

**Side Event sponsored by BMU and GTZ
at the 18th Annual Meeting of the UN Commission on
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Getting Transport on Track:

**Global Challenges and Initiatives on Technology Solutions and
Capacity Development**

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Conference Room D



Outline

- As part of a narrow policy agenda transition to low carbon transport is costly with high financing needs compared to other sectors.
- Part of the finance in developing countries are demanded to be covered by transfers in accordance with “common but differentiated abilities and responsibilities”.
- Transport is not an important sector in carbon finance.
- A broad transport reform agenda substantially reduces the sector transformation.



Estimates of additional financing needs

- Annual adaptation costs in low and middle income countries for roads
 - UNFCCC 0.48 – 8 bn. (2000) US \$
 - IEED 3 – 12.6 bn. (2000) US \$
- Annual mitigation costs
 - MEET 88 bn. US \$ in 2030, 50 % in DC's

Barriers to self-finance investment imply high transfer demand



Transport in Carbon Finance

- Joint Implementation
 - Carbon reducing investment between Annex I countries to earn Emission Reduction Units: *None*
- Clean Development Mechanism
 - *3 out of 2587 projects are transport projects*
- Global Environmental Facility
 - *30 out of 2533 GEF Trust Fund Projects*
- Climate Investment Funds (6.3 bn. \$ pledged)
 - 12 CTF country programs, large scale transport programs in Mexico, Egypt and Indonesia



The way ahead:

A broad sector reform agenda to make climate intervention in the transport sector effective

- Disadvantages for the sector by narrow perspective of supply side measures, to be complemented by incentives for behavioral change.
- Stronger quantitative importance of congestion, local air pollution and road safety than CO2 emissions.
- Measures to address other local externalities contribute to GHG emission reduction.
- Bundling of measures increases benefit/cost ratios drastically.



Thank you!

