque. It is being replaced by an express train linking Dakar and the new airport.

AGEROUTE is the national agency responsible for implementing all road infrastructure construction, rehabilitation, and maintenance on the national classified network. CETUD will coordinate with AGEROUTE on the BRT project.

The government recognizes that improving urban mobility in the GDA is of crucial importance for the development of the economy. Its development plan places specific emphasis on a mass transit system project in Dakar through a PPP.

## PROJECT FEATURES

The BRT will consist of an 18.3 km-long segregated rapid bus lane integrating a trunk and feeder system. It will be implemented through a 10-year concession with an estimated cost of \$55 million and annual operating costs of \$30 million.

An international operator selected through a tender process will be responsible for construction of segregated bus lanes, stations, and terminals and providing transportation equipment, such as the bus fleet and operating system. The revenue risk allocation and payment mechanism will be determined during the tender process.

A network of 26 new feeder bus lines under the responsibility of local operators will be implemented separately by the government. The government plans for local operators to be shareholders of the BRT company for up to 30 percent.

Capacity building and technical assistance will be required to support government on the implementation of the BRT, as this is the first BRT project undertaken in Senegal.

## WHY GIF

The GIF plays an important coordination role between IFC and the World Bank in executing this initiative. IFC is serving as lead advisor for the BRT project and has completed due diligence, transaction structuring, structuring options and initial market sounding. The GIF will support the PPP through financial close with grant financing of \$490,000.

The World Bank is also providing \$300 million through the International Development Association (IDA) and \$30 million through the Green Climate Fund for the construction of the infrastructure required for the BRT to improve the feeder road network and build government capacity to act as a counterpart to the private operator.

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*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.*