Changing Gears: Green Transport for Cities

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The World Bank and the Asian Development Bank are engaging G20 leaders on ways to unlock the potential for green urban transport.

As the world’s attention is directed toward the UN Conference on Sustainable Development in Rio de Janeiro, another global event is gaining momentum. The leaders of the 20 largest economies in the world are gathering over the next two days in Los Cabos, Mexico, to discuss the health of the global economy.

While they will consider immediate global concerns, such as the crisis in Europe, they will also discuss what will be required for the world to embark on a more sustainable, greener, and inclusive development path. Infrastructure will take center stage, as it did at the previous G20 Summits in Seoul and Cannes, but with a focus this time on urban transport.

The World Bank and the Asian Development Bank (ADB) are engaging the G20 leaders on ways to unlock the potential for green urban transport. In a new paper, Cities at a Crossroads: Unlocking the Potential of Green Urban Transport, they lay out the challenges and opportunities.

“Now is an opportunity to change gears on sustainable development – an opportunity to build the planning and policy structures, measurement systems, and ambition that the world needs to prepare its cities for the future,” said World Bank Vice President for Sustainable Development Rachel Kyte.

Why the focus on urban transport?

Transport enables access to jobs, education, healthcare, and markets. With mobility comes a range of associated economic costs. In Mexico City, for
example, 20 percent of workers spend more than three hours traveling to and from work each day. Chronic traffic congestion is estimated to cost the equivalent of 3 percent of GDP in cities in the Republic of Korea.

Transportation is also the fastest growing consumer of fossil fuels and the fastest growing source of CO2 emissions. Thanks to rapid urbanization, cities now contribute 70 percent of energy-related carbon emissions, most of which come from transport. And with 1 billion cars already on the road, road transport accounts for about two-thirds of total transport emissions.

**Where are the opportunities for transformational impact?**

Developing countries still face a large transport infrastructure gap. However, there is more than one way to span this gap: low-emission public transport or a car-dependent model.

If public transport is included as a major part of the modal structure in urban transport, there is no trade-off between a low-emission transport sector and rapid growth or high income. An urban strategy that promotes rail over road and the use of urban mass transit over individual car use can lower the carbon intensity of a city while maintaining or even improving its efficiency.

Hong Kong is an example of a metropolis that has maintained high mobility by combining different modes of transport rather than concentrating only on the road sector. By 1985, vehicle ownership had been halved through the integration of road building, mass transit, and demand management, with taxis making up 10 percent of passenger cars. This multi-modal system drastically reduced travel times without making the city less attractive for business.

“We are at a crossroads moment with urban transport. By choosing the pathway of public transport and non-motorized transport, developing-nation cities can create a basis for inclusive and sustainable economic development,” said ADB Director for Sustainable Development Gil-Hong Kim.

**What do the development banks do in urban transport?**

The World Bank, ADB, and the Inter-American Development Bank have been the largest financiers in urban transport in recent years. In 2011, total multilateral development bank commitments for urban transport amounted to US$4.3 billion (or 20 percent of total transport commitments). Regionally, urban transport lending has been concentrated in two regions: East Asia and the Pacific, and Latin America and the Caribbean. Guided by the new infrastructure strategy, the World Bank Group will continue to seek opportunities for transformational impact in expanding cities.

The World Bank and ADB have identified six critical – and challenging – aspects to ensure the sustainability of urban transport systems:

By choosing the pathway of public transport and non-motorized transport, developing-nation cities can create a basis for inclusive and sustainable economic development. In the Philippines, an estimated 3 million tricycles emit approximately 10 million metric tons of CO2-equivalent per year.

The E-tricycle project supported by the Asian Development Bank will scale up locally-fabricated electric tricycles using lithium-ion battery technology across the country. This program is expected to have a major impact on urban air quality, as well as on energy imports and local tricycle manufacturing industry.
Visionary leadership and political will
An integrated strategy for land use and urban transport
Local technical and administrative capacity to implement transport solutions
Regional transport coordination across government levels
Cost-recovery to cover long-run variable costs
Private participation in the operation and construction of urban transport systems.

These aspects are set out in more detail in the joint WB-ADB paper for the G20 Summit, Cities at a Crossroads: Unlocking the Potential for Green Urban Transport. Together, these aspects can help countries and cities develop a more holistic approach to transport.

**What will be the anticipated outcome of the G20 Summit for Urban Transport?**

Upon request of the G20 Mexican Presidency and Development Working Group, the World Bank and ADB have proposed a set of new initiatives for the G20 Leaders’ consideration at the Summit. These include the creation of:

- a global capacity development facility and a new leadership program for decision-makers;
- a global, city-level database; and
- a grant-based financing facility to support urban transport project preparation.

If endorsed, these recommendations have the potential to impact sustainable development at scale. However, their implementation will be highly dependent on the availability of funding support.

One initiative that is likely to garner support from the G20 Leaders is the development of a toolkit for policy-makers in charge of urban planning. This toolkit would enable urban policy-makers to identify policy choices and select those that are best suited to the local or national context.

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**RELATED RESOURCES**

- [Read Cities at a Crossroads Online](#)
- [World Bank Group Infrastructure Strategy Website](#)
- [World Bank Group Infrastructure Website](#)
- [World Bank Group on Urban Transport](#)
- [G20 Summit in Mexico](#)
- [ADB Urban Transport Website](#)

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