





KGID Green Growth:
The Path to
Sustainable Jobs

Integrated Solutions for Green Urban Mobility and Smart City Planning to Improve Livability in Kandy City, Sri Lanka: Vision and insights from the KGGTF grant

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City of Kandy has the potential to become a residential, commercial and cultural hub...

- Central location, with road access to all other regions of the island
- A UNESCO World Heritage Site
- A major tourist attraction, with over one million visitors annually







However, the city is highly congested, leading to major transport, environmental and safety challenges...

- High population density (4,000 persons per sqkm)
- Insufficient transport infrastructure and services and absence of smart urban planning
- Nearly 389,000 commuters enter the city on a typical weekday for various purposes
- Main mode of public transport is buses, generating 10,000 bus trips on 294 routes daily
- Large number of bus terminations have added to bus and passenger congestion
- Around 35% of work trips exceed one hour due to reduced speeds
- Air pollution at levels surpassing WHO guidelines
- The city center which has high-density people for flows, lacks proper sidewalks in most instances 2025

A key transport intervention to improve the city's urban transport is the development of the Kandy Multimodal Transport Terminal

- Public transport study in 2016 emphasized the need for development of key interventions: Kandy Multimodal Transport Terminal, three satellite terminals, walkable paces, and restructuring the existing bus network.
- KMTT replaces the highly congested, unsafe and unplanned bus terminal, Goods Shed, in the center of the city, and offers an integrated, well-planned, safe and accessible multimodal transport terminal.
- It is expected to regulate bus and passenger traffic into the city and relieve congestion to some extent.





Key details and status of KMTT Development Project

IDA financing	US\$69.33 million
Project approval	May 18, 2020
Project closing	May 31, 2027

Key activities proposed

- Component 1: Development of Kandy Multimodal Transport Terminal
- Component 2: Urban Integration and Road Safety Improvements around KMTT
- Component 3: Institutional Strengthening and Capacity Building (this includes identifying the best institutional arrangement for the management and operations of the terminal)

Additional Financing (~\$100million) is proposed to deliver integrated and green mobility solutions to transform Kandy into a livable and smart city



Overview of the KGGTF Grant

Objective: to provide strategic solutions to improve the livability of Kandy city by fostering green urban mobility and smart city planning.

The grant will directly provide (a) a strategic vision, (b) a concrete investment pipeline under the form of an Action Plan, and (c) capacity building to improve urban mobility infrastructure and services.





Task 2: Action plan and Investment





Task 3: Capacity and knowledge building





Concrete investments, financing arrangements, and institutional strengthening



A low-emission, inclusive, and usercentric transport system in Kandy

Mode shift towards shared, public, and non-motorized options.

Institutional readiness to plan, implement, and scale integrated mobility reforms

Preconditions

Robust evidence base, clarity on gaps, and a shared understanding of current challenges



A vision, strategy, and action plan that translate evidence into pathways for change



The KGGTF grant will support both KMTT and the proposed AF through:

Analytics to derive actionable insights into mobility in Kandy

Support for the development of the Additional Financing project to expand the impacts of the original project

Capacity building and knowledge exchange through study tours which will have a lasting impact on mobility planning in Kandy

Opportunities for co-financing of the AF to help leverage IDA funds



The following scope is proposed for additional financing for KMTT to offer comprehensive solutions on urban transport development:

Objective: to promote livability for Kandy city by providing sustainable urban mobility solutions

Resilient Infrastructure

• To alleviate congestion, reduce bus terminations in the city centre, and promote multimodal integration with KMTT services, through satellite terminals, access roads and flyover, upgrading of Kandy Railway Station and regional passenger terminals

Modernizing bus management and operations

 Activities to improve efficiency of bus services and to decarbonize transport in Kandy through, Implementation of bus rerouting plan, Modernization and greening of bus fleet and service, Enhancing last mile connectivity

Improving Kandy's traffic management, and walkability

- Pilot of transit-oriented development (TOD)
- Tactic and Integrated urban interventions to increase Kandy's liveability and attractiveness as a UNESCO world heritage destination
- Smart mobility and traffic management



Potential for Private sector investments

Activity	Potential for Private Finance
Management and operation of KMTT Terminal	Possible PPP opportunities, - O&M of KMTT
Construction and operation of three satellite bus terminals	 construction and O&M of the satellite terminals via long-term concession land value capture around the satellites
Procurement and operationalization of e- buses Provide zero-emission last mile connectivity with e-tuks	Private sector could finance purchase or leasing of e- Buses under leasing model or PPP and operate and maintain them. Private sector investment in e-tuks
Bus operation improvements	Private O&M of bus services and fleet
	KGID 2025

Potential Impact of KGGTF Support

Infrastructure Developments



KMTT Project



Satellite Bus Terminals





Grade Separation Solution to KMTT Entrance

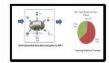


Kandy Station and Suburban Railway Development

System Implementations



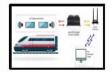
Ownership, Business and Operation Models of KMTT



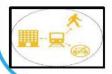
Bus Rerouting



Bus Management System



Railway System Integration



Transit Oriented Developments



- 60% modal share for Public Transport
- Mitigating the Congestion
- Mitigating the environmental Pollution



Pedestrian-Friendly Urban Space



Electric Buses for City



