Towards a Future-Aligned 'Gold Standard' for Transport Investment

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I. Overview

There is an urgent need for a systemic transformation in transport investment to accelerate the implementation of the Paris Agreement and the Sustainable Development Goals (SDGs).[1] Inequity in access to finance is a significant issue to be addressed, with major gaps existing in Low- and Middle-Income Countries (LMICs) due to barriers to direct capital to climate action, even though sufficient global capital is available.[2]

Enabling an equitable transition and creating green jobs are also essential elements of such a transformation. Sectors complementary to transport such as health, energy and urban development should also be included in a more comprehensive investment alignment effort that goes beyond a singular focus on carbon emissions.

This document is a conversation opener on the topic of principles required to meet Paris Agreement targets and achieve the SDGs to realise an equitable 1.5°C planet. The document outlines the type of transport investment needed to reach the highest possible thresholds - a 'Gold Standard'.

II. Principles of 'Gold Standard' Transport Investment

Principle 1

International financial institutions (IFIs), including multilateral development banks (MDBs), must define lending and grant policies based on ambitious climate and sustainability criteria.

Elimination of MDB support for fossil fuel-based investment would be a major enabler towards Paris- and SDG-alignment. In 2019, the European Investment Bank (EIB) was the first MDB to announce its intention

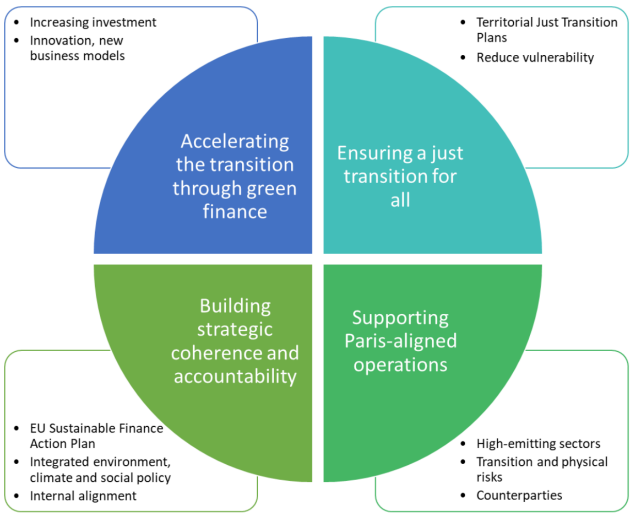
[1] SLOCAT (2023), Strategic Development Plan 2023 - 2026, https://slocat.net/wp-content/uploads/2023/02/Strategic-Development-Plan-2023-2026_Full-version.pdf

[2] IPCC (2022), Summary for Policymakers. In: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. doi: 10.1017/9781009157926.001.

to phase-out fossil fuel energy activities by the end of 2021.[3] EIB has made efforts to align its transport activities towards the Paris Agreement and the European Green Deal's carbon neutrality goal.[4]

For example, EIB does not support any new road infrastructure projects, except for Trans-European Transport Network corridors.[5] Similarly, EIB does not support airport capacity expansion and aircraft fleets that are conventionally-fuelled, a position echoed in the Paris alignment strategy of the European Bank for Reconstruction and Development (EBRD) (see *Section III. Paris-aligned Investment Criteria*).[6]

EIB commitments are framed by the European Climate Bank Roadmap, which contains four main workstreams highlighting topics such as green finance, just transition, strategic coherence and Paris-aligned operations (Figure 1).[7]



EIB investment criteria are consistent with the EU Taxonomy, captured in six objectives which span climate change and sustainable development:[8]

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Principle 2: Investment aligned with the Paris Agreement- and Sustainable Development Goals can and should support green jobs and an equitable and just transport energy transition.

Over 60 million people globally work in land transport, which represents 2% of the labour force. The implementation of more sustainable transport would lead to extensive employment opportunities. A study by the International Labor Organisation

[3] EIB (2019), EU Bank launches ambitious new climate strategy and Energy Lending Policy, https://www.eib.org/en/press/all/2019-313-eu-bank-launches-ambitious-new-climate-strategy-and-energy-lending-policy.htm
[4] EIB (2022), Transport Lending Policy 2022: The Way Forward, https://www.eib.org/en/publications/eib-transport-lending-policy-2022
[5] EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[6] EBRD (2022), Methodology to determine the Paris Agreement alignment of EBRD investments, https://www.ebrd.com/documents/transport/strategy-for-transport.pdf
[7] EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[8] European Commission (2022)https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

shows that doubling investments in public transport and targeting a 50% share of electric vehicles among all vehicles manufactured by 2030 would generate 13.5 million new jobs. The majority of these jobs would be created in regions of the Global South.[9]

A just transition would enable investors to apply expertise and resources to realise core SDGs, notably goals on decent work (SDG 8) and climate change (SDG 13). Figure 2 illustrates how SDGs representing immediate connections, critical linkages and wider foundations are critical to supporting these core goals.[10]

Principle 3

Aligning equitable, healthy, green, and resilient strategies in transport investments enables transport decarbonisation and access for the many.

The SLOCAT Wheel on Transport and the SDGs articulates the breadth of positive interactions between sustainable, low carbon transport and mobility and the 2030 Agenda. The four cross-cutting themes — Equitable, Healthy, Green and Resilient — present these interactions. Under each theme, fundamental notions are highlighted, which relate to the socio-economic and environmental systems on which sustainable, low carbon transport can affect positive change (Figure 3).[11]

Achieving equitable, healthy, green and resilient transport and mobility systems requires a series of key transformations in land transport linked to wider socio-economic transformations. One transformation relevant to the envisioned *Gold Standard* is that "pricing and fiscal policy guide market forces and channel public and private funds towards the most sustainable transport services (e.g. reducing fossil fuel subsidies and capturing transport externalities).[12]

[9] More specifically, outside the ECE region. ILO (2020), Jobs in green and healthy transport, Making the green shift, https://thepep.unece.org/sites/default/files/2020-05/THEPEP%20-%20Green%20jobs%20in%20transport.pdf

[10] Grantham Research Institute on Climate Change and the Environment (2018). *Climate change and the just transition A guide for investor action.* www.lse.ac.uk/granthaminstitute/wp-content/uploads/2018/12/Climate-change-and-the-just-transition_Guide-for-investor-action.pdf

[11] SLOCAT (2022), Transport Action for Achieving the Sustainable Development Goals, https://slocat.net/transport-sdgs/

[12] SLOCAT (2022), SLOCAT Key Transformations for Sustainable Low Carbon Land Transport, https://slocat.net/key-transformations/

Principle 4

Incipient efforts on Paris- and SDGs-aligned transport investment must be accelerated and scaled up.

Low carbon transport pathways that limit global warming to 1.5°C will require a 59% reduction in transport-related CO_2 emissions by 2050, compared to 2020 levels.[13] Putting the sector on a low carbon pathway will require drastically reducing the dependency on fossil fuels, especially for road transport. For example, sales of new internal combustion engine cars and two-/three-wheelers must be halted by 2035, and sales of all new heavy trucks must be electric or fuel cell-powered by 2045. Extensive investments in urban public transport and intercity rail will also be needed to address projected travel demand.[14]

On the side of sustainable development, SDG Target 3.6.1 - which aims at halving the number of global deaths and injuries from road traffic crashes by 2030 - is a bellwether of progress toward sustainable transport .[15] It could be scaled up further by implementing national strategies on Vision Zero, i.e. eliminating all traffic fatalities and severe injuries.[16] However, the majority of key transport indicators remain off track, as shown in recent research by WRI's Systems Change Lab. (Figure 4)

Among 14 key transport indicators investigated, only two are seen as 'promising' (i.e. electric vehicles in light-duty vehicle sales' and 'battery and fuel cell electric vehicles in bus sales'), while all remaining indicators are rated as 'well off track'.[17] These trends underscore the urgency of accelerating a transport transformation through a Gold Standard investment that can bring targets closer to realisation.

Principle 5

[13] Jaramillo, P. et al. (2022), Transport. In IPCC (2022), Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. doi: 10.1017/9781009157926.012

[14] IEA (2021), Net Zero by 2050, IEA, Paris, https://www.iea.org/reports/net-zero-by-2050 (accessed 20 January 2023)

[15] World Health Organization (n.d.), SDG Target 3.6 | Road traffic injuries: By 2030, halve the number of global deaths and injuries from road traffic accidents, https://www.who.int/data/gho/data/themes/topics/indicator-groups/indicator-group-details/GHO/sdg-target-3.6-road-traffic-injuries

[16] Vision Zero Network (2023), What is Vision Zero?, https://visionzeronetwork.org/about/what-is-vision-zero/

[17] WRI (2023), Transport, Systems Change Lab, https://systemschangelab.org/transport

Gaps in transport investment ambition must be highlighted through an integrated, inter-modal and multi-dimensional lens.

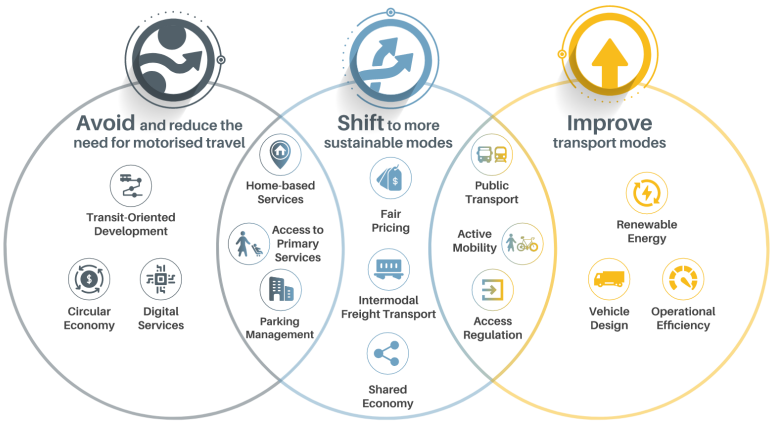
The 'Avoid-Shift-Improve' (ASI) framework[18] ensures an integrated, inter-modal and multi-dimensional approach across passenger and freight transport while guaranteeing access to transport and mobility.

The ASI approach follows an implicit hierarchy, with appropriate and context-sensitive 'Avoid' measures intended to be implemented first, followed by 'Shift' measures and finally by 'Improve' measures. This prioritisation can help reduce environmental impact, improve access to socio-economic opportunities, increase logistics efficiency, reduce congestion, improve air quality and increase road safety.

The ASI framework calls for a balanced incorporation of the following three strategies (Figure 5).

While ensuring access to transport and mobility :

- *Avoid* unnecessary motorised trips based on proximity and accessibility.
- *Shift* to less carbon-intensive modes e.g. from private vehicles to public transport, shared mobility, walking and cycling, water-based freight, electrified road-rail freight, and cargo bikes for last-mile deliveries.
- *Improve* vehicle design, energy efficiency and clean energy sources for different types of freight and passenger vehicles.



Growing evidence shows that 'Avoid' and 'Shift' strategies can account for 40-60% of transport emission reductions, at lower costs than 'Improve' strategies.[19] IFIs can frame investments within the ASI framework and catalyse 'Avoid' measures, accelerate 'Shift' transitions and broaden 'Improve' action.

In the context of investments on transport and climate action, EBRD promotes the ASI framework as a recognised solution to decarbonise transport. EBRD's Strategic Direction on 'Low Carbon and Innovative Solutions' states that emissions can be reduced by bringing transport systems closer to centres of economic activity ('Avoid'), encouraging a modal shift by scaling up investments in less polluting passenger and freight transport modes ('Shift') and promoting energy efficient technologies ('Improve').[20]

[18] SLOCAT (2021). Avoid-Shift-Improve Refocusing Strategy. https://slocat.net/asi/
[19] SLOCAT (2021). TCC-GSR 2nd edition.
https://tcc-gsr.com/wp-content/uploads/2021/06/Slocat-Global-Status-Report-2nd-edition.pdf
[20] European Investment Bank (2019). Transport Sector Strategy (2019-2024)
https://www.ebrd.com/documents/transport/strategy-for-transport.pdf

III. Paris- and SDG-aligned Investment Criteria

The mechanisms to approach future investments have been initially set through the Joint MDB Assessment Framework[21] but these levers can be more finely tuned to embrace the key messages above. The key levers in this process are the uniform assessment criteria (also known as 'universally aligned (or unaligned) activities') which are used for the initial project assessment and screening.

These uniform assessment criteria essentially serve as a 'lowest common denominator'[22] and if set right, they can accelerate Paris-alignment in IFI investments. Reflecting a Gold Standard in the list of universally aligned activities will send strong signals to policymakers and markets.[23] The following show an indicative set of criteria that are (1) Paris-misaligned; (2) Paris-aligned; and (3) Paris- and SDG-aligned.

The following list combines elements from the Paris alignment plans by EIB[24] and EBRD[25], the Joint MDB Assessment Framework[26] and the Climate Bonds Initiative standards for land transport[27].

Tier 1: Paris-Misaligned (and Ambiguous) Project Criteria

A number of MDBs working through the Joint MDB Assessment Framework have compiled an initial set of criteria which would categorically eliminate a project from consideration as Paris-aligned, e.g.

- Any new road, rail, waterway and port infrastructure exclusively for fossil fuel transport[28];
- New roads, road bridges, road upgrades, parking facilities, fossil fuel filling stations[29];
- Airport capacity expansions and conventionally fueled maritime vessels and aircrafts.[30]
- MDBs must end all investments in fossil fuel-dependent vehicles at the latest by 2025.[31]

Some IFIs see road construction and airport projects as not clearly universally aligned or mis-aligned,[32] noting that current fleets using these two infrastructure types are highly dependent on fossil fuels.

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[21] African Development Bank et al. (2021), Joint MDB Assessment Framework for Paris Alignment for Direct Investment Operations, Working Draft as of November 2021, https://www.eib.org/attachments/documents/cop26-mdb-paris-alignment-note-en.pdf
[22] https://www.germanwatch.org/sites/default/files/germanwatch_mdb_to-dos_g7_follow-up.pdf
[23] Affana, J. P. B., Bartosch, S. and D. Ryfisch (2020), Climate Finance: Accelerating the Transition to Carbon Neutrality and Climate Resilience, https://newclimate.org/sites/default/files/2020/04/MDBmemos-All-2020.03.18.pdf
[24] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[25] EBRD (2022), Methodology to determine the Paris Agreement alignment of EBRD investments, https://www.ebrd.com/documents/transport/strategy-for-transport.pdf
[26] African Development Bank et al. (2021), ibid.
[27] Climate Bonds Initiative (2022), Land Transport Criteria, Version 2, https://www.climatebonds.net/files/files/CBI%20Transport%20Criteria%20document_Aug2022%281%29.pdf
[28] African Development Bank et al. (2021), ibid.
[29] Climate Bonds Initiative (2022), Land Transport Criteria, Version 2, https://www.climatebonds.net/files/files/CBI%20Transport%20Criteria%20document_Aug2022%281%29.pdf
[30] EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[31] Fisher, R., Park, L. and K. Ash (2022), One major way to unlock clean transportation in emerging economies, Climate Works, https://www.climateworks.org/blog/unlocking-clean-transportation-in-emerging-economies/
[32] EBRD (2022), Methodology to determine the Paris Agreement alignment of EBRD investments, https://www.ebrd.com/documents/transport/strategy-for-transport.pdf

Tier 2: Paris-Aligned Project Criteria

As a complement to the list of universally-misaligned criteria

Vehicles and mobile assets:

- Zero direct emission road vehicles, vehicles powered by advanced biofuels and any vehicles below specified emission thresholds.[33]
- Any kind of non-motorised vehicles, (electric-powered) rail stock.
- Maritime vehicles powered by alternative propulsion (LNG, hydrogen, advanced synthetic fuels).[34]
- Any mobile asset retrofitting or purchase with a focus on environmental, safety and security improvements except activities extending life of current assets.[35]

Infrastructure:

- Any kind of infrastructure for walking, cycling, public transport, micro-mobility, rail infrastructure and zero direct emission transport (such as electric charging points etc.).[36]
- Zero emission urban transport infrastructure.[37]
- Inland waterways and port infrastructure (incl. facilities for clean fuel supply).[38]
- Intelligent transport systems[39] and improvements of local traffic management, implementation of Sustainable Urban Mobility Plans or Green City Action Plans.[40]
- Road safety improvements and road rehabilitation activities.[41]
- Improvements to existing airports (focusing on safety, security and energy efficiency).[42]

Tier 3: Paris- and SDG-Aligned Project Criteria

This section adds SDG-focused criteria (from the SLOCAT Wheel) for infrastructure, vehicles, and policies. These criteria supplement the Paris-Agreement aligned criteria introduced in the previous sub-section.

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[33] Following the support mobile assets for transport services by EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap. Passenger cars, light-commercial vehicles and public transport: 50 g CO2 per passenger kilometre until 2025, afterwards 0g CO2 per passenger kilometre.
Heavy-duty vehicles: CO2 emissions per tonne kilometre to be 50% below current reference levels

[34] EIB supports LNG-fuelled ships.

[35] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap

[36] Based on combination from EIB (2020), EBRD (2022) and Joint MDB Assessment Framework

[37] Based on combination from EIB (2020) and Joint MDB Assessment Framework

[38] EIB (2020), Ibid.

[39] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap

[40] EBRD (2022), Methodology to determine the Paris Agreement alignment of EBRD investments, https://www.ebrd.com/documents/transport/strategy-for-transport.pdf

[41] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap

[42] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap

Healthy

Upgrade, rehabilitation, reconstruction, and maintenance of roads without capacity expansion[43].

(SDG 3.6: Reduce death from road traffic accidents) .

Green

Prioritise scale-up of zero-emission road vehicles and aircraft fleets using sustainable, advanced aviation fuels before making and further expansions to road and aircraft capacity.

(SDG 7.2: Increase renewable energy; SDG 7.3: Improve energy efficiency).

Resilient

Design and engineer resilient transport infrastructure and services to maximise GHG mitigation potential and social return on investment.

(SDG 9.a: Facilitate resilient infrastructure in developing countries; SDG 13.1 Strengthen resilience and adaptive capacity to climate-related hazards).

Equitable

Roads with low traffic volumes providing access to communities which currently do not have all-weather access[44].

(SDG 9.1: Develop quality infrastructure with a focus on equitable access).

IV. Gold-Standard Investment Examples

With ambitions and investment standards rising, IFIs have a critical opportunity to diversify their investment portfolios. This may involve shifting pipelines away from traditional road and airport infrastructure projects and increasing focus on multifaceted programmes that offer a mix of complementary sustainable transport measures and associated sustainable development benefits.

The following examples highlight investments meeting the objectives captured in Gold Standard principles:

Example 1: Urban transport

Project: Dakar Public Transport Network Restructuring.

Lead agencies: European Investment Bank.

Description: "First phase of the restructuring of Dakar's bus network. It covers 14 priority lines and includes acquisition of 380 natural gas buses, construction of two depots, installation of ticketing and network management and control systems and development of 30 km of roadways."[45]

[43] African Development Bank et al. (2021), Joint MDB Assessment Framework for Paris Alignment for Direct Investment Operations, Working Draft as of November 2021, https://www.eib.org/attachments/documents/cop26-mdb-paris-alignment-note-en.pdf

[44] Based on combination of EBRD (2022) and African Development Bank et al. (2021), Joint MDB Assessment Framework for Paris Alignment for Direct Investment Operations, Working Draft as of November 2021, https://www.eib.org/attachments/documents/cop26-mdb-paris-alignment-note-en.pdf

[45] https://www.eib.org/en/projects/pipelines/all/20210403

Principle 1: Climate and sustainability criteria

- Any kind of infrastructure for walking, cycling, public transport, micro-mobility, rail infrastructure and zero direct emission transport (such as electric charging points etc.)[46];
- Intelligent transport systems[47] and improvements of local traffic management, implementation of Sustainable Urban Mobility Plans or Green City Action Plans[48];
- Road safety improvements and road rehabilitation activities[49];

Principle 2: Just transport energy transition:

- Jobs: Increasing public transport routes and depots expands employment opportunities.
- Energy: Procurement of natural gas buses to lower local and global pollutants.

Principle 3: Equitable, healthy, green, resilient strategies

- 3.6: Reduce deaths from road traffic accidents
- 11.2: Provide access to safe, affordable, accessible, sustainable (public) transport systems
- 13.2: Integrate climate change measures into national policies, strategies and planning

Principle 4: Accelerated and scaled up action:

- Speed: Bus system improvements can be implemented faster than rail infrastructure.
- Scope: Bus route expansion can be scaled up by funding, using existing road network.

Principle 5: Avoid, Shift, Improve.

- *Shift* to less carbon-intensive modes; *Improve* current fleet with cleaner energy sources.

Example 2: Maritime transport

Project: Low-carbon sea transport in the Republic of the Marshall Islands

Lead agencies: International Climate Initiative (IKI), Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV), GIZ

Description: "IKI is funding a EUR 13M project consisting of three holistic and closely-linked components to maximise impact in low carbon sea transport."[50]

- (a) Inter-Atoll Component: the sea transport between the islands was analysed and the approach is to develop and build a new ship type based on low carbon technology.

[46] Based on combination from EIB (2020), EBRD (2022) and Joint MDB Assessment Framework
[47] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[48] EBRD (2022), Methodology to determine the Paris Agreement alignment of EBRD investments, https://www.ebrd.com/documents/transport/strategy-for-transport.pdf
[49] Based on EIB (2020), The EIB Group Climate Bank Roadmap 2021-2025, https://www.eib.org/en/publications/the-eib-group-climate-bank-roadmap
[50] B. Eng. Raffael Held, M.A. Janina Laurent, M.Eng. Henrik Richter-Alten, M.Sc. Sascha Strasser, Prof. Capt. Michael Vahs, Dipl.-Ing. Siegfried Wagner (Unpublished). Transitioning to Low Carbon Sea Transport in the Marshall Islands.

- (b) Inside Lagoon Component: follows the same approach for small craft sailing vessels to be built in workshops on the Marshall Islands, rooted in the indigenous sailing canoe tradition.

- (c) Policy Component: is aimed to support ambitious sustainable maritime politics of the Marshall Islands government and on an international stage.

Principle 1: Climate and sustainability criteria

- Maritime vehicles powered by alternative propulsion (LNG, hydrogen, advanced fuels)[51]
- Inland waterways and port infrastructure (including facilities for clean fuel supply)[52]

Principle 2: Just transport energy transition:

- Jobs: Project training workshops for traditional canoe builders and local boat operators.
- Energy: Ships' systems include sails, PV, batteries and low emission hybrid propulsion.

Principle 3: Equitable, healthy, green, resilient strategies

- 4.5: Ensure access to vocational training for the vulnerable, including indigenous peoples
- 9.a: Facilitate resilient infrastructure in developing countries
- 13.2: Integrate climate change measures into national policies, strategies and planning

Principle 4: Accelerated and scaled up action:

- Speed: No specialised parts are used; local resources promoted to ease supply chains.
- Scale: Capacity building workshops enhance knowledge of IMO for RMI ministries

Principle 5: Avoid, Shift, Improve.

- Shift to less carbon-intensive modes; Improve fleet with clean water-based freight

Example 3: Active Transport

Project: Bike sharing scheme in Marrakech, Morocco

Lead Agencies: Global Environment Facility (GEF), United Nations Industrial Development Organization (UNIDO)

Description: "The Government of Morocco, in close cooperation with UNIDO and GEF, launched a bike-sharing scheme called "Medina Bike" in Marrakech. The initiative aims to promote sustainable transport and encourage city inhabitants to use non-motorised vehicles by setting up 10 automatic bike rental stations in key areas around the city and equipping them with a total of 300 bicycles."[53]

[51] EIB supports LNG-fuelled ships.
[52] Based on combination from EIB (2020) and Joint MDB Assessment Framework
[53] https://medinabike.ma/en/news/united-nations-industrial-development-organization

Principle 1: Climate and sustainability criteria

- Any kind of non-motorised vehicles
- Any kind of infrastructure for walking or cycling; zero emission urban transport infrastructure

Principle 2: Just transport energy transition:

- *Jobs*: Maintenance of shared bikes and stations generates employment opportunities.
- *Energy*: Shared bicycles are human powered and generate no direct emissions

Principle 3: Equitable, healthy, green, resilient strategies

- 11.2: Provide access to safe, affordable, accessible, sustainable (public) transport systems
- 11.6 Reduce urban air quality impacts

Principle 4: Accelerated and scaled up action:

- *Speed*: Building initial network requires minimal durable infrastructure.
- *Scale*: Initial network can be scaled to meet demand and increase affordable access

Principle 5: Avoid, Shift, Improve.

- *Shift* to less carbon-intensive modes (shared mobility, walking and cycling)

Example 4: Vehicle Stock Management:

Project: Mobility management strategies: An Integrated Approach to Improving Vehicles for Sustainable Mobility

Lead agencies: World Bank

Description: "Motorization Management (MM) frameworks support client countries in developing policies to make them safer, cleaner, and more efficient." "There are four key operationalization approaches:" '(a) Strengthen international framework governing the *cross-border trade in second hand vehicles*; (b) Support diagnostic studies to facilitate adoption of MM approaches and identify appropriate sequence of actions to be undertaken; (c) establish and strengthen MM policies and institutions in low- and middle-income countries through development and technical assistance; and (d) establish/strengthen regional MM observatories to help provide continuous analytics'

Principle 1: Climate and sustainability criteria

- Any mobile asset retrofitting or purchase with a focus on environmental improvements

Principle 2: Just transport energy transition:

- *Jobs:* Shift incentives to domestic vehicle manufacturing, assembly and maintenance.
- *Energy:* Improves fuel efficiency by reducing average age of vehicle fleets

Principle 3: Equitable, healthy, green, resilient strategies

- 11.6 Reduce urban air quality impacts
- 13.2: Integrate climate change measures into national policies, strategies and planning

Principle 4: Accelerated and scaled up action:

- *Speed*: Policies to restrict used vehicle imports can be quickly enacted with political will.
- *Scale*: Program can be readily scaled up through regional observatories in LMICs.

Principle 5: Avoid, Shift, Improve.

- *Improve* energy efficiency for freight and passenger vehicles

Example 5: Alternative Fueling Infrastructure

Project: Greece E-charging stations & hydrogen

Lead agencies: European Investment Bank

Description: "The ZEV market including electric and hydrogen vehicles is at an early stage of development in Greece with significant operational performance uncertainty and high upfront costs. The ZEV market is subject to network effects and depends upon the size and availability of the associated network of public EV charging stations and hydrogen refuelling facilities."[54]

Principle 1: Climate and sustainability criteria

- Any kind of infrastructure for zero direct emission transport (e.g. electric charging points)

Principle 2: Just transport energy transition:

- *Jobs*: Construction and maintenance of clean fuelling stations generates employment.
- *Energy*: Clean fuelling networks spur demand for ZEVs/reduce demand for fossil fuels.

Principle 3: Equitable, healthy, green, resilient strategies

- 11.6 Reduce urban air quality impacts
- 13.2: Integrate climate change measures into national policies, strategies and planning

Principle 4: Accelerated and scaled up action:

- *Speed*: Mature charging technologies can quickly meet agreed performance specs.
- *Scale*: Clean fuelling networks can be expanded in parallel with green vehicle fleets.

Principle 5: Avoid, Shift, Improve.

- *Improve* current fleet with cleaner energy sources for freight and passenger vehicles

[54] EIB (2022), Motor Oil E-Charging Stations & Hydrogen https://www.eib.org/en/projects/pipelines/all/20210301