SUSTAINABLE TRANSPORT INITIATIVE

An Overview

Asian Development Bank
THE SUSTAINABLE TRANSPORT INITIATIVE

The Sustainable Transport Initiative (STI) of the Asian Development Bank (ADB) supports the development of accessible, safe, environment-friendly, and affordable transport systems in developing Asia and the Pacific.

CONTINUING TRANSPORT NEEDS AND CHALLENGES

Despite advances during recent decades, ADB’s developing member countries (DMCs) have enormous unmet transport needs and face great challenges in making transport sustainable.

Infrastructure Gap

Transport improvements have not kept pace with the growth in demand. There are gaps in every transport subsector, at each level of the transport network, and in terms of accessibility, geographical coverage, and interconnectivity, particularly in poor regions.

Roads

In most DMCs, road traffic is growing rapidly, so further road construction and improvement will be needed in the years ahead. Investments in rural roads will be especially important for poverty reduction, as they help to overcome the problems of geographical remoteness and lack of access to economic opportunities and services. Alongside road construction, many DMCs need to introduce a more sustainable approach to road maintenance, incorporating improved approaches to maintenance planning, execution, and financing.
Other Transport Modes

Some inland waterways within the region have significant navigation potential, but further development has been constrained by the weakness of existing water transport institutions and lack of support for modernization and reform.

Private Sector Participation

In many countries, problems with policy, legal, regulatory, and institutional arrangements are inhibiting private sector interest in the provision of transport.

Social and Environmental Considerations

Limitations in the range and extent of transport mean that some groups within society do not have access to affordable transport—whether due to their location, social characteristics, gender, poverty, or other forms of disadvantage. There is also a need to provide improved safeguard protection against the adverse social and environmental impacts of transport.

Railways

Many railway administrations have struggled to adapt to changing market circumstances, resulting in loss-of-market share and an inability to justify the investments needed to restore competitiveness. Restrictions in cross-border movements as well as differences in rail gauges have prevented railways from realizing their full potential for long-distance transport.
EMERGING NEEDS AND CHALLENGES

As a result of past economic development, changes in settlement patterns and in the way of life, many countries have new needs and challenges in the transport sector. Some concern aspects of transport that received little attention in the past, while others refer to aspects that have now become more important.

Urbanization and Motorization

Road congestion costs Asian economies 2%–5% of gross domestic product every year due to lost time and higher transport costs. The increase in motorization due to rising incomes doubles the motor vehicle fleet every 5 to 7 years. This uncontrolled growth in urban road traffic and rising congestion are also compromising the health and safety of urban dwellers. The region’s cities are suffering from the highest air pollution levels in the world, contributing to the premature death of more than 500,000 people each year.

Climate Change and Energy Efficiency

In 2006, transport accounted for 13% of global greenhouse gas, while 23% of global carbon dioxide emissions from fuel combustion were transport related. Already about 19% of total transport sector carbon dioxide emissions are from Asia, and this will rise to 31% in 2030.
Regional Cooperation and Integration

While tariff barriers have been reduced, transport costs and bottlenecks continue to constrain growth in regional trade. These include the indirect costs associated with unreliable transit times, border-crossing delays, handling and storage costs due to poor terminal infrastructure, risks of theft and property damage, and bribes.

Road Accidents and Emerging Social Issues

One of the most serious adverse effects of the rising traffic on Asia’s roads has been growth in road accidents. Out of an estimated 1.18 million deaths and millions of injuries globally each year due to road accidents, 60% occur in Asia, with the burden falling disproportionately on the poor. In addition to road accidents, more should be done to realize the potential positive social impacts of transport, and avoid and mitigate its negative social impacts.
MAINSTREAMING SUSTAINABLE TRANSPORT

Through the STI, ADB will mainstream sustainability considerations into its existing areas of transport operations, which focus mainly on roads, to make them more accessible, safe, environment-friendly, and affordable.
NEW AND ENHANCED SUSTAINABLE TRANSPORT OPERATIONS

Through STI, ADB has identified four opportunities for introducing new and enhanced lending operations to scale-up its support for sustainable transport.

Urban Transport

- Safe, secure, accessible, rapid, efficient, and user-friendly public transport systems
- Nonmotorized transport infrastructure
- Integrated urban transport and land use planning
- Demand management
- Traffic engineering and management systems

Addressing Climate Change in Transport

- Shift to railways, inland waterways, mass transit systems, and nonmotorized transport
- Strategic investments to shorten journey distances
- Support for accessing global climate change funds
- Mainstream climate adaptation measures into transport operations

Cross-border Transport and Logistics

- Simplify and harmonize national procedures and operations with international conventions and standards
- Address bottlenecks in freight mobility and reduce turnaround time of cargo vehicles
- Streamline transport connections at gateways, ports, and feeder connections
- Create dry port facilities and logistics centers
- Assist in planning and investment programs to create a competitive regional railways network
Road Safety and Social Sustainability

- Engineering and behavioral approaches to safe design, construction, operation, and maintenance of roads
- Intelligent transport systems and development of road safety management capacity and road safety performance measurement
- Improve rural bus services and nonmotorized transport
- Gender mainstreaming within transport
- Pro-poor transport investment and pricing
- Improved social safeguards

NEXT GENERATION OF SUSTAINABLE TRANSPORT OPERATIONS

The STI also identifies promising new opportunities for supporting sustainable transport that still need to be studied and pilot tested before being incorporated within ADB transport operations.
STI DIRECTIONAL TARGETS

For the period 2010–2020, the STI targets a significant expansion in ADB lending for urban transport and railways. Lending for roads will be gradually adjusted to focus on aspects that are instrumental for improving sustainability. By 2020, ADB lending for roads will be overtaken by lending for urban transport, railways, and other transport subsectors.

Subsector Shares of ADB Transport Lending—Actual, Pipeline, and Target

Source: ADB. STI–Sustainable Transport Initiative Operational Plan.
SUSTAINABLE TRANSPORT
PARTNERSHIP FACILITY

ADB is establishing a Sustainable Transport Partnership Facility (STPF) to provide a mechanism for partners to provide financing and expertise to support the STI, and to act as a catalyst to support the preparation and implementation of innovative forms of support for sustainable transport within individual ADB operations.

Partnership Window

The partnership window will enable development partners, research institutes, and nongovernment organizations to provide financing, expertise, and in-kind contributions to help enhance and scale-up ADB’s sustainable transport operations. Examples include:

- **Financing contributions.** Donor financing of partnerships with centers of excellence (such as reputable institutes and nongovernment organizations with expertise in specialized fields of transport required for the STI)
- **Expertise contributions.** Provision of specialized expertise required for the STI through secondees, fixed-term staff positions, and long-term consultants; this may include self-financed contributions of expertise by centers of excellence

Innovation Window

The innovation window will provide grants to finance innovative forms of support for sustainable transport, such as:

- **Policy advisory work to support DMCs’ transport strategies and policies that provide incentives for the development of sustainable transport.** This may include land-use planning, hybrid and alternate fuel vehicles, fuel economy norms, traffic demand management (congestion charging), and sustainable financing mechanisms.
- **Pre-feasibility studies for sustainable transport projects.** This may include heavy rail, light rail, metros, bus rapid transit (BRT) system public transport service, cycling and pedestrian infrastructure, safety, and trade facilitation.
• Finance “add-on” components to existing projects, which can contribute to the further enhancement of sustainable transport. This may include traffic management, fleet renewal, integrated public transport systems and ticketing, regional cooperation and integration, and safety components.

FACILITY TARGET

The STPF will provide partners with a unique opportunity to help shape Asia and the Pacific’s future approach to transport. It will leverage ADB’s support of $3 billion–$4 billion annually for investment in sustainable transport, with considerably more from cofinanciers.

Building upon a seed capital provided by ADB on a grant basis, the initial target for the STPF is to reach $100 million by 2012 inclusive of financing contributions from partners.
Sustainable Transport Initiative—An Overview

Strategy 2020 sets the long-term strategic framework of the Asian Development Bank (ADB) for 2008–2020. During this period, ADB lending and technical assistance operations in Asia and the Pacific will emphasize inclusive economic growth, environmentally sustainable growth, and regional integration. The Sustainable Transport Initiative Operational Plan provides details of how ADB will update its operations in the transport sector in line with Strategy 2020. ADB will focus on creating transport systems that are accessible, safe, affordable, and environment-friendly.

About Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to two-thirds of the world’s poor: 1.8 billion people who live on less than $2 a day, with 903 million struggling on less than $1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.