Sustainable Transport since Rio+20

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Presentation outline

1) **Overview of Rio+20 Commitment**

2) Progress since 2012

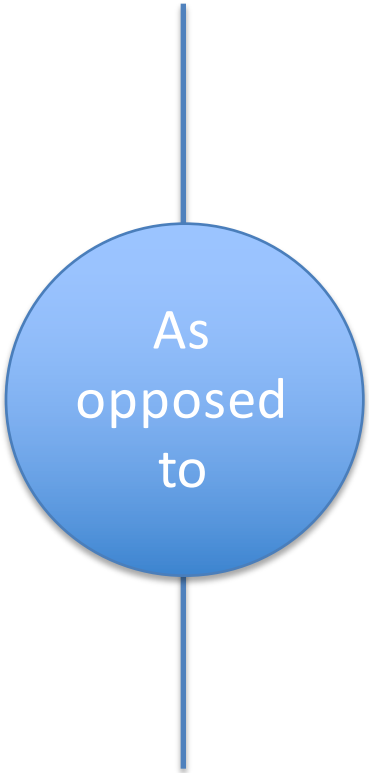
Details of the Rio+ 20 Commitment

- **$175 billion** of loans and grants for transport in developing countries over 10 years, with increasing focus on more sustainable transport
- Help developing countries develop ST **policies**, use of **best practices**, **scaling-up** mechanisms
- Ready to help in creating **special financing facilities** for ST
- Call of support for **UN post-2015 agenda on ST** – SG's High Level Panel, SDG (Sustainable Development Goals)
- **Measuring, monitoring and reporting on ST** lending, with common annual reporting

Measuring sustainability of transport projects

Need to look holistically at:

- Economic effectiveness
- Social sustainability
- Environmental sustainability
- Risk to sustainability or project soundness



Overly simplified approaches such as:

- Roads = unsustainable
- Public transport = sustainable

Defining sustainability

- **Economic sustainability** reflects to both the expected economic impacts over the lifecycle of a project, and the efficiency with which economic resources are used to deliver them.
- **Social sustainability** describes the extent to which a project will benefit the poor, vulnerable and marginalized; contribute to creating safe and socially-inclusive communities; and minimize adverse impacts, such as resettlement.
- **Environmental sustainability** reflects the environmental impacts of a project, including transport emissions and pollution, impact on the natural and built environment, waste of natural resources, community resilience and adaptation to climate effects.
- **Risk to sustainability** refers to the risk that expected project benefits may not be realized or maintained due to political or economic feasibility, lack of financing, or uncertainty in the appraisal.

Sustainable Transport Appraisal Rating (STAR)

Risk to Sustainability

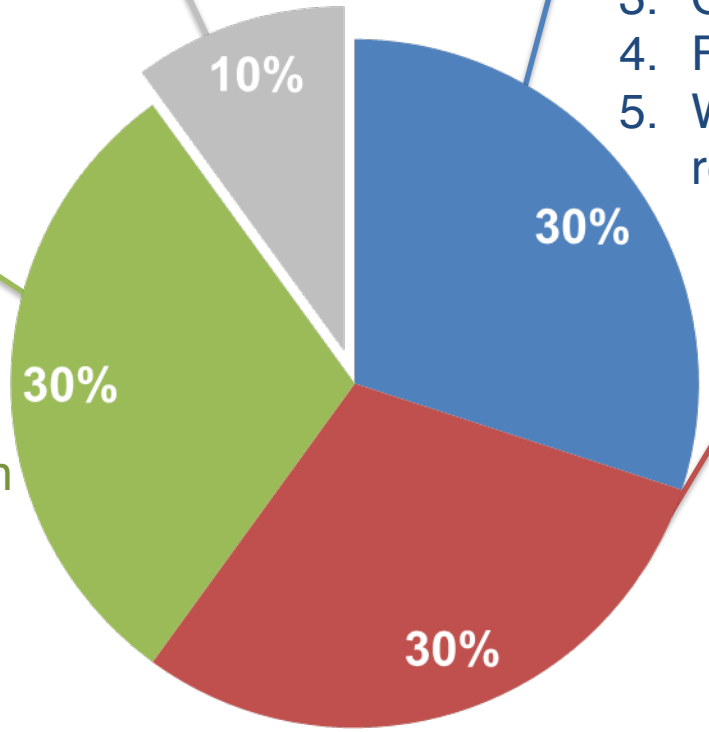
16. Design and evaluation risk
17. Implementation risk
18. Operational risk

Economic

1. Efficiency: people
2. Efficiency: businesses
3. Quality & reliability
4. Fiscal burden
5. Wider economic benefits: regional, urban, rural

Environmental

11. Greenhouse gas emissions
12. Transport-related emissions and pollution
13. Climate resilience
14. Natural and built environment
15. Resource efficiency



Poverty & Social

6. Basic accessibility
7. Employment
8. Affordability
9. Safety
10. Inclusion and social cohesion

STAR Principles

- Measures project's contribution to delivering economic, social and environmental objectives
- Accounts for project's risks
- Sustainable transport objectives
- Partly guided, qualitative
- Ratings
  - Independent rounds of evaluation, validation and comparison
- Outputs:
  - Aggregate rating of sustainability
  - Separate ratings by dimension of sustainability

Score	Rating
7 to 10	Highly Sustainable
5 to 6	Sustainable
3 to 4	Moderately Sustainable
1 to 2	Marginally Sustainable
-1 to 0	Moderately Unsustainable
-2 to -4	Unsustainable
-5 to -10	Highly Unsustainable

Scoring: Step 1

SOC-1: Does the project enhance access to basic social services?

Score	Descriptor	Measure
3	Very Strongly Positive	The project will lead to a major improvement in the accessibility of a large number of poor, vulnerable or excluded people to basic services
2	Strongly Positive	*In between moderate and very strong*
1	Moderately Positive	Transport users will perceive a step increase in the accessibility to basic services. The improvement is moderately positive because either: (i) few people benefit, (ii) the poor (poorest) will not benefit directly, (iii) the reduction in actual transport costs/times may be moderate, or (iv) accessibility is improved for secondary levels of services (e.g. higher education, large market etc.) but access to primary services is unchanged
0	Neutral/Marginally Positive	*Neutral, or in between moderate positive and moderate negative*
-1	Moderately Negative	A significant number of poor, vulnerable or excluded people will have somewhat lesser quality access to basic services
-2	Strongly Negative	*In between moderate and very strong*
-3	Very Strongly Negative	Accessibility to basic services for a large number of poor, vulnerable or excluded people will be severely impaired

Drawing from your ratings above and from your experience of similar projects, how would you overall rate … (circle answer)

… the economic effectiveness of the project?

Rating	Highly Economically Ineffective	Economically Ineffective	Moderately Economically Ineffective	Marginally Economically Effective	Moderately Economically Effective	Economically Effective	Highly Economically Effective
Score	-3	-2	-1	0	1	2	3

… the social sustainability of the project?

Rating	Highly Socially Unsustainable	Socially Unsustainable	Moderately Socially Unsustainable	Marginally Socially Inclusive	Moderately Socially Sustainable	Socially Sustainable	Highly Socially Sustainable
Score	-3	-2	-1	0	1	2	3

… the environmental sustainability of the project?

Rating	Highly Environmentally Unsustainable	Environmentally Unsustainable	Moderately Environmentally Unsustainable	Marginally Environmentally Sustainable	Moderately Environmentally Sustainable	Environmentally Sustainable	Highly Environmentally Sustainable
Score	-3	-2	-1	0	1	2	3

… the risk to the sustainability of the project?

Rating	High	Medium	Low
Score	-1	0	1

Step 2

Step 3

Rating	Highly Unsustainable	Unsustainable	Moderately Unsustainable	Marginally Sustainable	Moderately Sustainable	Sustainable	Highly Sustainable
Score	-5 to -10	-2 to -4	-1 to 0	1 to 2	3 to 4	5 to 6	7 to 10

Presentation outline

1) Overview of Rio+20 Commitment

2) **Progress since 2012**

Reporting on progress

First Report

2012-2013

- **First time** for the 8 MDBs to report collectively on our transport work
- Provides an **initial snapshot** of our activities/progress in 2012

The two reports provide a **baseline assessment** of MDB efforts in first 2 years of the 10-year commitment

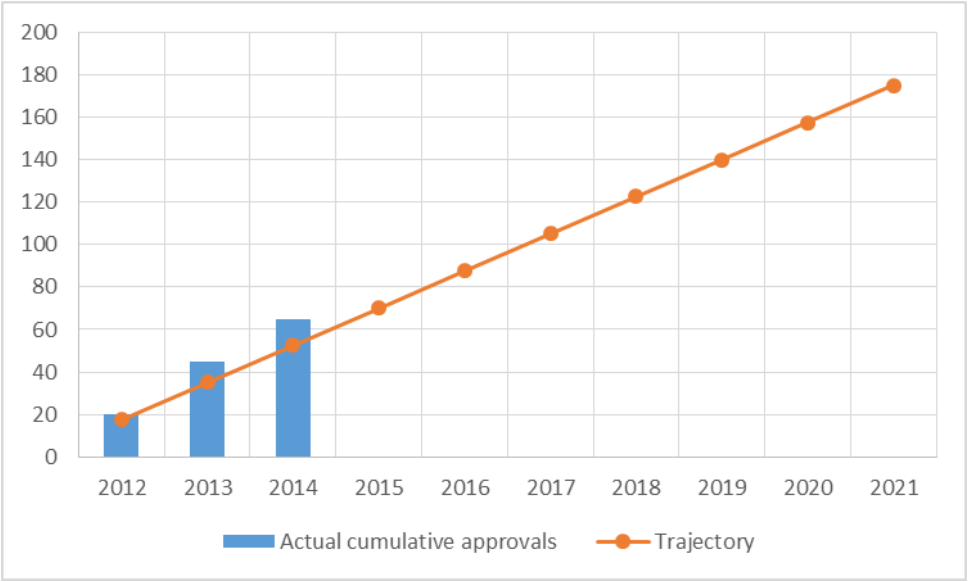
Second Report

2013-2014

- More detail on sustainability of approved projects by MDBs etc.
- Includes **special section on climate** adaptation and mitigation efforts

Overall investment in transport on target

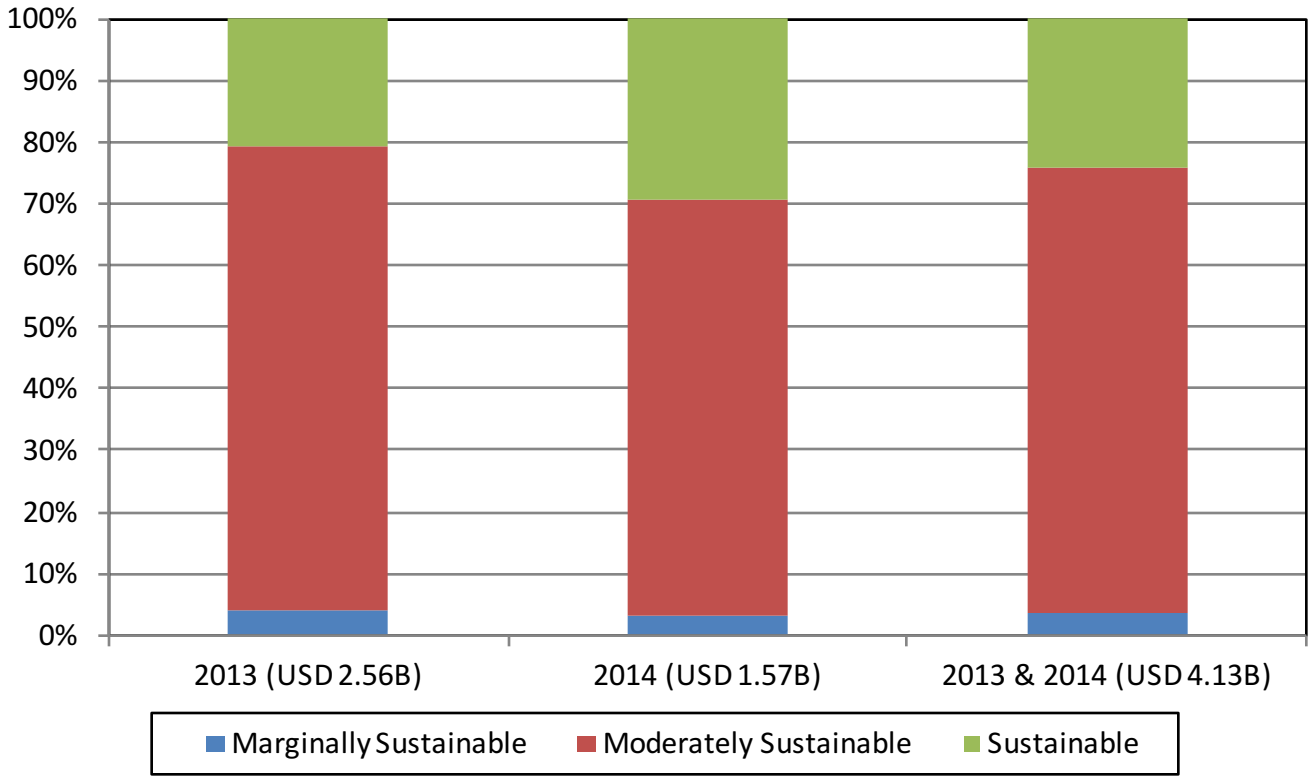
- **$20 billion** transport funding approved in 2012
- **$25 billion** funding approved in 2013
- **$20 billion** funding approved in 2014



Overarching patterns across the MDBs

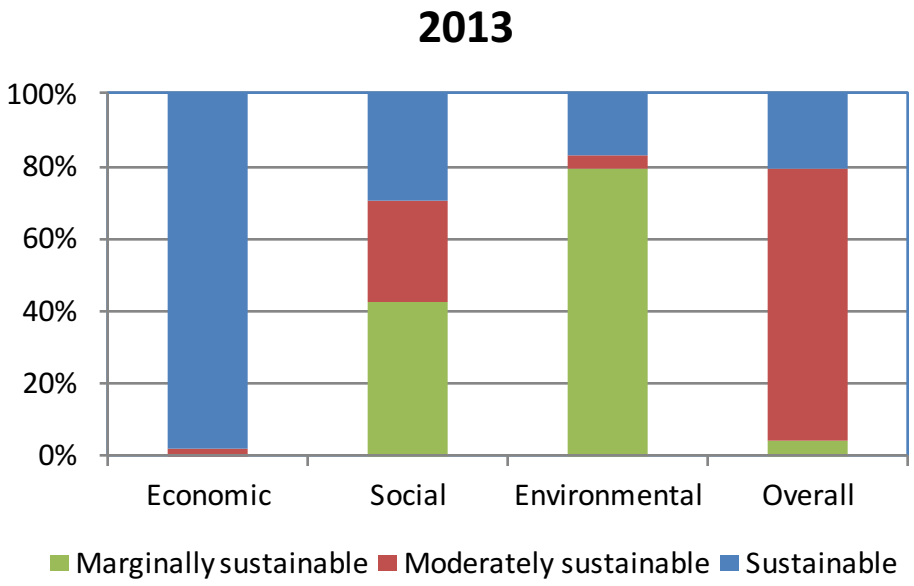
- **Road projects** are placing more focus on sustainability issues (asset management, road safety, inclusive growth, climate proofing, etc.)
- **Urban transport** is a growing area of lending for almost all MDBs
- **Climate resilience** is explicitly being considered for many projects.
- Discussions on **harmonization of indicators** are ongoing to align with the SDGs and Targets.
- **Focus on sustainability** is leading to improvements in the quality of projects through:
    - Better project selection and design
    - Strengthening social and environmental outcomes
    - Strengthening resource efficiency and climate resilience
    - Ensuring operational sustainability

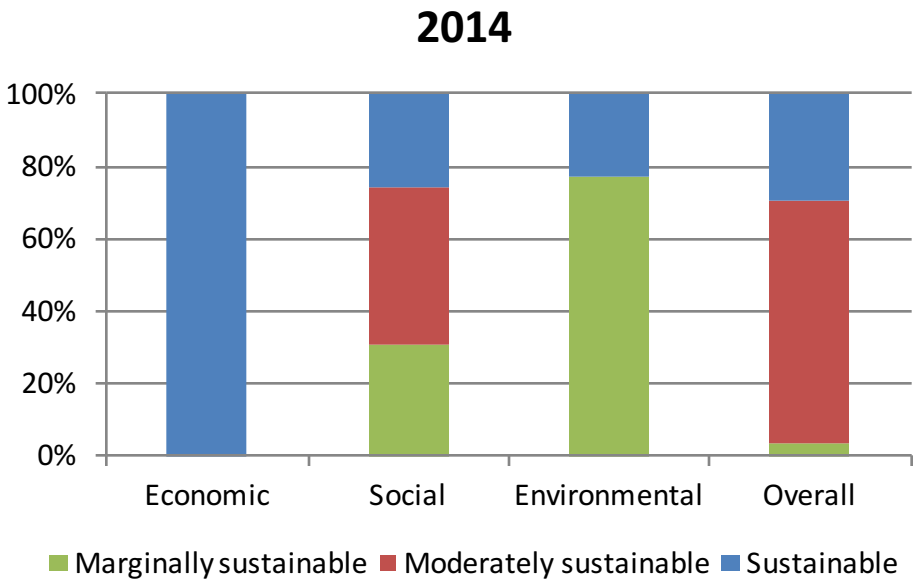
Portfolio Sustainability (IADB)



- Projects showed similar sustainability levels, with a slight increase in the "sustainable" rating, and a slight reduction in the "moderately sustainable" rating.

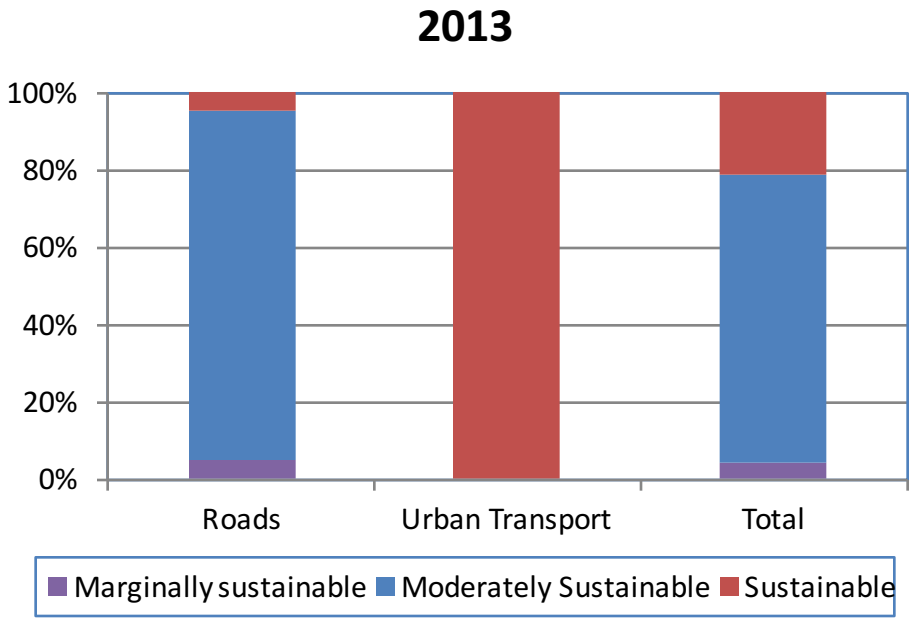
Portfolio Sustainability by Dimension (IADB)

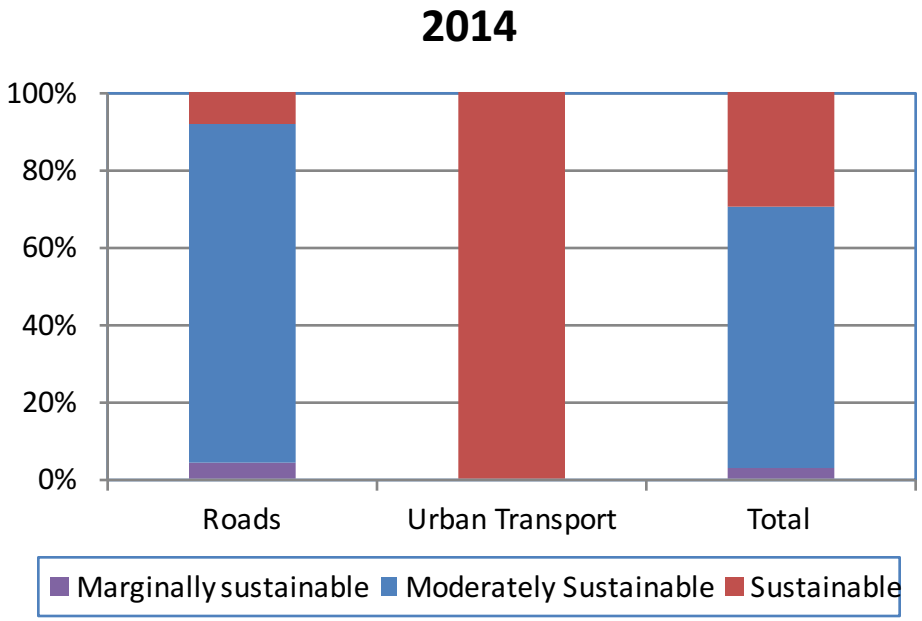




- Across all projects, the aspects of sustainability that were strongest were (i) economic, (ii) social and (iii) environmental, in that order.
- Environmental aspects are the ones with higher potential for improvement, followed by social aspects.

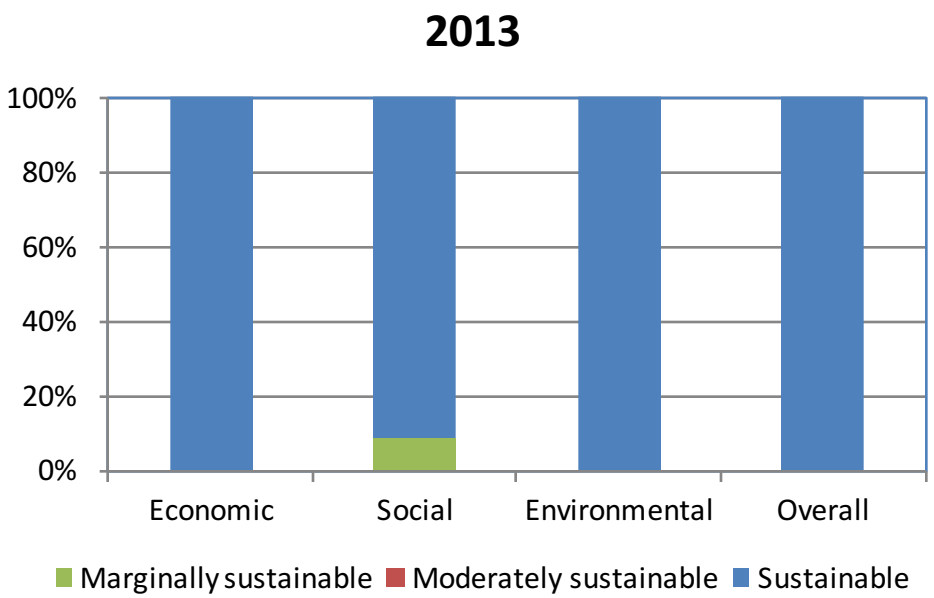
Portfolio Sustainability by Type of Project (IADB)

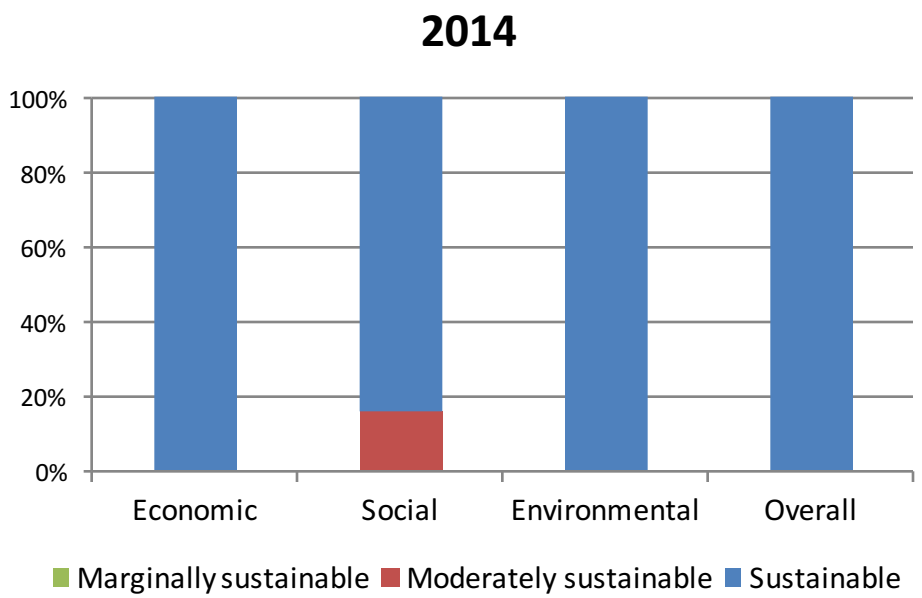




- A separate analysis of road and urban projects gives a different perspective on portfolio sustainability.
- Urban projects are mostly sustainable, while road projects are mostly moderately sustainable.

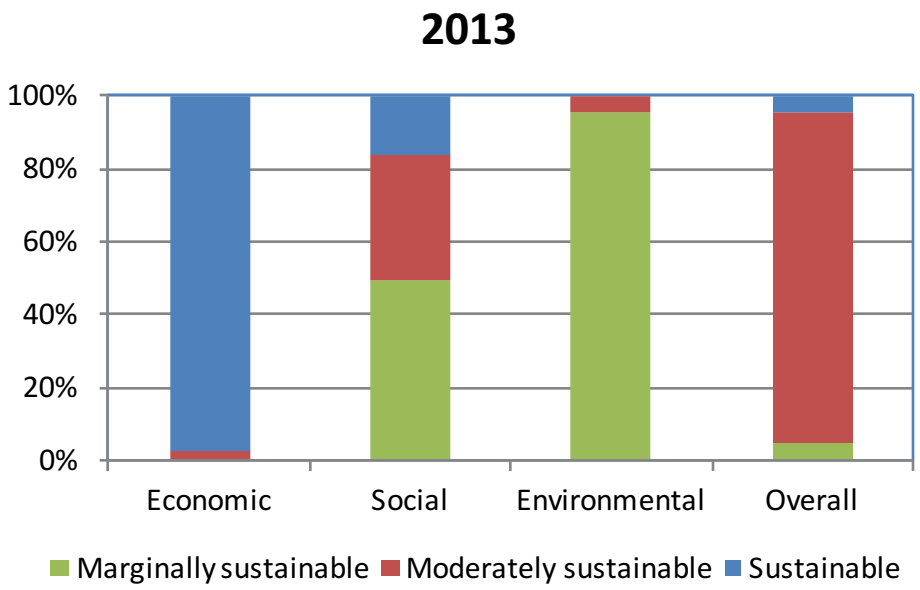
Urban Transport Sustainability by Dimension (IADB)

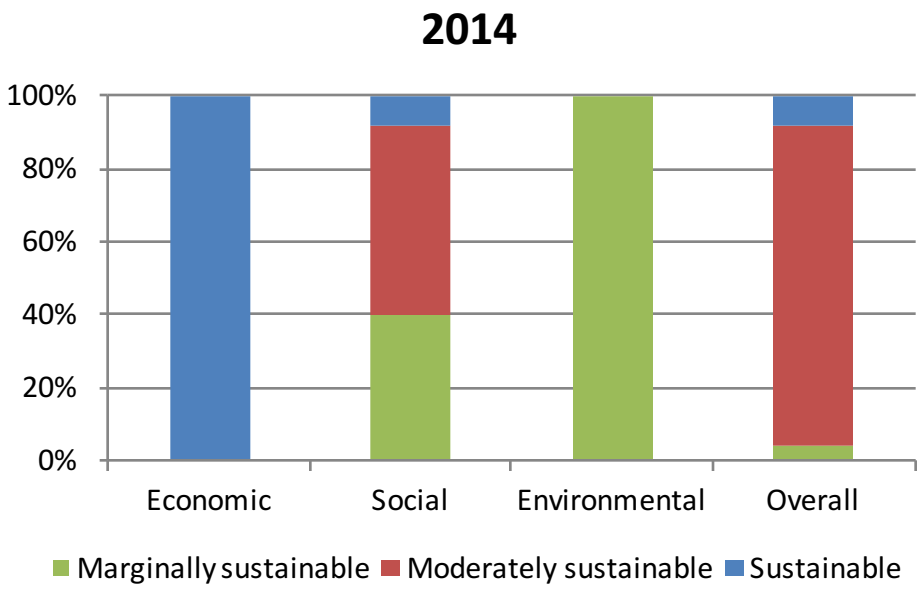




- Urban projects tend to score well.
- Most projects were assessed as sustainable in each of the three dimensions of sustainability

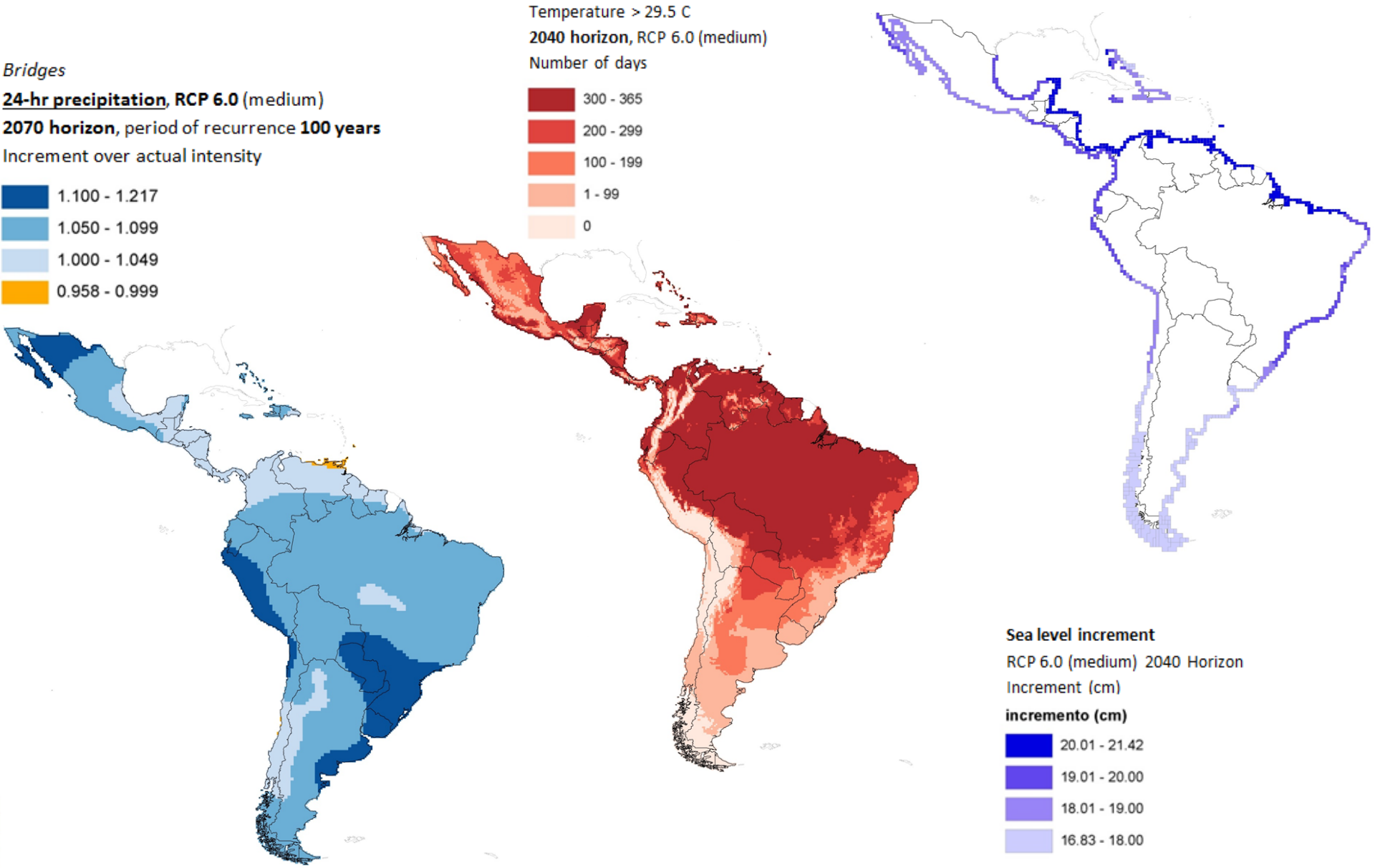
Road Transport Sustainability by Dimension (IADB)





- Road projects are mostly moderately sustainable.
- Across road projects, the economic aspect was the strongest one.
- Environmental aspects are the ones with higher potential for improvement, followed by social aspects.

Improving Resilience to Climate Change



Thank you!

Progress Report (2012-2013) of the MDB Working Group on Sustainable Transport
http://brik.iadb.org/handle/iadb/88354

Progress Report (2013-2014) of the MDB Working Group on Sustainable Transport
http://brik.iadb.org/handle/iadb/88353

Progress Report (2014-2015) of the MDB Working Group on Sustainable Transport
Will be available after COP 21