The $175 Billion for Sustainable Transport at Rio+20

What Opportunities for the Railway Sector?

Marc H. Juhel
Sector Manager Transport
The World Bank
Green growth is...

...economic growth that is environmentally sustainable.

Not a new paradigm, but **aims to operationalize sustainable development** by enabling developing countries to achieve robust growth without locking themselves into unsustainable patterns.

**Not inherently inclusive**, hence the need for specific policies to ensure the poor benefit.
Environmental: General degradation

Making development sustainable requires greening growth
“The Future We Want” for Transport

“We note that **transportation and mobility are central** to sustainable development…

…We take into account **road safety** as a part of our efforts to achieve sustainable development…

…We support the development of sustainable transport systems, …, **notably public mass transportation systems**…”
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Context for establishing a new set of Sustainable Development Goals
Global Dynamics

Joint statement on Sustainable Transport of all Multilateral Development Banks

Key Reasons

- Inadequate transport → persistence of poverty and inequality
- Limited attention to transport-related GHG emissions
- Motorization and lack of road safety → road crash fatalities & injuries

Key Messages

- Adopt sustainable transport as a priority sectoral focus
- Have Transport formally recognized as a main contributor towards a possible broader goal
- MDBs expected to provide $175 billion for transport in developing countries
Sustainable Transport in the Bank

Transport’s contribution to Inclusive Green Growth

Transport Efficiency across sectors

- Drives Trade
- Drives Urbanization and Agglomeration Economies
- Creates Markets

Key Messages

- Minimize social costs of Transport as a driver for growth
- Have a Comprehensive view
  - consider all external costs
  - consider irreversibility aspect of the Development Path
  - consider historical experience (behavior change)
Railways are Green

- US Freight Railways move a ton of freight 480 miles per gallon (four times more fuel efficient than trucks, on average).
- One train does the work of 280 or more trucks.

Source: EC Statistics - 2010

Source: AAR Statistics - 2010
Railways are Safe

- **Total Number of Fatalities**
  - Road: 38,875
  - Rail: 83

- **Fatalities/10 Billion Pass-km**
  - Road: 73.74
  - Rail: 2.02

Source: EC Statistics - 2010
Increasing Railways Portfolio in the World Bank

Legend:
- Active Portfolio
- % Railway in overall Transport

FY03 | FY04 | FY05 | FY06 | FY07 | FY08 | FY09 | FY10 | FY11
---|---|---|---|---|---|---|---|---
US$ Billions

FY03 FY04 FY05 FY06 FY07 FY08 FY09 FY10 FY11
0% 2% 4% 6% 8% 10% 12%
Increasing Railways Portfolio in the World Bank

- World Bank is the largest multilateral provider of Aid for Trade
  New trade-related lending = $3.2 billion in FY12
- Over two-thirds of Country Assistance Strategies include logistics, trade or trade-related activities
- Share of World Bank's portfolio stock for trade and integration:
  3% in FY01 → 7.4% in FY12Q1
- Transport = 15 to 20% of Bank lending
- Increasingly diversified
  - More Rail
  - More Ports
  - More Multi-modal
Lending trends by Subsectors

- Urban Transport growing - from 10% ($893 m) in FY11 to 22% ($973 m) in FY12
- Rural and Inter - Urban Roads declining - from 61% in FY11 to 49% in FY12, still remains largest sub-sector

FY12 Transport Lending by Sub Sector

- Urban Transport: 22%
- Rural/InterUrban Rds: 49%
- Railways: 17%
- Aviation: 1%
- Gen transport sector: 7%
- Ports/water/ shipping: 2%
- Pub admin-transport: 2%
Examples of Recent Railway Projects

**Investment**
- Turkey
- FYROM
- Bulgaria
- Azerbaijan
- Egypt
- India
- China

**Institutional Development**
- Bulgaria
- Croatia

**Analytical & Advisory Services**
- Serbia (grant)
- Poland
- Bulgaria
- Belarus
- China

**Reimbursable Technical Assistance**
- Saudi Arabia
- Gulf Cooperation Council
- Romania

Supporting the client during the whole duration of projects
Partnerships for Railways Development

• The World Bank is based on partnerships with:
  – Governments
  – Other donors (IFI’s, Trust Funds, UN)
  – Professional organizations, NGO’s

• MoU with UIC for collaboration on Railways:
  – Using railway expertise (UIC Leaflets, UIC Documentation Center, Technical Departments, Institutional Relations Department)
  – Sharing studies and research documents
  – Participation at International Seminars (WB Transport Forum, UIC Conferences)
  – Exchange of information on best practices for maintenance and operations in railways
  – Training sessions for Railways (business oriented approach of rail activities, new technologies, multi-disciplinary cadres)
Thank you for your kind attention!