Regional Program on Sustainable Transport and Air Quality

The seminar took place at World Bank headquarters in Washington on April 7, 2005. It was attended by over 60 participants, including Latin American government officials at the local and national level, members from International NGOs and academia, and World Bank officials. The main objective of the workshop was to discuss the future of transport in Latin American cities and the need to implement policies that are sustainable aiming at:

- Reduction of GHG emissions by promoting public transport and non-motorized means of transportation, improving transportation efficiency, reduction of km traveled, and changes to cleaner sources of energy
- Integration of land uses and transportation systems into a city development strategy that benefit the majority of the population.

In the afternoon, the Regional Program on Sustainable Transport and Air Quality was presented by the World Bank and received the feedback from participants. The regional urban transport and air quality program will focus on providing assistance and funding for innovative projects to:

1. Improve transport efficiency, reduce local and GHG emissions
2. Promote long term shift to more efficient and less energy intensive modes of transport
3. Coordinate land-use and transport planning to reduce dependency on motorized transport, especially cars, through land use policies that increase the number of accessible opportunities within a short distance
4. Implement cost-effective transport solutions, manage mobility more efficiently, reduce congestion and provide equality of access to transport for the entire community.

As a result, most participants showed great interest in the Regional Proposal and appreciated the approach the Bank is taking by introducing a more comprehensive urban mobility and environment strategy that includes the integration of land uses with other means of transport, with especial emphasis on public transport and non-motorized modes of transport.

Summary of conclusions:

- Decision makers were urged by Lerner to start making projects. It doesn’t matter if it’s the best design, as long as we start executing projects aimed at improving transportation and urban life.
- Cities such as Bogota are investing a lot in their people – the money they have for infrastructure they are using mostly to improve infrastructure related to expanding sidewalks and making parks (make the city more livable) and to reduce the dependence on automobile.
- There were 3 suggestions we should follow to improve the life in the cities: (i) separate our garbage, (ii) use our cars less, (iii) live closer to work.
- Importance of air pollution – benefits gained from reducing GHG should be enough to make projects interesting for private investors (rate of return close to 80%)
- Some of the most urgent comments from the participants were to start doing something, we don’t gain anything from spending several years making the most beautiful studies if
we don’t move and start building. It doesn’t matter if the work is not perfect, we need to act now.
Brief description session by session

Session 1 – Opening remarks
Opening remarks by Letitia Obeng and John Redwood where they highlighted the importance of having such an important group of decision makers working together to improve transportation in Latin America. They highlighted that the position of the bank in respect to the topic is to introduce a more comprehensive urban mobility and environment strategy that includes the integration of land uses with other means of transport, with especial emphasis on public transport and non-motorized modes of transport.

Session 2 – Mission and Vision
This session focused on what are the mission and vision of the World Bank regarding Transport, Environment and Urban Development. Discussion was based on which stakeholders needed to be involved, what are the main challenges and which are key factors for success. Key speakers were Abel Mejía and Jose Luis Irigoyen.

Speakers highlighted two main points regarding urban transport in Latin America; (i) urban transport represents a high percentage of household expenditures, except for poorest who may not travel at all (Examples, Santiago and Buenos Aires), and (ii) cities in the region are increasingly aware of “vicious circle” of urban transport which exposes several major, interrelated issues: Increased fares and reduced frequencies of transit make cars more attractive to travelers. The growing motorization in turn produces more congestion and delays, which in turn make public transportation even less attractive. As a result, the decrease in demand and revenues for the public transportation sector means that fares must go up or frequencies must decline, reinforcing the problem. This vicious cycle creates inefficiencies within the urban public transport system, exacerbating negative social and environmental impacts.

As a conclusion, it is clear that something needs to be done – transport sector reform has started in several latin American cities, but there’s still plenty to do. The banks vision is to tackle these problems using a cross sectoral approach by mainstream with other sectors and use all funding opportunities. Some questions that came during the discussions were (i) where should we give priority to improving public transportation in LAC cities? There is a tradeoff here, because big cities have more acute problems, while medium sized cities are ideal to make timely interventions to orient smart growth. (ii) focus should be on the poor by making public transport affordable to low income segments.

Session 3 – Lessons from Latin America
A number of cities have been successful in implementing integrated strategies that include development and transport planning, but many have not. Discussants in this session described the experience in Latin America. Focus was on Curitiba, Mexico and Colombia. The session discussants were Jaime Lerner and Oscar Diaz.

The case of Mexico
Challenges:
- Lack of vision in a concrete transport policy for the State and the municipalities (Segundos Pisos)
- Coacalco flyover is going to be built in the same corridor where the BRT is planned; however, Edomex assures that the flyover will be built with the exclusive BRT lanes in the middle.
- Political conflicts

Next Steps:

- Work in medium size cities
  - León
  - Ciudad Juárez
  - Veracruz
  - Querétaro
- Federal Government to finance BRT systems
- Legal obstacles to combat second deck projects in other Mexican cities

Traffic jams without public transport are relatively useless; so is public transport without traffic jams or some other form of automobile use restriction

- Cities such as Bogotá are investing a lot in their people – the money they have for infrastructure they are using mostly to improve infrastructure related to expanding sidewalks and making parks (make the city more livable) and to reduce the dependence on automobile.

**Session 4 – Challenges with integrated sectoral strategies**
The regional strategy focuses on promoting long term modal shift to more efficient modes of transport. Although many local policies, plans, and programs may be oriented to promote efficient transport, there are normally many barriers in the actual implementation of these plans and/or related projects. This session focused on the feedback from local stakeholders and government agencies regarding challenges related to lack of support from local political groups and stakeholders (i.e. transport operators), market risks (i.e. concession bidding), performance risks (i.e. tariffs and demand), technology risks and financial restraints. Key speakers were Darío Hidalgo (Bogota) and Martín Orduña (Buenos Aires)

Hidalgo

Hidalgo covered the following topics:
- Sustainable Transport Strategies
- Current Conditions in Bogotá
- Opportunities

Generacion de espacio publico.
There are rents that are being captured by the private companies that benefit from Transmilenio. Is there any way that the government can capture those rents?
Lessons:
- Environmental and urban effects are important; they should be incorporated in planning and funding BRT systems
- BRT is just one component of the overall city strategy to improve mobility, environment and urban conditions
- The largest urban impact is in improving the equilibrium of the urban area
- Accessibility impacts are larger for the poorest population (feeder services in low income areas and integrated fare)
- Effects include time and cost savings and reductions in accidents and pollution, but also in pride and belonging sentiment as well as cultural changes.

Opportunities
- Use BRT to generate urban renewal and densification
  - Land Use Plan
  - Interventions (Public, Private, Mixed)
  - Improving and generating public space and integration with NMT (safe bike parking)
  - Regional transport integration
- Introduce value capture mechanisms to redistribute land rent increases
- Introduce joint development (without affecting the main activity of moving people)

Orduña
It is necessary to remove institutional obstacles to enable the improvement of the transport system

- The Metropolitan Transport Coordination Agency (ECOTAM) was created, after 30 years of different projects, by the law N° 25.031 in 1998, but it has never been regulated because of the complicated interjurisdictional management

- The need to have an organism to coordinate the regional transit and transport is essential to follow the economic reactivation process in a sustainable way and to improve the life quality for 12 million people.

Session 5 – Moving ahead
A preliminary strategy to create a regional fund was presented in this session. Potential participating cities may prepare and apply for grants to co-finance eligible expenditures oriented to sustainable transport and air quality. Eligibility criteria will be defined for cities to apply for the project funds, and an expert panel will advise on selection of cities. CAI-LAC will play a pivotal role in generating demand and managing and collecting information from potential cities interested in funding from the program, building capacity and disseminating lessons learned. Key speakers were Juan Lopez-Silva, LCSES, Pierre Graftieaux LCSFT, Luis Cifuentes (U. Catolica, Chile), and Manfred Breithaupt (GTZ)
Juan

Highlighted the importance of scaling up to a regional level:
- Common problems common approach
- Economies of scale
- Synergies from horizontal cooperation
- Lower transaction costs
- Augment leverage
- Facilitate coherent partnerships
- Enough experience and know-how
- Clean Air Initiative

Pierre

- Potential opportunities for collaboration with GEF
  - get involved in substantial number of big cities in LAC;
  - maximize environmental benefits in context of sustainable transport projects;
  - act on fast growing middle-size cities before it is too late

GTZ experience

- Focus on measures open to rapid implementation by the local govt., with limited reliance on foreign help. ‘Win-win’ measures provide incentives for implementation
- ‘Least cost principle’ considering how to maximise mobility at the lowest cost, including demand management options
- Work with a range of stakeholders & partners

Sustainable Urban Transport Project – www.sutp.org
Assist developing cities to meet their sustainable transport goals through the dissemination of information about relevant international experience and targeted work with particular cities:

Session 6 – Support for Implementation
This session focused on the next steps and discussed the need for developing evaluation tools to assess the impact of the regional project from a local and global point of view. The proposed selection criteria for cities will be discussed, as well as possible mechanisms to screen cities. Speakers were Paul Procee (WBIEN), Gianni Lopez (Santiago), and Walter Vergara (LCSEN)

Role of the CAI-LAC/CAI-Center
- Dissemination of information about fund (generate demand)
- Receive requests and screen potential cities
- Assist in preparation of proposals (formats, procedures)
- Liaison between the World Bank and cities
- Dissemination of lessons learned (website, training, workshops)

There was also a more detailed description of the procedure that will be followed to select cities for funding. One warning was to be careful not to be caught in a lot of red-tape while deciding which cities to fund… the procedure could become more difficult than necessary.

Walter vergara talked about facing the transportation problem in a holistic approach.
- Transport is key to addressing climate change
- Reducing air pollution in the ZMVM is expected to lead to significant economic benefits in terms of improved health:
  - (i) reduced cost of illness (COI),
  - (ii) reduced losses in productivity,
  - (iii) reduced acute and chronic morbidity effects, as measured by the contingent valuation method (CVM), and
  - (iv) reduced acute and chronic mortality effects.
- Meeting regulations over the Metro area would avoid costs and losses valued at between $0.7 to $2.0 Billion

Operation of Corridors will result in GHG emission reductions – sources of credits
- burning less fuel by replacing old inefficient technology with modern more efficient technology
- burning less fuel by improving the flow of vehicles along a corridor, its feeder routes or other corridors within an urban area (through a decrease in travel time for a given distance)
- burning less fuel because some people will mode switch from their cars to mass-transit

Economic analysis (insurgents corridor)
- Benefits:
  - Time savings
  - Operating and maintenance costs savings
  - Reduced accidents
  - Local environmental benefits
  - Global environmental benefits
- NPV: $220 million
- IRR: 85%