Peru

Basic information

Population	→	34,350,000
Growth rate	→	1.2%[1]
Percentage of urban population	→	79.3%[2]
GDP per capita	→	USD 6,711[3]
Percentage of the population living below the national poverty line	→	27.6%[4]
Annual average infrastructure expenditures as percentage of GDP	→	1.63%
Nationally Determined Contribution (NDC)	→	Quantified transport/ mobility-related not reported
National GHG emissions per capita	→	2.052 tons per capita
Proportion of transport-related GHG emissions	→	21.2%[5]
Exposure to climate change	→	HIGH

Context

Peru, located on South America's Pacific coast, has a highly concentrated urban population in its capital and largest city, Lima. In contrast, the rest of the country has very few urban centres with over one million inhabitants. This imbalance hinders the equitable distribution of wealth and creates dependency, as socio-economic, political, and social dynamics in Lima often set precedents that are replicated across other regions.

Peru has a complex administrative system, established by the central government, consisting of three divisions: department, province, and district. Each has clear jurisdiction and theoretical autonomy over various government responsibilities. Still, the structure of the administrative system often leads to incoordination, overlapping responsibilities, and competition for investment and national support. These challenges create difficulties in territorial development planning and control, ultimately hindering cities' ability to effectively manage issues such as territorial organisation, water resources, solid waste, and urban mobility. Moreover, local governments often lack the capacity to fulfil their responsibilities. These structural weaknesses are compounded by a highly centralised and rigid public investment system—characterised by strict central oversight of local government spending and siloed ministerial practices, which creates significant administrative barriers to the implementation of integrated, multisectoral, and sustainable urban projects.

According to the 2019 Household Survey (ENAHO), 72.7% of the economically active population (EAP) in Peru is employed informally, which accounts for about two-thirds of the total EAP (INEI, 2020). Despite labour flexibilization policies such as the reduction of severance pay, the promotion of part-time contracts in the 1990s, and the creation of simplified regimes to lower the costs and bureaucratic hurdles for formalisation in the 2000s, informality continues to rise in the country.

Peru's population dynamics have shown a clear trend of urbanisation, with a significant shift away from rural areas. Currently, about 32% of the country's population resides in the Lima-Callao metropolitan area. When including the next ten largest cities—Arequipa, Trujillo, Chiclayo, Iquitos, Piura, Cusco, Chimbote, Huancayo, Pucallpa, and Tacna—this percentage rises to about 47% of the total population. This rapid urban growth has worsened urban transportation issues, including poor-quality urban transport services, a poorly structured and highly fragmented public transportation system, and the proliferation of unsustainable modes of transport, such as increased private car ownership, taxis, and moto taxis. These factors have led to severe congestion, high accident rates, and elevated levels of greenhouse gas (GHG) emissions and other pollutants, resulting in high social costs.

Although urban public transport is the primary mode of travel—given the country's low vehicle ownership rate—it faces significant challenges: the institutional limitations (e.g. the Peruvian law hardly allows the public provision of transport services), the weakness of infrastructure and route planning, the financial limitations of the private operators coupled worsened by the competition of informal operators, the lack of supervision of services operation, the lack of investment in adequate urban infrastructure to support the operation of transport services. Consequently, the system is plagued by low traffic speeds, unreliable service, an ageing and poorly maintained fleet, a lack of intermodality and integration between services and modes, and inefficient route planning, with overlapping and excessively long routes. Additionally, a reliance on low-capacity vehicles, widespread disregard for traffic regulations, and a lack of effective control mechanisms further contribute to its poor quality. To make matters worse, the urban public transport operators, drivers and passengers are also the victims of the rampant insecurity in the country. For example, the phenomenon of extortion by the mafia has been booming in recent years, and many bus drivers have been murdered.

Although the Organic Law of Municipalities (Law No. 27867) grants provincial municipalities exclusive authority to regulate urban and interurban transport within their jurisdiction (Article 81), local governments in Peru often face significant institutional weaknesses and limited investment capacity. To address this, the Ministry of Transport and Communications (MTC) created Promovilidad[6] to support local governments in implementing the four priority objectives of the National Urban Transportation Policy[7]. Additionally, in recent years, various national programs under the Ministry of Housing, Construction, and Sanitation (MVCS) have been established to provide technical assistance to local governments in urban planning, public space investment, and related areas[8].

Supreme Decree No. 012-2019-MTC, issued on April 9, 2019, approved the National Urban Transportation Policy (PNTU) to address the challenges of mobility for people and goods in urban areas. The policy sets a roadmap toward 2030 with four key objectives: (i) establishing efficient public urban transportation systems, (ii) improving governance in urban transport, (iii) developing transport services with appropriate infrastructure, and (iv) ensuring that urban transport meets the population's needs in alignment with urban development.

[1] https://www.gob.pe/institucion/inei/noticias/1207380-inei-poblacion-del-peru-superara-los-39-millones-en-el-2050
[2] https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib1539/cap01.pdf
[3] https://tradingeconomics.com/peru/gdp-per-capita
[4] https://canaln.pe/actualidad/inei-disminuye-pobreza-extrema-y-monetaria-pais-n483628
[5] https://ourworldindata.org/profile/co2/peru
[6] https://www.gob.pe/promovilidad
[7] The German Government (BMZ) supported Peru to develop its NUMP through the project "Peru – Sustainable Urban Transport" – also known as TRANSPerú. Visit https://mitigation-action.org/projects/peru-sustainable-urban-transport/ to find out more.
[8] The two ministries have been competing for authority over urban mobility, as evidenced by the National System of Multiannual Programming and Investment Management (Invierte.Pe), which divides responsibilities for Sustainable Urban Mobility services. Under this system:

- The Ministry of Transport and Communications (MTC) oversees services such as the Corridor Transport System, Cable Transport System, and Railway Transport System.
- The Ministry of Housing, Construction, and Sanitation (MVCS) is responsible for a "Sustainable Urban Mobility" service. However, in practice, this service covers only a limited range of urban mobility-related actions, primarily focusing on creating, improving, or rehabilitating roads and sidewalks in urban areas.

To achieve these objectives, the policy outlines fourteen guidelines and thirteen key services, all aimed at creating urban transportation systems that are safe, reliable, inclusive, accessible, high-quality, well-coordinated, and financially, economically, and environmentally sustainable. The ultimate goal is to significantly improve urban mobility by reducing daily travel time by at least 30%, lowering traffic-related fatalities to five per 100,000 inhabitants, and cutting greenhouse gas emissions by 20%.

A key challenge of the current PNTU is that it cannot be considered a fully comprehensive Sustainable Urban Mobility Policy, as it prioritises certain aspects over others. While it acknowledges various elements of sustainable mobility, its focus, reflected in the priority order of components and the existing impact assessment indicators, leans heavily toward urban public transport, and sometimes counterproductively toward the indiscriminate improvement of transit conditions. As a result, other crucial aspects, such as non-motorised transport and travel demand management, receive less attention and development. This bias stems from the fact that the Ministry of Transport governs the PNTU, whereas implementing integrated urban transport projects often requires a multisectoral approach and close coordination with other ministries, notably housing and environment.

Support from the Partnership: Implementation Support 1

Project title: Support for Promovilidad in NUMP Implementation
Funded by: Agence Française de Développement (AFD) through the Fund for Technical Expertise and Experience Transfers (FEXTE)
Funding amount: EUR 800,000
Implemented by: CODATU
Local counterpart and NUMP implementation agency: Promovilidad – (National Program of Urban Sustainable Transportation, under the Peruvian Ministry of Transport and Communications)
Project implementation period: 2022-2026

Objectives and supported activities:

- Capacity building and exchange of experience on mass transport technologies, interoperability, fare integration and single ticketing, gender issues in transport, active modes and institutional coordination;
- Technical assistance and support in drawing up and supervising opportunity or feasibility studies for Integrated Transport Systems in priority cities.

Completed outputs:

Capacity-building and exchange of expertise activities:

- First National Forum on Safe and Sustainable Urban Mobility (FONAMUSS 2023) Organised to promote dialogue and collaboration on urban mobility;
- Study trip to Colombia – A Peruvian delegation visited Bogotá and Medellín to observe best practices in urban mobility;
- Urban mobility training cycle – Conducted using MobiliseYourCity training materials to build local capacity;
- Four macro-regional workshops – Focused on urban mobility planning to engage stakeholders across different regions;
- Conferences and webinars – Organised and participated in events to share knowledge and experiences on urban mobility;
- Support for internal information management processes for efficiency improvement;

- Participation as speaker at the II National Forum on Urban Mobility that was held in July 2025, with a presentation related to institutional challenges for planning sustainable urban mobility and transport.

Technical assistance activities:

- Development of a strategic institutional plan for Promovilidad to enhance its performance;
- Creation of a monitoring tool to track the implementation of SUMPs in Peruvian cities;
- Assessment of transport reform in Arequipa – Analysis of progress toward an integrated transport system;
- Drafting and reviewing Terms of Reference for a feasibility study on public transport corridors in three Peruvian cities (to be financed by EU LAIF funds): Piura, Huamanga and Juliaca;
- Drafting and reviewing Terms of Reference for Sustainable Urban Mobility Plans (SUMPs) in four Peruvian cities (to be financed by EU LAIF funds): Juliaca, Chiclayo, Huancayo;
- Creation of a monitoring tool to track the implementation of SUMPs in Peruvian cities.
- Support for structuring and formulating a sustainable and resilient urban mobility investment program[9] for six provincial cities in Peru (Piura, Chiclayo, Trujillo, Huamanga, Cusco, and Arequipa), focused on public transport, traffic management and road safety. The support included various contributions in relation with the following activities: development of a concept note for the program, preliminary identification of component and projects to be part of the program, development of pre-opportunity studies related to road safety and traffic calming, contributions to feasibility studies for the development of transport corridors, contributions to feasibility studies related to Intelligent Transport System (traffic lights, automatic traffic enforcement, etc.), etc.

Next expected outputs:

- Technical Assistance for the formulation of the sustainable and resilient urban mobility investment program for the six provincial cities in Peru, to get the program approved by the Ministry of Finance and registered as part of the public sector debt law for the year 2027;
- Technical Assistance for the supervision of feasibility studies (Piura, Huamanga, Juliaca) and Sustainable Urban Mobility Plans (Chiclayo, Huancayo, Juliaca) that are being implemented through EU LAIF funds.

Main NUMP implementation challenges

Institutional instability and a lack of coordination hinder progress in urban mobility.

Institutional instability within both central and local governments has been a significant challenge, marked by high staff turnover and the politicisation of positions. This instability is compounded by the involvement of a diverse range of actors, including government agencies, international cooperation bodies, and civil society, without effective spaces for discussion or coordination. As a result, there is a lack of shared understanding among politicians and specialists, leading to misalignment on guiding principles, priorities, and strategies to improve the current urban mobility paradigm.

[9] MTC, Banco Mundial y AFD impulsan nuevo Programa de Inversiones de Transporte en Ciudades Intermedias - Noticias - Ministerio de Transportes y Comunicaciones - Plataforma del Estado Peruano

Financial constraints and a lack of integration into local budget planning

A significant challenge in Peru is the lack of integration between urban mobility planning and local budget allocation. Despite the existence of Sustainable Urban Mobility Plans (SUMPs) and urban plans that outline key projects, many of these initiatives are not included in the local budget planning process. This is compounded by a broader lack of a planning culture, in which proposed projects often lack the financial backing required for implementation, hindering progress toward improving urban mobility nationwide.

Lack of political will and influence of interest groups in urban mobility reform

A significant challenge in Peru is the fluctuating local political will and interest in the issues promoted by the NUMP. In some cases, there is a clear lack of commitment at the local level, which has slowed down many of the program's initiatives. Additionally, the influence of interest groups, whose income depends on the current transport system, often outweighs the demands of citizens who suffer from the poor conditions of the system. This dynamic impedes efforts to push forward urban mobility reforms.

Lack of technical capacity in urban mobility planning and project formulation

A key challenge in Peru is the lack of technical capacity for urban mobility planning and for formulating sustainable projects. This is partly due to the unattractive nature of the positions offered to professionals in public administration, making it difficult to attract and retain the necessary expertise within the institutions involved. As a result, the formulation and implementation of effective urban mobility solutions are hindered, impeding progress toward more sustainable and efficient systems. Moreover, the monitoring tool designed during the NUMP implementation assistance is not being used due to the lack of a monitoring culture. There are no resources allocated to Promovilidad or to local governments to carry out the day-to-day follow-up on the progress of urban mobility planning and projects. Allocating resources for monitoring and evaluation is key in the long run to track progress.

Takeaways on NUMP implementation support

Institutional and political challenges hinder NUMP implementation.

Despite technical cooperation and financial support from AFD, CODATU, and MobiliseYourCity, implementing Peru's NUMPs in secondary cities beyond Lima faces significant institutional and political challenges. At the national level, one of the most significant barriers is the silo approach that exists between the Ministry of Transport and Telecommunications (MTC) and the Ministry of Housing (MVCS) regarding a national framework for sustainable urban mobility. Both ministries have a mandate related to urban mobility and tend to compete rather than collaborate. The Ministry of Finance's investment management system reinforces this competition.

At the local level, limited political commitment, scarce resources, and the strong influence of interest groups defending the status quo in transport policies further hinder progress. In general, the insufficient coordination among stakeholders is a recurring issue in the country. Addressing these barriers is essential to implementing sustainable urban mobility projects and initiatives.

Technical capacity and financial integration are key to success.

The success of Peru's NUMP implementation depends on overcoming legal and institutional barriers existing at the national level, as well as the improvement of local financial and technical capacity in view of a better urban mobility planning that ensures that the identified actions and projects are integrated into local budget planning, and a more efficient project formulation and implementation. MobiliseYourCity's support through CODATU and AFD has provided crucial expertise and redirected funds to help structure sustainable urban mobility investment programs in six Peruvian cities. Still, long-term progress will require improving the attractiveness of specialised public administration positions to attract and retain necessary expertise.

Having a national program for urban mobility does boost local-level urban mobility planning.[10]

SUMPs of Trujillo and Huamanga were supported by the German development cooperation, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH; that of Piura by the Development Bank of Latin America - CAF; that of Arequipa by the European Union; Cusco by the World Bank; and with LAIF financing, the Municipalities of Chiclayo, Huancayo and Juliaca.

The way forward

Looking ahead, Peru will require further technical assistance to consolidate and sustain progress in sustainable urban mobility.

Additional support may be needed to accompany the follow-up and refinement of the Investment Programme currently under development, as well as to support the implementation of action plans emerging from newly elaborated SUMPs. Moreover, targeted technical assistance for supervising, monitoring, and evaluating SUMP implementation would help ensure that planned measures translate into effective, coordinated, and sustainable investments on the ground.

[10] Situación actual de los proyectos de Transporte y la Movilidad en el Perú – RedSimus

Support from the Partnership: Implementation Support 2

Project title: Ciudades en Movimiento (CIMO)[11]
Funded by: German Federal Ministry for Economic Cooperation and Development (BMZ), co-financed by the Swiss State Secretariat for Economic Affairs (SECO)
Funding amount: EUR 7.7 million
Implemented by: GIZ
Local counterparts and NUMP implementation agency: National Programme for Sustainable Urban Transport (Promovilidad) from the Ministry of Transport and Communications (MTC)
Project implementation period: 2022-2026

Objectives and supported activities:
Primary objective:

- To support the implementation of Peru's National Urban Transport Policy with a focus on integrated and climate-friendly public transport systems and strengthened urban mobility governance.

Supported activities:

- Strengthening Promovilidad and its advisory capacity for cities.
- Supporting Piura, Trujillo, and Arequipa in implementing priority sustainable mobility actions.
- Promoting gender-sensitive integrated transport measures (e.g., data collection and protocols to address harassment).
- Introducing digital tools for urban mobility management.
- Professionalising and formalising private urban transport operators.

Next expected outputs:

- Deployment of digital mobility tools in partner cities.
- Continued advisory support for integrated transport actions in Piura, Trujillo, and Arequipa.

Intended impact:

Expected impact on the local community: who will directly benefit? Quantitative targets for outcomes - environmental and social outcomes?

Main NUMP implementation challenges

NUMP implementation is constrained by institutional fragmentation and limited technical capacity at the local level.

The implementation of a National Urban Mobility Policy or Investment Programme (NUMP) in Peru is hindered by institutional fragmentation and limited technical capacity at the local level, which constrain regional and municipal authorities' ability to align urban mobility planning with national strategies and to translate strategic frameworks into concrete projects. A NUMP is a strategic, action-oriented framework developed by national governments to enhance cities' capacity to plan, finance, and implement sustainable urban mobility measures. Still, its success relies on strong multi-level coordination and sufficient technical expertise at subnational levels — resources that are often lacking or unevenly distributed across Peruvian cities. As a result, cities struggle to integrate mobility planning with financing mechanisms, data systems and implementation processes, weakening the operationalisation of a coherent national mobility strategy.

[11] https://www.giz.de/sites/default/files/media/pkb-document/2025-12/factsheet-cimo-v2-eng-1.pdf?utm

Takeaways on SUMP implementation support

Integration of digital tools and formalisation measures is still nascent.

Efforts to digitalise urban mobility management and formalise transport operators in Peru are underway through initiatives supported by CIMO, such as the development of digital applications for mobility data and the analysis of transport service business models. Still, broader adoption and institutionalisation remain in early stages. The effective use of digital tools, including data platforms, monitoring systems and integrated planning instruments, is essential for evidence-based decision-making. Yet cities need ongoing technical assistance and capacity-building to implement and sustain these technologies. Similarly, formalisation and professionalisation of private transport companies require ongoing support to move from pilot analyses to operational systems that reliably contribute to structured, NUMP-aligned urban mobility networks.

Highlights in the past year

AFD and CODATU extended their grant agreement to continue support in Peru

AFD and CODATU signed a one-year extension to their technical cooperation agreement to continue supporting Promovilidad. As part of this extension, available FEXTE funds will be redirected to support the structuring and formulation of a Sustainable Urban Mobility Investment Program for six Peruvian cities. This effort will position AFD as a potential co-financier alongside the World Bank.

The World Bank supports Cusco in the elaboration of its SUMP[12]

Under Component 2 (3.6 M USD) of the World Bank's Cusco Transport Improvement Project, a consulting contract was signed in August 2024 to support the Sustainable Urban Mobility Plan for the Municipality of Cusco, with an approved work plan and methodology accepted by the supervision team. This activity includes advancing pilot projects for public transport improvements within the broader urban mobility planning process. World Bank documents indicate that the SUMP-related studies were estimated to conclude by March 2025, and the Bank remains committed to working with local stakeholders to ensure timely contracting and quality execution with sufficient resources and counterpart funding.

4 cities will be supported in SUMP elaboration through LACIF funds implemented by KFW[13] [14]

4 cities (Chimbote, Chiclayo, Huancayo, and Juliaca) will be supported in the elaboration of SUMP through LACIF funds implemented by KfW. As part of efforts to strengthen sustainable urban mobility planning in Peru, four cities will receive support to develop Sustainable Urban Mobility Plans (SUMPs) utilising funds from the Latin America and Caribbean Investment Facility (LACIF), a European Union regional blending instrument designed to leverage financing for sustainable infrastructure and development projects in the region. LACIF combines EU grant resources with financing from partner development institutions to address priorities such as sustainable transport and urban development. Through this mechanism, and with implementation support from KfW Development Bank alongside other partners, selected Peruvian cities will be assisted in preparing SUMPs that provide a structured, inclusive, and evidence-based roadmap for integrated mobility planning, addressing local transport challenges and aligning investments with long-term sustainability goals.

On the VI anniversary of Promovilidad, the II National Forum on Urban Mobility was held[15]

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On the sixth anniversary of the Programa Nacional de Transporte Urbano Sostenible (Promovilidad), the II National Forum on Urban Mobility (FONAMUS 2025) brought together national and local authorities to discuss sustainable transport policies, strengthen intergovernmental coordination, and share experiences in promoting efficient and equitable urban mobility across Peru. The forum highlighted Promovilidad's role in supporting provincial municipalities and underscored the importance of integrated planning to address challenges such as congestion, pollution, and infrastructure gaps. In this context, MobiliseYourCity's advocacy for Sustainable Urban Mobility Plans (SUMPs) and capacity development contributed to the broader dialogue on advancing structured, inclusive mobility planning at the local level.

Last updated December 2025

[12] https://documents1.worldbank.org/curated/en/099090624151023463/pdf/P1325051e1041000b18c0818aa0e64477b4.pdf
[13] https://redsimus.com/situacion-actual-de-los-proyectos-de-transporte-y-la-movilidad-en-el-peru/
[14] https://es.linkedin.com/posts/agence-fran-aise-de-d-veloppement-en-am-rique-latine_per%C3%BA-transporte-sostenible-activity-7303414103920836608-PplR
[15] https://www.gob.pe/institucion/mtc/noticias/1227593-mtc-y-gobiernos-locales-impulsan-transporte-urbano-sostenible-con-vision-ciudadana