



Supporting Sustainable Transport Action in GEF-6

Comments of on GEF-6 Programming Directions

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These comments on the Programming Directions for GEF 6 were developed by the Institute for Development and Transportation Policy (ITDP) and the Secretariat of the Partnership for Sustainable Transport (SLoCaT)¹ on behalf of the SLoCaT Partnership (www.slocat.net), a voluntary multi-stakeholder initiative that contributes to the implementation of Agenda 21, Rio+5 and the Johannesburg Plan of Implementation (JPOI). Over [80 organizations](#) have joined the Partnership, including UN organizations, multilateral development banks, technical cooperation agencies, NGOs, research organizations and other organizations.

Summary

The transport sector has deeply entrenched institutions, policy and implementation frameworks, which still promote long-term lock-in of unsustainable development and consumption patterns. The GEF is moving toward a broader, integrative, and multi-focal approach as outlined in the second draft [Programming Directions for GEF-6](#). This is a generally positive development.

We are pleased with the attention for transport in the GEF-6 draft strategy and wholeheartedly support GEF's call that: "*Sustainable transport urgently requires the timely development, demonstration, and financing of low-carbon systems and supportive policies, given the rapid increase of GHG emissions from the transport sources in developing countries*". We hope that this also means that we will see more GEF supported transport projects in the coming years. This is crucial for achieving GEF targets as included in the new draft strategy.

However, notwithstanding the generally supportive tone of the programming document on sustainable transport, in the absence of transport sector-specific goals in GEF-6, we are concerned that sustainable, low carbon transport, especially in urban areas, might face dilution of effort in the wake of other new broad objectives that are part of the strategy for the climate change mitigation (CCM) focal area. In GEF-5 urban transport was articulated as a key objective under the CCM strategy; we feel that this has been instrumental in strengthening the number of transport projects supported by GEF and dropping this objective risks losing momentum built during earlier GEF cycles. Sustainable transport should therefore be retained as an articulated objective with its own GEF-6 budgetary allocation. Special emphasis could

¹ The following SLoCaT members, in addition to ITDP, made active inputs to this open letter: Asian Development Bank; Despacio; European Cyclists Federation; Sustainable Transport Africa; and United Nations Environment

be placed in GEF-6 on the role of transport within an integrated urban systems strategy, coupled with a sector specific funding allocation objective. This should however not exclude the possibility of GEF support to transport activity outside, and between, cities.

Based on current approvals it is likely that in GEF-5 (2010 – 2014), transport spending will go down.² Of special concern is that only 30% of the total allocation for sustainable transport under the fifth cycle has been allocated. At the same time we find that countries and regional bodies are increasingly interested to make their transport sector more sustainable and low carbon – for multiple reasons; health (small particulate pollution), climate (both CO₂ and black carbon), economic (reduce costs of fuel imports), socio-economic (congestion and access to public transport), and political (energy dependence).

Matching fund requirements for transport sector projects vs. other sectors under STAR may be an issue. We believe more nimble and adaptive approaches to project management might enable projects to be more responsive to changing conditions on the ground, particularly for urban transport projects, which hinge on a high level of political and public support.

Therefore the SLoCaT partnership and its members are keen, at the start of the replenishment discussions on GEF-6, to consult with the Secretariat to better understand the reasons for the relatively poor utilization rate of the sustainable transport allocation during GEF 5; this while support for sustainable, low carbon transport in countries is actually increasing. We suggest a regular consultation mechanism between GEF and the SLoCaT partnership that then can also be used to assist the GEF on outreach and effective implementation of sustainable transport under GEF 6. We would like to invite GEF, in this context to the Transport Day 2013, which will be held in conjunction with COP 19 on November 17, 2013 in Warsaw Poland.³

Transportation: Critical to Climate Change Mitigation and Sustainable Development

Transport accounts for nearly a quarter of total energy used and contributes 23%⁴ of global anthropogenic GHG emissions. The sector is both the fastest-growing consumer of fossil fuels and the fastest growing source of GHG emissions. Barring a major shift away from current patterns of transport energy use, energy use and carbon emissions are projected to increase 80% over current levels by 2030, driven by rapid economic growth and urbanization in emerging economies. Much of the increased growth will be in the cities of developing and emerging economies; increased investment in sustainable urban transport policies, infrastructure and technologies are therefore crucial, as the majority of transport investments are being made in developing countries where they will have long-term “lock-in” effects and shape long-term patterns of urban development and resource consumption.

While the GEF has been a key mechanism for funding climate change mitigation projects and programs throughout the developing world, having invested more than US\$3 billion toward mitigating GHG emissions since its inception,⁵ it has historically underinvested in the very sector in which emissions are growing the fastest—with roughly less than 10% of total climate change funds devoted to sustainable transport projects over five replenishments and the pilot phase.

² Investing in Sustainable Transport and Urban Systems: the GEF Experience

³ See for more information on Transport Day 2013 organized by the SLoCaT Partnership and the Bridging the Gap Initiative <http://www.slocat.net/event/721>

⁴ IPCC AR4 Chapter 5, Transport and its Infrastructure

⁵ As of 2009, according to GEF Web site (http://www.thegef.org/gef/climate_change)

The GEF and the Urban Transport Sector: A Mutually Beneficial Relationship

Between 1999 and 2010, the GEF provided US\$292.5 million⁶ in grants for transport projects, which leveraged more than US\$3.2 billion in co-financing – the highest of all GEF programs⁷. For every dollar invested, US\$11 was leveraged. While GEF financing is only a small piece of overall transport investment, it fills a critical gap by acting as an important catalyst for the replication of innovative pilot projects and leveraging funds for further investments. This enables climate-change related work in the transport sector that otherwise would not have taken place. The GEF can be more nimble and take risks that often inhibit larger development institutions, providing vital financing for project and program startup, planning, and institutional capacity development.

Within the context of the commitment made at the June 2012 Rio+20 by the 8 largest multilateral development banks to invest US\$175 billion over 10 years in *more* sustainable transport⁸, the GEF now has vastly increased opportunity to leverage investments in this vital sector. The MDB pledge is for transport lending and GEF support can play a crucial role in contributing to operationalization of this commitment. While many of these MDBs have adopted sustainable transport policies and initiatives that are moving in the right direction, the current and pipeline of projects in these 8 MDBs still does not fully reflect the newly adopted sustainable transport policies and initiatives. To accelerate the transformation of MDB transport lending it will be also be important to develop institutional capacity and commitment in developing countries and cities. All in all, GEF is ideally placed to play a vital role in partnering with the MDBs and the wider transport community to expand the pipeline of financeable *sustainable* transport projects, thereby increasing the chances that the MDBs can successfully realize their \$175 b pledge. Such a partnership would also leverage potentially large amounts of money that MDBs are able to mobilize through their financial instruments. Thus, we support the general direction of the GEF-6 focal area strategy with regard to transport, but hope it might be complemented with a continued transport sectoral objective.

The varied success rate of GEF transport projects speaks to the experimental and catalytic nature of GEF-funded pilots. This will be discussed in further detail in a forthcoming ITDP report that examines what worked and what did not work in a sample of GEF-funded transport projects, to be released in coming weeks. Despite this variation, it is clear that the presence of a GEF project facilitates the transfer information on sustainable transport concepts, builds consensus on new policies and standards, builds local capacity to implement, and raises awareness of new concepts. GEF project selection criteria have improved consistently within the transport sector – in GEF-5, there has been an increased focus on non-motorized transport, capacity building activities, policy work, and traffic demand management (TDM). This effort should continue and be expanded.

Within GEF 5 roughly 20% of Climate Change Mitigation (CCM) funds were allocated to transport projects. This was a positive development, unfortunately so far only 30% of this allocation has been approved and it is far from certain that the full amount allocated to sustainable transport will be utilized. There is an urgent need to better understand the reasons for the relatively poor utilization rate for sustainable transport, which may be related to rules, procedures of the GEF rather than a lack of potential of the transport sector to reduce emissions.⁹ The SLoCaT Partnership is committed to support any effort by GEF to increase demand for transport related GEF assistance.

⁶ GEF (2013) Investing in Sustainable Transport and Urban Systems: The GEF Experience. GEF. Washington, D.C.

⁷ GEF-STAP (2010) Advancing Sustainable Low-Carbon Transport Through the GEF, a STAP advisory document by Holger Dalkmann and Cornie Huizenga. Global Environment Facility. Washington, D.C.

⁸ <http://sustainabledevelopment.un.org/index.php?page=view&type=1006&menu=1348&nr=290>

⁹ See in this context the joint SLoCaT – Bridging the Gap submission to the UNFCCC on the mitigation potential of the transport sector (<http://www.slocat.net/news/835>).

Sustainable Transport in GEF-6

We are appreciative of the various references made to sustainable transport in the draft Programming Document, including the elements of paragraph 34 of Program 1, Promoting the timely development, demonstration, and financing of low carbon technologies and mitigation options:

“Sustainable transport: Sustainable transport urgently requires the timely development, demonstration, and financing of low-carbon systems and supportive policies, given the rapid increase of GHG emissions from the transport sources in developing countries. Options considered for GEF support may include: fuel and road pricing; policies and strategies to improve fleet fuel efficiency and promote low impact refrigerants for mobile air conditioning; support for alternative fuels and advanced engine technology pilots; demonstrations of smart transport grids, and; ICT applications for travel demand management. Public transport infrastructure such as bus rapid transit can potentially achieve significant, long-term GHG emission reductions, along with integration of non-motorized transport options. Policies and strategies to promote public transport and demonstrations of mitigation options will be supported. These initiatives will be harmonized with projects on integrated low-carbon urban systems (Objective 2, Program 3). Furthermore, efforts to catalyze GHG emissions reduction from maritime and aviation sectors may be considered for support. Policies and strategies to foster innovation and development of low carbon technologies, including those articulated in Program 1, will be supported. The GEF will also facilitate collaborative initiatives to help adapt mitigation options to user needs. These mechanisms may involve activities aimed at facilitating behavioral changes that enable people to adapt to new technologies and practices such as, among others, education, awareness raising, networking, and dissemination. The intent is to accelerate the uptake of mitigation options.”

We also support the appropriate list of potential strategies eligible for GEF support in par. 46-47 related to transport as part of Program 3, Promote integrated low-carbon urban systems:

- *the integration of land use planning with transport planning and transit-oriented development, for sustainable cities to reduce energy demand, enhance climate resilience, and improve living standards;*
- *support urban sustainable transport infrastructure and systems to reduce demand for car travel through catalytic approaches, including road and parking pricing, and congestion charging, that are particularly relevant for urban, low carbon development.*
- *Support sustainable freight and logistics services to address the supply chain, including development of logistics platforms, reverse logistics, and low-emission zones.*
- *Initiatives to assess and reduce the impacts of black carbon and SLCF at the urban level. Innovative policies and mechanisms for sustainable transport, fuel economy standards, vehicle registration fees, parking policy, and zoning and street/urban design codes will be considered.*
- *A strong focus on freight and logistics services will require the engagement of the private sector.*
- *GEF support for the MRV systems will leverage finances for sustainable transport from other climate mechanisms.*

However, due to its substantial contribution to global emissions, but also its mitigation potential, transport should be retained as a key objective or as a specially administered sub-focal area within the climate change mitigation investment platform in GEF-6, and be attached to a sector-specific funding allocation. We feel that this could be integrated with the proposed cross-cutting approach to integrated urban projects. The GEF should also still manage investments strategically by sector, while setting and tracking sector specific targets so as to prioritize funding for sectors that contribute the highest shares of emissions or emit at a faster rate. This will allow transport to be more explicitly noticed by GEF focal points of each country, as well as other GEF related stakeholders, which may not necessarily have

transport on their radar at the moment. Climate Change related projects then default to other sectors, especially the energy sector, that are more familiar.

GEF has a proven track record and a continuing vital role to play in supporting sustainable transport capacity building, outreach, and policy work. A more adaptive approach to project management is required to allow projects to be more responsive to changing conditions on the ground, particularly for urban transport projects, which hinge on a high level of political and public support.

SLoCaT and the broad sustainable transport community it represents stand ready to continue working with the GEF to support the implementation of the GEF 6 Programming Document, and increase attention and support for transport in the GEF in general.

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