

Commitment to Sustainable Transport

Joint Statement to the Rio+20 United Nations Conference on Sustainable Development by the African Development Bank, Asian Development Bank, CAF-Development Bank of Latin America, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank, and World Bank

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Overview

On the occasion of the Rio+20 United Nations Conference on Sustainable Development, we wish to draw attention to the essential role that sustainable transport plays in sustainable development, to indicate our commitment to provide increased support for sustainable transport in developing countries in future, and to call upon the international community to embrace sustainable transport as a key sectoral focus of the new global agenda for sustainable development.

Role of Sustainable Transport

Transport – the movement of people and goods from one place to another – is a basic requirement for the functioning of human society, and is intrinsic to the production and use of goods and services. The transport sector directly contributes 5%–10% of gross domestic product (GDP) in most countries, and indirectly enables the other sectors to contribute social and economic development. By helping to expand economic opportunities and services, and providing people with access and mobility, transport contributes to poverty reduction and inclusive growth and is a key enabler for attainment of the millennium development goals (MDGs). Yet transport also consumes resources and often has negative side effects. These include congestion and various environmental and health-related problems arising from vehicle emissions and traffic accidents. It is therefore necessary to select the types and mix of transport that will fully realize its positive contribution and minimize negative effects.

On balance, the contribution of transport to sustainable development depends on how accessible and affordable it is for people to use, what resources it consumes, and what negative side effects it has. Based on these considerations, our institutions have been adjusting our support for the sector to focus on *sustainable transport* – transport that is accessible, affordable, efficient, financially sustainable, environment friendly, and safe. We have already done much in this regard, and are committed to further strengthening our approach in future.

Urgent Needs

Globally, the challenges of sustainable transport are growing in scale and urgency, and a new level of global response is needed. Inadequate transport remains a key reason for the persistence of poverty and inequality and is a key impediment to attaining the MDGs. Moreover, as countries develop and populations rise, so does the scale and complexity of their transport needs. In many cities, transport demand has exceeded the capacity of the transport system resulting in congestion. For developing countries in Asia and Latin America, estimates of lost time and increased transport costs due to congestion generally range from 2% to 5% of GDP. In some individual cities, such as Sao Paulo, this reaches 10% of city GDP.

In the debate about global warming, only limited attention has been given to transport-related greenhouse gas (GHG) emissions. Yet studies indicate that, if present trends continue, by 2035 the transport sector will become the single largest GHG emitter accounting for 46% of global emissions, and that by 2050 this will reach 80%. In Latin America and the Caribbean, transport is the largest source of carbon dioxide emissions from energy consumption, and accounted for 29% of total emissions in 2007 (exceeding emissions from electricity generation). This issue is linked to the phenomenon of rapid motorization that accompanies rising living standards and incomes in developing countries. It is also because not enough attention has been given to using low carbon modes of transport, including public transport and non-motorized transport in cities, and railways and water transport for long distance freight. Motorization and lack of road safety have also led to road crash fatalities and injuries reaching epidemic proportions, with developing countries accounting for 90% of the global toll of 1.3 million road crash deaths each year.

Our Focus on Sustainable Transport

Faced with these urgent challenges, our institutions have had to rethink our support for transport and have adopted new policies, strategies and initiatives to make sustainable transport our main focus. For example, in 2008 the World Bank adopted a new transport business strategy for 2008–12, titled *Safe, Clean, and Affordable... Transport for Development*, that emphasizes sustainability and the role of transport in achieving the MDGs. In 2010 the Asian Development Bank (ADB) approved the *Sustainable Transport Initiative, 2010–20* to focus its future transport operations on sustainable transport. In 2010 CAF – Development Bank of Latin America launched the *Observatory of Urban Mobility in Latin America* to support development of a comprehensive strategy for urban mobility and road safety. In 2010 the Inter-American Development Bank (IADB) approved the *Regional Environmentally Sustainable Transport Action Plan* to support sustainable transport in its member countries. In 2007 (revised in 2011) the European Investment Bank approved a new *Transport Lending Policy* that emphasizes sustainable transport in line with the EU transport policy. In 2011 the African Development Bank (AfDB) approved the *Urban Development Strategy* that provides a new focus on urban transport. It has also initiated work on preparing a new *Transport Policy* that is expected to elevate the current operational focus on sustainable transport to a policy level. Sustainable Transport will be an over-arching theme of the forthcoming European Bank for Reconstruction and Development (EBRD) *Transport Strategy*, is embedded in its *Municipal and Environmental Infrastructure Strategy* which includes urban transport, and is an area of focus of the third phase of EBRD's *Sustainable Energy Initiative*.

Our institutions have a close collaboration on sustainable transport. Through operational coordination at country level, we help to ensure consistency and synergy in our respective projects, programs and policy advice to support sustainable transport. At country, regional and global level, we have been jointly advocating the *avoid-shift-improve* paradigm for addressing congestion and vehicle emissions (avoid the need for travel by better physical planning and logistics, shift to energy efficient transport modes, and improve energy efficiency through use of better technologies). Alongside other international partners, we are supporting the UN Road Safety Decade of Action, 2011–2020 by scaling up our support for road safety, undertaking joint operations, and adopting common approaches and indicators. By conducting joint studies, we are helping to expand the knowledge base on sustainable transport. This has included studies on the role of transport in poverty reduction, inclusive growth and achieving the MDGs; developing common approaches for measuring and monitoring the GHG emissions of transport investments; updating our project economic analysis methods to incorporate additional sustainability considerations; and developing improved transport statistics to support sustainable transport. One example is the joint study carried out by ADB and IDB on *Nationally Appropriate Mitigation Actions (NAMAs) in the Transport Sector*, with case studies from Asian and Latin American cities.

Our institutions recognize that a range of different partners have roles to play in bringing about sustainable transport. These include civil society, the private sector and the UN. Working together with a broad range of partners has therefore become an important feature of our support for sustainable transport.

Our Commitment to Financing Sustainable Transport

The scale of investment required for sustainable transport in developing countries is enormous, and represents a great challenge for the years ahead. Over the period 2010–20 it is estimated that transport investments of more than \$2.5 trillion will be required in developing Asia, with a further \$0.7 trillion required in Latin America. Regional and national transport investment requirements in Africa are estimated at \$18.3 billion annually for the period up to 2020.³ Most of this funding will have to be provided by developing country governments and the private sector. However, the international community also has a vital role to play. This includes helping countries to develop sound policies for sustainable transport, financing demonstration projects and disseminating best practices, providing special financing support to countries with limited access to investment finance, supporting capacity development, and helping to introduce innovative mechanisms for scaling up sustainable transport including increased private sector participation.

Our MDBs have a long history of supporting transport. Given the significance of sustainable transport – both for our

developing member countries and globally – we will continue to play a leading role in providing financial support for transport in future. Over the coming decade we expect to provide more than \$175 billion of loans and grants for transport in developing countries. These investments will help to develop more sustainable transport systems.

We expect that particular aspects of the sustainable transport agenda – such as improving access and mobility for the poor, reducing transport-related GHG emissions, and improving road safety – will justify the establishing of special financing facilities by donor countries and, potentially, sovereign wealth funds and the private sector. Based on our specific comparative advantages and mandates within our respective countries of operations, our institutions stand ready to assist in the creation and administering of such special facilities.

Inclusion of Sustainable Transport in the New Global Agenda for Sustainable Development

We call upon the international community to adopt sustainable transport as a priority sectoral focus within the new global agenda for sustainable development to be drawn up at Rio+20. We also propose that at least one of the new sustainable development goals (SDGs) to be formulated should be for sustainable transport.

Our institutions warmly welcome the UN Secretary General's recent decision to convene transport stakeholders to make recommendations and initiate actions for establishing more sustainable transport systems that can address rising congestion and pollution worldwide, particularly in urban areas. This will provide a unique opportunity for leading organizations and individuals in the transport field to discuss the priorities for sustainable transport and formulate global plans of action. We stand ready to take part in and support this work.

Results-Based Approach to Supporting Sustainable Transport

We recognize the need for a results-based approach to supporting sustainable transport. This will require reliable arrangements for measuring, monitoring and reporting results at country, regional and global level. This equally applies to our institutions and we are committed to introducing annual reporting on our sustainable transport related lending and to developing common arrangements for this purpose. Together with 66 agencies that form the Partnership on Sustainable, Low Carbon Transport (SLoCaT), we have initiated work on definitions, setting targets and choosing indicators for sustainable transport/mobility and assistance provided to support sustainable transport/mobility, with a view to finalizing these within 2012.

¹ IEA. 2011. *CO2 Emissions from Fuel Combustion*. FR: International Energy Agency; L. Clarke and K. Calvin. 2008. *Sectoral Approaches in International and National Policy*. Presentation for the 2nd International Expert Meeting on Bottom-up Based Analysis on Mitigation Potential.

² ADB and ADB Institute. 2009. *Infrastructure for a Seamless Asia*. ADB Institute, Tokyo.

³ Estimates based on data extracted from (i) Agence Française de Développement and World Bank, 2010. *Africa's Infrastructure – A Time for Transformation*. World Bank, Washington (adjusted for regional connectivity components); and (ii) African Union, Economic Commission for Africa and AfDB, 2012. *Programme for Infrastructure Development in Africa*. Executive Note.

The findings, interpretations, conclusions and agreements reached in this statement do not necessarily reflect the views of members of the governing bodies of the organizations party to this agreement or the governments they represent.