Sustainable development benefits of low-carbon transport measures

Guidance for policy makers on the political potential of co-benefits

Draft
The TRANSfer project is run by GIZ and funded by the International Climate Initiative of the German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB). Its objective is to support developing countries to develop and implement climate change mitigation strategies in the transport sector as „Nationally Appropriate Mitigation Actions“ (NAMAs). The project follows a multi-level approach:

- At country level, TRANSfer supports selected partner countries in developing and implementing NAMAs in the transport sector. The NAMAs supported by the project cover a broad variety of approaches in the partner countries Indonesia, the Philippines, South Africa, Peru and Colombia.

- At international level and closely linked to the UNFCCC process, the project helps accelerate the learning process on transport NAMAs with a comprehensive set of measures (events, trainings, facilitation of expert groups, documents with guidance and lessons learned).

To encourage NAMA development worldwide, TRANSfer has set out to develop a first set of so-called MRV blueprints for transport NAMAs – a description of the MRV methodology and calculation of emission reductions for different NAMA types in the transport sector.

Activities at country and international level are closely linked and designed in a mutually beneficial way. While specific country experience is brought to the international stage (bottom-up) to facilitate appropriate consideration of transport sector specifics in the climate change regime, recent developments in the climate change discussions are fed into the work in the partner countries (top-down).

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Sustainable development benefits of low-carbon transport measures

Many low-carbon transport strategies can help achieve other economic, social and environmental objectives. These include improving access to mobility, reducing traffic and parking congestion, saving consumers money, supporting economic development, increasing public health and safety, and reducing air and noise pollution. Based on Avoid-Shift-Improve approaches and case studies from Germany, Colombia, India and Singapore, the author shows that aiming for low-carbon transport does have significant and quantifiable co-benefits.

Estimates suggest that currently available and cost effective measures can reduce transport energy consumption by 40-50% lower compared to the 2010 demand. Yet, a number of barriers affect the optimal exploitation of this potential. Considering the possible economic, social and environmental benefits of sustainable transport, the shift towards a low-carbon pathway of this sector can be a win-win situation for climate protection and local development goals. This paper aims to make a contribution to understand these win-win opportunities by presenting case studies and useful figures. Further, it will also explore assessment methodologies and tools that can help practitioners to assess sustainable development benefits (SDB) and providing evidence for policy-makers to make more informed decisions on transport investments and policies.

Guidance for policy makers on the political potential of co-benefits

This document looks at sustainable development benefits of low-carbon transport from two perspectives:

• The potential to address multiple policy objectives at the same time and support the creation of coalitions, which will be particularly relevant for policy makers;

• Examples and tools for the quantification of social, environmental and economic benefits of climate change mitigation actions in the transport sector, which will be especially relevant for policy advisors and consultants.
Terminology: from co-benefits to sustainable development benefits

With regard to the terminology, this paper evolves from using the well established term co-benefit that describes positive side-effects of climate change mitigation actions, towards using the term sustainable development benefits to highlight the fact that diverse environmental, economic and social impacts are equally important from a societal perspective. The paper also explores the risks and uncertainties of some impacts of mitigation measures that may lead to trade-offs and negative side-effects. This aim will help to inform priority-setting for decision makers.

From a climate change mitigation perspective, the term co-benefits may make sense, as for example safety or air quality improvements are a (positive) by-product of the primary objective. However, from a wider political perspective it would be wiser to refer to these effects as sustainable development benefits. This will give a clear indication on the equal importance of all pillars of sustainable development and may facilitate coalition building between sector ministries and stakeholders from the environmental field, such as the environment ministries and NGOs. As the relevant sector institutions (e.g. the transport ministry or local transport departments) may have other primary policy objectives, such as improving air quality, access or safety it is important to emphasize and measure social, economic and environmental benefits of climate change mitigation measures beyond the greenhouse gas emission reductions in order to motivate actors from these groups by showing the synergies in goal achievement and the benefits a given mitigation action will have in terms of the ministry’s priorities.

While of course, political and institutional structures are very different from country to country and equally on the local level, some of the key priorities and perspectives of institutions are likely to be somewhat similar depending on the mandate of the institution. As a result, it is important to tailor advice to reflect the needs and resources of the target audience, and to communicate these concepts in ways that effectively resonate with different stakeholders and interest groups.
1. Low-carbon transport as enabler for sustainable transport policy coalitions

This report analyses synergies between low-carbon transport strategies and other economic, social and environmental objectives, as these can substantially increase the measure’s cost-effectiveness and help build political support for their implementation. Low-carbon transport measures, by avoiding trips, reducing demand, shift to low-carbon modes and improving vehicle efficiency can help achieve various further planning objectives including reduced traffic and parking congestion, public infrastructure and service cost savings, consumer savings and affordability (savings targeting lower-income households), increased safety and security, improved mobility options for non-drivers (and therefore reduced chauffeuring burdens for motorists), and improved public fitness and health, in addition to their pollution emission reductions. Sector officials and many other stakeholders place a high value on these benefits, which creates opportunities for join forces to support their implementation. This report examines the possibilities for such win-win situations. It explores the linkages between climate change and typical sector objectives, and provides guidance on ways to use co-benefits to promote climate change mitigation measures and achieve an overall more sustainable development, optimizing economic, social and environmental objectives.

1.1 Identify potential measures

Low-carbon transport strategies that – in addition to reducing Greenhouse Gas (GHG) emissions - help achieve further economic, social and environmental policy objectives, can have a far more extensive overall impact on sustainable development and count with more political support, than mitigation measures that solely focus on the reduction of GHG emissions (Eckermann et al. 2013). Only a few studies have actually examined the total cost of transport including congestion, air pollution, accidents, and noise, and therefore the total potential benefits of policies and programs that reduce these negative impacts. One example of the results of an estimation of positive impacts are the overall reductions of transport expenditures of a balanced sustainable transport policy in a 2 Degree Pathway that were assessed by the International Energy Agency of being up to USD 70 trillion by 2050 (IEA 2012). In another example from the local level, the combined benefits were assessed for Beijing to be between 7.5% to 15% of GDP annually (Creuzig and He, 2009).

The NAMA Handbook (Navigating Transport NAMAs – A practical handbook on Nationally Appropriate Mitigation Actions (NAMAs) in the transport sector developed by GIZ) identifies a range of potential sustainable development benefits (Figure 1), which are described in more detail in the following section.
When preparing arguments for a transport climate change mitigation measure it may help thinking about additional benefits that may be high on the agenda of important policy actors and stakeholders. Energy security, transport access and affordability, air quality, health and safety are all powerful policy objectives that need to be taken into account when designing integrated climate change mitigation strategies and Nationally Appropriate Mitigation Actions (NAMAs) that are geared towards a high level of synergies and co-benefits. The following section provides a short overview with some key messages related to each major sustainable development benefit (based on IPCC 2014):

**Access and mobility** are vital for individuals and businesses. Many transportation emission reduction strategies also reduce costs by improving affordable travel options including walking, cycling, ridesharing and public transit, and by creating more compact communities with shorter travel distances. Households living in automobile-dependent communities often spend 15-20% of their household budget on motor vehicles, but only 5-10% if they are located in more accessible and multi-modal communities (Isalou, Litman and Shahmoradi 2014; Mahadevia, Joshi and Datey 2013).

**Air quality** is another major issue to which low-carbon transport can make a positive contribution by reducing vehicle engine emissions such as sulphur oxides (SOX), nitrous oxides (NOX), carbon monoxide (CO), hydrocarbons (HC), volatile organic compounds (VOC), toxic metals, and particulate matter (PM), the finer particles of which can cause cardiovascular, pulmonary and respiratory diseases.

**Noise** pollution affects individual health and quality of life. Noise is second only to air pollution in the impact it has on human health, creating hearing loss, heart disease, learning problems in children and sleep disturbance. In Europe alone noise generated by traffic is linked to more than 50,000 premature deaths every year (T&E 2008).

**Congestion** is a major issue in many urban areas and creates substantial economic cost. For example, it accounts for around 1.2% of GDP as measured in the UK (Goodwin 2004); 3.4% in Dakar, Senegal and 4% in Metro Manila, Philippines (Carisma and Lowder 2007); 3.3% to 5.3% in Beijing, China (Creutzig and He 2009); 1% to 6% in Bangkok, Thailand (World Bank 2002) and up to 10% in Lima, Peru (Kunieda and Gauthier 2007). Re-allocating space from roads and parking to more people centred-activities can further significantly improve the quality of live in cities.

**Employment and economic impacts** relate to a number of direct and indirect effects of sustainable transport, such as direct employment opportunities, e.g. in public transport or improved access to jobs and markets. Improved reliability of travel times for both people and freight can also contribute substantially to the attractiveness of cities and the ease of doing business.

**Energy security** is a key policy objective on the national level and transport plays a major role in this due to its almost complete dependence on petroleum products. Low-carbon transport can improve energy...
security for individuals, businesses and national economies (Leiby 2007; Shakya and Shrestha 2011). By improving affordable transport options, such as walking, cycling and public transit, low-carbon mobility also improves overall accessibility (people’s ability to reach desired services and activities), particularly for physically and economically disadvantaged groups, as well as commuters, tourists and businesses (Banister 2011; Boschmann 2011; Sietchiping, Permezel, and Ngomsi 2012).

Public health benefits result from more active transport (cycling and walking). This is increasingly important due to increasingly sedentary lifestyles and resulting health problems such as diabetes. Although these modes incur risks, these tend to be offset by their health benefits, particularly if cities improve active transport conditions (Rabl and de Nazelle 2012; Rojas-Rueda et al. 2011). While some strategies towards modal shifts will have a direct mitigation effect, others such as the introduction of environmental zones may cause trade-offs, as they may ban efficiency, but polluting Diesel vehicles or re-direct traffic, which may increase trip length.

Road safety is also a major transport policy objective that many integrated climate change mitigation strategies can help achieve. Road accidents are estimated to kill around 1.27 million and injure between 20 to 50 million annually, mostly in developing countries (WHO 2011).

The IPCC (2014) pointed out that an integrated approach that addresses transport activity, structure, intensity and fuels is required for a transition towards a 2°C stabilisation pathway as well as generating sustainable development benefits (Table 1). Different types of mitigation actions tend to bring along different impacts and benefits. Policy makers interested in the implementation of mitigation actions and looking for specific co-benefits should take this into consideration when selecting and prioritizing mitigation actions for implementation. Mitigation actions in the transport sector can be grouped roughly into three categories. Strategies that avoid total motor vehicle travel, e.g. by creating more compact, multimodal communities, and providing incentives for travellers to shift from automobile to more resource-efficient modes (walking, cycling, ridesharing, public transit, telecommunications that substitute for physical travel, and delivery services) tend to provide the greatest total benefits, reflecting the high costs (both, internal and external) of motor vehicle travel and the road and parking facilities it requires. Improving motor vehicle fuel efficiency and shifting to alternative fuels, on the other hand, provides fewer co-benefits. Table 1 gives an overview of the three categories and the respective development benefits they bring along.
### 1. Low-carbon transport as enabler for sustainable transport policy coalitions

#### Table 1 A high-level overview of mitigation strategies and their potential economic, social and environmental co-benefits (based on IPCC, 2014)

<table>
<thead>
<tr>
<th>Intervention level</th>
<th>Emission reduction approach</th>
<th>Sustainable development benefits (and risks for trade-offs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Economic</td>
</tr>
<tr>
<td><strong>Activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Avoid Reduce total vehicle travel by reduced trip distances e.g. by developing more compact, mixed communities and telework</td>
<td>Reduced traffic and parking congestion (6,7); Road and parking cost savings Consumer savings Energy security (1,2); More efficient freight distribution (14); Reduced stormwater management costs</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>Structure</strong></td>
<td>Shift to low-carbon transport modes, such as public transport, walking and cycling</td>
<td>Improved productivity due to reduced urban congestion and travel times across all modes (6,7); Improved energy security (1,2).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Intensity</strong></td>
<td>Improve the efficiency of the vehicle fleet and use</td>
<td>Reduced transport costs for businesses (4,5); Improved energy security (1,2).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fuels</strong></td>
<td>Reduce the carbon content of fuels and energy carriers</td>
<td>Some measures may reduce the costs for businesses; others may increase (4). Improved energy security (reduction of oil dependency) (1,2). Reduce trade imbalance for oil-importing countries (3).</td>
</tr>
</tbody>
</table>

References: 1: (Greene 2010); 2: (Costantini et al. 2007); 3: (Kaufmann, R.K., Dres, S., Karakuloglou, P., Sánchez 2004); 4: (Boschmann 2011); 5: (Schipper and Fulton 2012); 6: (Cuenot, Fulton, and Staub 2012, Lah 2014); 7: (Creutzig, Mühlhoff, and Römer 2012); 8: (Schipper and Fulton 2012); 9: (D. Banister 2008); 10: (Gears and van der Wee 2004); 11: (Creutzig and He 2009); 12: (Tiwari and Jain 2012); 13: (Roja-Rueda et al. 2011); 14: (Schipper and Fulton 2012); 15: (Eliseeva and Bünzli 2011); 16: (Wassmann 2011); 17: (Eliseeva and Bünzli 2011); 18: (Masari and Ruberti 2013); 19: (Takeshita 2012); 20: (Kahn Ribeiro et al. 2012); 21: (IEA 2011a); 22: (Woodcock et al. 2009); 23: (Schipper and Fulton 2012); 24: (Sims et al. 2014).
1. Low-carbon transport as enabler for sustainable transport policy coalitions

1.2. Combine measures to maximise synergies

Decision making on transport policy and infrastructure investments is as complex as the sector itself. Rarely will a single measure achieve comprehensive climate change impacts and also generate economic, social and environmental benefits. Many policy and planning decisions have synergistic effects, meaning that their impacts are larger if implemented together. It is therefore generally best to implement and evaluate integrated programs rather than individual strategies. For example, by itself a public transit improvement may cause minimal reductions in individual motorized travel, and associated benefits such as congestion reductions, consumer savings and reduced pollution emissions. However, the same measure may prove very effective and beneficial if implemented with complementary incentives, such as efficient road and parking pricing, so travellers have both **push and pull incentives** to shift from automobile to transit. In fact, the most effective programs tend to include a combination of qualitative improvements to alternative modes (walking, cycling, ridesharing and public transit services), incentives to discourage carbon-intensive modes (e.g. by efficient road, parking and fuel pricing; marketing programs for mobility management and the reduction of commuting trips; road space reallocation to favour resource-efficient modes), plus integrated transport planning and land use development, which creates more compact, mixed and better connected communities with less need to travel.

A vital benefit of the combination of measures is the ability of integrated packages to deliver synergies and minimise rebound effects. For example, the introduction of fuel efficiency standards for light duty vehicles may improve the efficiency of the overall fleet, but may also induce additional travel as fuel costs decrease for the individual users. This effect refers to the tendency for total demand for energy decrease less than expected after efficiency improvements are introduced, due to the resultant decrease in the cost of energy services (Sorrell 2010; Gillingham et al. 2013, Lah 2014). Ignoring or underestimating this effect whilst planning policies may lead to inaccurate forecasts and unrealistic expectations of the outcomes, which, in turn, lead to significant errors in the calculations of policies’ payback periods (WEC 2008, IPCC 2014). The expected rebound effect is around 0-12% for household appliances such as fridges and washing machines and lighting, while it is up to 20% in industrial processes and 10-30% for road transport (IEA 1998, 2013). The higher the potential rebound effect and also the wider the range of possible take-back, the greater the uncertainty of a policy’s cost effectiveness and its effect upon energy efficiency (Ruzzenenti and Basosi 2008).

A number of studies emphasize that an integrated approach is vital to reduce transport-sector greenhouse gas emissions cost-effectively (IPCC 2014, Figueroa Meza et al. 2014). While emissions reductions can be achieved through several means, such as modal shift, efficiency gains and reduced transport activity, it is apparent that the combination of measures is a key success factor to maximise synergies and reduce rebound effects. For example, overall travel demand reduction and modal shifts would need to be substantially stronger if not accompanied by efficiency improvements within the vehicle fleet and vice-versa (Figueroa Meza et al. 2014; Fulton, Lah, and Cuenot 2013). Vital element for this strategy is a policy package as summarised in the table below.

<table>
<thead>
<tr>
<th>Examples measures</th>
<th>Complementarity of measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Measures</strong></td>
<td></td>
</tr>
</tbody>
</table>
| • Fuel tax | • Vehicles standards and regulations ensure the supply of efficient vehicles and taxation helps steering the consumer behaviour  
| • Vehicle fuel efficiency regulation | • Fuel tax encourages more efficient use of vehicles, which helps minimising rebound effects that might occur if individuals and businesses drive more or not as efficient as they would have driving a vehicles with lower efficiency standards  
| • Vehicle tax based on fuel efficiency and/or CO2 emissions | |
| **Local Measures** | |  
| • Compact city design and integrated planning | • Compact and policy-centric planning enable short trips and the provision of model alternatives provides affordable access  
| • Provision of public transport, walking and cycling infrastructure and services | • Complementary measures at the local level help managing travel demand and can generate funds that can be re-distributed to fund low-carbon transport modes  
| • Road User Charging, parking pricing, access restrictions, registration restrictions and number plate auctions, eco-driving schemes, urban logistics | |  

Table 2: Elements of a multi-modal, multi-level sustainable transport package
1. Low-carbon transport as enabler for sustainable transport policy coalitions

1.3. Build coalitions for sustainable transport and climate change mitigation

An integrated policy approach can help to overcome implementation barriers, minimize rebound effects and create the basis for coalitions among key political actors and societal stakeholders.

It is sometimes claimed that transport is the hardest sector to decarbonise (ECMT 2007; IEA 2011b). However, cities, regions and countries around the world are successfully implementing policies and projects which provide substantial emission reductions in addition to other benefits. While currently implemented measures cannot by themselves achieve the established emission reduction targets, they can make important contributions. According to a recent IPCC Assessment Report, only an integrated approach can achieve the levels of reduction needed to shift to a 2°C pathway. This is true not only for the achievement of emission reduction goals, but also for the fulfilment of other sustainable development goals.

Reductions in traffic and parking congestion, increased energy security and traffic safety, affordability of transport services, public fitness and health, economic productivity, mitigation of climate change, and the reduction of local air pollution are positive impacts of transport policy that can help motivate people, businesses and communities to implement comprehensive policies and integrated transport programs to reduce transport greenhouse gas emissions and generate sustainable development benefits. Different people, groups and institutions may have different priorities, for example, some may be motivated by economic objectives and others by social equity or environmental objectives. The diverse benefits offered by a comprehensive or integrated measure can help build broad community support. The nature of integrated sustainable, low-carbon transport policies is that they address several objectives simultaneously, which generates synergies and helps creating coalitions.

Vital for the success of long-term policy and infrastructure decisions is support from diverse political actors, stakeholders and the public. A societal perspective and the incorporation of sustainable development objectives is a vital step in forging coalitions and building public support. Policy and infrastructure measures and the combination thereof are an important element in generating sustainable development benefits with low-carbon transport as they provide the content of a low-carbon transport strategy. But vital for the success of the take-up and implementation of measures is the policy environment – the context in which decisions are made (Justen et al. 2014). This context includes not only socio-economic, but also political aspects, taking into account the institutional structures of countries. The combination of policies and policy objectives can help building coalitions, but can also increase the risk of the failure of the package if one measure faces strong opposition, which, however, can be overcome if the process is managed carefully (Sørensen et al. 2014). A core element of success is the involvement at an early stage of potential veto players and the incorporation of their policy objectives in the agenda setting (Tsebelis and Garrett 1996).

Veto players are political actors who have a distinctive role in the policy process and put a hold to an initiative. Typical veto players are finance ministries and parliaments with legislative prerogatives. This is a substantially different role from stakeholders, who have a vested interested in a particular policy process, but do not have the (legal) power stop it. However, both groups need to be involved in the process to successfully implement a measure. Public participation can help ensuring durability and support beyond political parties.
1. Low-carbon transport as enabler for sustainable transport policy coalitions

1.4. Conclusion and recommendations

Considering that significant and diverse benefits can be gained from policies and projects that increase transport system efficiency, their uptake is far lower than economically justified. Shifting to a low-carbon development pathway requires substantial transport sector reforms. Many of these are options that provide significant economic, social and environmental co-benefits and so can conserve energy and reduce emissions at low or even negative costs. Because of their significant and diverse benefits, they offer opportunities to build coalitions involving many different stakeholders with various interests. This can help build support and strengthen the political case for the shift towards a low-carbon mobility pathway. Successful strategies need to be integrated across policy areas, regions and levels of government. One way of incorporating objectives of key players and include them in the process is to establish a cross-cutting working group (first in the department and then across departments and then across levels or government and including key business and civil society players). The table below provides some examples of linkages between climate change mitigation approaches, their linkages to some economic, social and environmental implications and examples of potential veto players and stakeholders. This matrix is mainly an illustrative example and needs to be amended for the specific context.

Coalition building: examples of potential linkages between climate and other sustainable development policy objectives and actors

<table>
<thead>
<tr>
<th>Climate change mitigation approach and objective</th>
<th>Economic implications and actors</th>
<th>Social implications and actors</th>
<th>Environmental implications and actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid vehicle travel by reduced trip distances e.g. by developing more compact, mixed communities and telework</td>
<td>Reduced congestion: Local authorities (v) ↑ More efficient freight distribution: Businesses and associations ↑ Economic development ministry (v) ↑</td>
<td>Improved access and mobility Social development ministry ↑ Accident reductions Health Ministry ↑</td>
<td>Reduced land consumption Local planning authority (v) ↑</td>
</tr>
<tr>
<td>Shift to low-carbon transport modes, such as public transport, walking and cycling</td>
<td>Improved productivity due to reduced urban congestion and travel times across all modes Local authorities (v) ↑</td>
<td>Reduced exposure to air pollution Health benefits from shifts to active transport modes Local authorities (v) ↑</td>
<td>Ecosystem benefits due to reduced local air pollution Local environmental department &amp; national ministry ↑</td>
</tr>
<tr>
<td>Improve the efficiency of the vehicle fleet and use</td>
<td>Reduced transport costs for businesses and individuals Local authorities (v) and Economic and Social development ministries ↑</td>
<td>Health benefits due to reduced urban air pollution Health Ministry ↑</td>
<td>Ecosystem and biodiversity benefits due to reduced urban air pollution Local authorities (v) ↑</td>
</tr>
<tr>
<td>Reduce the carbon content of fuels and energy carriers</td>
<td>Improved energy security Economic development Ministry ↑ Reduce trade imbalance for oil-importing countries Finance Ministry (v) ↑</td>
<td>A shift to diesel can improve efficiency, but tends to increase air pollution Health and Environment Ministries (v?) ↓</td>
<td>Potential adverse effects of biofuels on biodiversity and land-use Environment and agriculture (v) ↓</td>
</tr>
</tbody>
</table>

The selection is not exhaustive and depends on the policy environment. Key: positive ↑ negative ↓ uncertain → (v) potential Veto
2. Policy advice and evidence on sustainable development benefits of low-carbon transport

Guidance for policy advisors and consultants

This section provides examples of the potential of sustainable development benefits of several low-carbon mobility actions and provides an overview on available tools that can help assessing these benefits.

Key messages:

• Learn from the success (and failure) of others
• Assess all relevant impacts to maximise synergies and avoid trade-offs and show this evidence to the policy makers

2.1. Learn from others: case studies and examples

This section describes specific examples where sustainable development benefits have been evaluated. This will provide some relevant insights that can be used by decision makers and advisors as reference points for future projects that can be developed into a NAMA.

A congestion charging system was introduced in 1975 in Singapore, which boosted public transport patronage almost immediately and led to a 45% reduction in traffic, a 25% decrease in road site accidents, and an increase in average travel speeds from about 20 km/h to over 30 km/h (OECD & ECMT 2007). The system has been constantly upgraded and a number of supporting measures introduced. This led to public transport having a modal share of over 60% in daily traffic, an increase of nearly 20% (Ang 1990). The success of the system in improving infrastructure capacity, safety and air quality and reducing travel demand, fuel use and greenhouse gas emissions inspired the congestion charge systems in London and Stockholm and plans for similar systems in a number of other cities (Prud’homme & Bocarejo 2005).

Germany has implemented a number of relevant measures in recent years that combine fuel and vehicle taxation to improve the efficiency of the vehicle fleet, reduce frequency of journeys and influence modal choice. The following sections explore briefly the key policies that shape Germany’s vehicle fleet and use. As part of the Ecological Tax Reform, petrol and diesel prices increased from 1999 to 2003 by € 0.0307 per litre and year (totalling an increase of € 0.1534 /l as of 2003). This internalized a part of the external costs and increased energy efficiency in the transport sector. By 2012 the energy tax on transport fuels was € 0.6545 /l on petrol, EUR 0.4704 /l on diesel and € 0.18 /kg on CNG and LNG (BMF 2012). Since January 2009, the motor-vehicle tax (annual circulation tax) includes a CO2 based calculation, but only applied to automobiles newly registered since then. It takes account of typical CO2 emissions for vehicles and has lower rates for automobiles that have especially low emissions. Additional to a taxation based on the engine size, there is a CO2 tax of € 2.0/g CO2 above 95 g. It was estimated that the implementation of the CO2 based motor-vehicle taxation will lead to GHG emission reduction of about 3 Mt CO2-eq per year by 2020. A key feature of fiscal policy measures is the ability to generate funds that directly contribute to other (non-environment related) objectives. In addition to the CO2 emission reduction benefits a number of other positive effects are being generated by the Eco-tax, for the measure was estimated to have contributed to the generation of over 250,000 jobs (Ecologic 2005). It has been assessed that over 70% of all vehicle users drive more efficiently and 20% are occasionally changing travel modes, which has direct safety, energy security and air quality benefits (Ecologic 2005).

Bogotá’s TransMilenio bus rapid transit (BRT) system is one of the most successful BRTs moving up to 36,000 passengers per hour in each direction. The implementation of TransMilenio was supported by a number of additional measures that formed an integrated package, which helped explain the high level of benefits across a number of policy areas. As well as nearly 1 million tCO2 saved annually, the system created substantial travel time savings, reduced operating cost for the bus company, and fewer crashes and injuries on two of the system’s main corridors (Bocarejo et. al. 2012). Air quality improved substantially in the city since implementation with emission reductions of 43% in SO2 emissions, 18% in NOx, and a 12% in PM (Turner et. al. 2012). Road fatalities were reduced by over 80% and average travel times by 30% (Carrigan et al. 2013).
High capacity public transport systems are a vital step towards a sustainable, efficient and liveable city. Metro systems are currently being developed in a number of cities to create a backbone for efficient public transport systems. Compared to BRT systems, MRT systems require higher investments, but can provide higher capacities and frequencies. The MRT systems in Delhi and Bangalore have been assessed for their potential to contribute to a number of objectives. The Bangalore Metro Rail Corporation estimated the combined benefits of the Bangalore Metro Rail to amount to Rs11,550 million (EUR 150M) of which traffic decongestion was estimated to contribute 33%, savings in travel time 28%, reductions in accidents 7.6%, reduced fuel consumption, 24%, and the reduction in local air pollution 5.8% (TERI/WBCSD 2009). The metro in Delhi was estimated to lead to an overall reduction of 2.3% (about 115 ktCO2-eq.) in CO2 emissions in the initial phase, with the potential of reductions up to 10% (463 ktCO2-eq) if full ridership could be achieved. At the lower end of the scenario the reduction in air pollution was estimated to amount to lower emissions of NOx (1143t to 2887t), PM (163t to 325t), CO (6545t to 13,089t) and HC (1951t to 3902t), thereby making a substantial contribution to local air quality.

The Health Economic Assessment Tool (HEAT) evaluated the financial returns of investments in cycling infrastructure through reduced mortality due to increased physical activity from walking and cycling. For example, in the Czech Republic, 2% of respondents in Pilsen would take up regular cycling and therefore increased annual mortality savings by €882,000. In Estonia, infrastructure improvements would create a new cycling route encouraging people to begin regular cycling. Consequently, avoidable deaths would be reduced by 0.17% per year. With the country-specific value of statistical life of €1,430,000, a current average annual benefit would amount to €12,000 per year. The University of Auckland, New Zealand, estimated on the basis of HEAT, the benefits from 1,000 additional adult cyclists commuting regularly in the city. In result, a 17.5% lower mortality was estimated, saving €464,000, annually (Dora, et al., 2011).

A key policy focus for heavy duty vehicles is the reduction of local air pollutants, in particular NOx and PM10 emissions, which also has implications to the fuel efficiency. The International Energy Agency estimated that the European, Japanese and US standards since the 1990s had a negative impact on heavy-duty vehicles leading to a 7% to 10% lower fuel economy (IEA 2009). A number of European countries have introduced environmental zones, which bans vehicles with high levels of particulate emissions from entering the city. To improve local air quality several cities have introduced truck routing systems, which, if planned properly, can potentially lower fuel consumption and local pollutant emissions (Suzuki 2011). However, depending on the design these systems may also increase trip length and hence greenhouse gas emissions (Bektas and Laporte 2011). Currently, only Japan has fuel efficiency standards for heavy vehicles in place, the US has proposed standards for trucks and buses, the EU, however has no standards in place for heavy-duty vehicles (Arabani et al. 2011).

Fuel standards can help managing the carbon content of alternative fuels. Examples include the Californian low-carbon fuel standard and the EU fuel quality directive (Sperling and Nichols 2012). While the shift towards low-carbon modes of transport is associated only with very limited risks with regard to unintended consequences, technology based options require a more comprehensive regulatory framework to avoid trade-offs with other policy objectives (Sims et al. 2014). Hence, setting standards for the carbon content to achieve the actual carbon emission reduction targets via biofuels, hydrogen and electricity (e.g. 10% for California and 6% for EU by 2020) and to ensure that, in particular biofuels meet wider sustainability standards to avoid trade-offs with other policy objectives, such as food security and land-use. This requires life-cycle analyses, which can be very challenging to carry out in a reliable manner (Lutsey and Sperling 2012).

The examples above provide some insights on the possible costs and benefits of specific mitigation measures. Some more facts and figures of assessments of policy and infrastructure measures are provided below to give a broader picture of available assessments of CO2 emission reduction and the sustainable development potentials. Although economic assessments of transport programs can vary significantly in their scope and analysis methods some illustrative examples are provided below in Table 2.
Table 2. Climate change mitigation measures, their CO2 emission reduction potential, and their contribution to other sustainable development objectives for the transport sector.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Good practice cities/projects</th>
<th>CO2 emission reduction</th>
<th>Sustainable development benefits (and risks for trade-offs)</th>
<th>Economic</th>
<th>Social</th>
<th>Environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid</td>
<td></td>
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<tr>
<td>Road user charging</td>
<td>Road charge in Peking: €0.14/km (4)</td>
<td>London: 25% CO2 reduction</td>
<td>Travel time reductions: €0.17 mio.</td>
<td>Social costs: reduction: €144 mio/year</td>
<td>Road tolls can be used for environmentally friendly projects</td>
<td></td>
</tr>
<tr>
<td>Avoid motorized trips</td>
<td>Trans-Jogja bus system, between 2010-2024 (6)</td>
<td>1.3 Mt CO2</td>
<td>Lower costs for transportation</td>
<td>Congestion and accident reduction, cost reduction for consumers</td>
<td>Estimated to avoid 3382 t PM10, 61,288 t CO, 10,645 t NOx, 1423 t SO2</td>
<td></td>
</tr>
<tr>
<td>Shift</td>
<td></td>
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<tr>
<td>BRT</td>
<td>Trans Milenio Bogotá (2)</td>
<td>Reduction of carbon dioxide emission by 200,000 tons (in 3 years)</td>
<td>Rationalised bus system, 32% commuting times reduction, Increases employment</td>
<td>Access for disabled and poor, 90% lower accident rates in BRT corridors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BRT</td>
<td>BRT Cebu, feasible benefits over 20 years(10)</td>
<td>1.19 Mt CO2</td>
<td>Fuel saving: €537 Mio, Emissions reduction: €31 mio</td>
<td>Time saving: 357 mio hours, Reduction 960 fatalities, 14407 injuries</td>
<td>Reduced PM 232 t, NOx 1779 t, BC 109 t</td>
<td></td>
</tr>
<tr>
<td>BRT</td>
<td>BRT Line C-5 Manila (11)</td>
<td>Reduced CO2 / year: ~ 650,000</td>
<td>Vehicle operating cost savings: ~€2.7 mio</td>
<td>Time savings per year: ~EUR 24 mio, Reduced loss of traffic accidents: ~EUR 945,000</td>
<td>Reduced air pollution: NOx ~EUR 1,100, PM ~ EUR 880</td>
<td></td>
</tr>
<tr>
<td>BRT</td>
<td>BRT Bangkok</td>
<td>Reduced CO2 / year: ~ €2.3 mio</td>
<td>Vehicle operating cost savings: ~€117 mio</td>
<td>Time savings per year: ~€78 mio, Reduced loss of traffic accidents: ~EUR 34 mio</td>
<td>Reduced air pollution: NOx ~EUR 10,000, PM ~ EUR 300</td>
<td></td>
</tr>
<tr>
<td>MRT</td>
<td>Walking and Cycling in Copenhagen: Cycle-friendly city (1)</td>
<td>Overall GHG emission reductions not quantified</td>
<td>Faster transport, Green jobs (650 full time in Copenhagen)</td>
<td>Increased physical activity, Reduced health impacts: 5.51 DDK/km (annually €268 million), reduced road accidents</td>
<td>Zero air pollutants, Less noise</td>
<td></td>
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<tr>
<td>Improve</td>
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<tr>
<td>Emissions standards</td>
<td>Use EURO II norm in Delhi (3)</td>
<td>Emission reduction not quantified</td>
<td>Rs Mio 40.37 (-EUR 500,000/year)</td>
<td>Low emission zones: Less traffic, especially heavy duty vehicles in the city</td>
<td>Less emissions, less congestion</td>
<td></td>
</tr>
<tr>
<td>Vehicle replacement</td>
<td>Old buses with new ones (EURO IV) with ratio 2:1 in Trans-Jogja (6)</td>
<td>17874 t CO2/year</td>
<td>Efficient vehicle (8-liter- per-100-kilometre) will reduce fuel by 1/3</td>
<td>Reduce congestion and delays</td>
<td>Reduction of 123 t NOx/year, 2 t PM10/Year</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>Good practice cities/projects</td>
<td>CO2 emission reduction</td>
<td>Sustainable development benefits (and risks for trade-offs)</td>
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<td></td>
<td></td>
<td>Economic</td>
<td>Social</td>
<td>Environmental</td>
<td></td>
</tr>
<tr>
<td>Heavy duty vehicle efficiency</td>
<td>Improved heavy duty trucks in Guangdong Province, China (8)</td>
<td>37.9 t/year/ truck due to better tyres and aerodynamics</td>
<td>Lower costs</td>
<td></td>
<td>NOx 0.239 tons, PM 0.016 tons reduction/year/ truck</td>
<td></td>
</tr>
<tr>
<td>Fuel switch</td>
<td>Shenyang Public Transport: Switch from old diesel bus to CNG, new diesel bus and hybrid/electric bus (9)</td>
<td>Medium to high potential for CO2 savings (no overall quantification)</td>
<td>Emission reduction, reduce congestion delays</td>
<td>Increase in CO2 and SO2 emissions if switch to hybrid/electric bus; decrease of emissions if switch to CNG, new diesel bus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved bike facilities</td>
<td>Bike infrastructure in University Novi Sad, Serbia (12)</td>
<td>Reduction of 1,845.9 kg CO2 per year</td>
<td>Income of ~ EUR 400 through advertisement on the bike parking infrastructure</td>
<td>Supporting long-term behaviour</td>
<td>Lower ownership of vehicles and reduction of driving by 20-60%</td>
<td></td>
</tr>
</tbody>
</table>

Mixed approaches:

| Sustainable Low carbon transport concept | CO2 Avoidance: ~1000Mt CO2 until 2050 | Improvement of quality of life | Avoidance of an increase in PM levels |

2. Policy advice and evidence on sustainable development benefits of low-carbon transport

2.2. Assess all relevant impacts to maximise synergies

There is significant potential for cost efficient emission reductions in the transport sector. Estimates suggest that, considering all benefits and costs, urban transport energy consumption and emissions could be reduced by 40-50% compared to current trends using currently available and cost effective measures (Eads 2010; IEA 2014; ITF 2013). The implementation of these transport measures would generate substantial efficiency gains, greenhouse gas emissions reductions and improved air quality and energy security (Leiby 2007; Mazzi and Dowlatabadi 2007). Yet, these strategies are not fully utilised, despite the large potential co-benefits and high cost efficiency.

One factor that affects the uptake of low-carbon transport measures is the inadequacy of economic evaluation advice that includes all relevant aspects of sustainable development. Compared to large-scale transport projects, such as highway construction, small but more sustainable concepts often lack the critical mass to allow for a thorough cost-benefit analysis. This section provides a short overview of economic evaluation methodologies, followed by an overview of tools that are available to assess the potential of urban mobility policies and projects.

To make informed decisions about transport infrastructure and policy options, local authorities with limited resources need clear guidance on costs, benefits and overall impacts. There is often insufficient knowledge of the costs and benefits of low-carbon transport measures which can affect the take-up of those measures. Socio-economic benefits of low-carbon transport measures may be underestimated and this uncertainty may be perceived as a risk since it can lead to decisions in favour of more traditional and often unsustainable transport infrastructures. Classic cost-benefit analysis (CBA) is a well-established methodology for infrastructure appraisal. However, since it requires substantial efforts with regard to data and analysis CBAs are usually only carried out for large-scale infrastructure measures such as road or rail construction projects. CBA has often been criticised for failing to incorporate important sustainable development objectives (Jacoby and Minten 2009).

One of the main advantages of CBA is its ability to describe the costs and benefits of a measure in a single cost-benefit ratio (CBR). As such CBA becomes a very useful tool for decision-making based on economic efficiency. However, CBA usually fails to properly incorporate all relevant environmental, social and economic benefits as not all of them can easily be monetised. As it is highly challenging to properly measure social factors such as quality of life, these issues are usually neglected in CBAs. Another disadvantage of CBA is the extensive data requirements and relative complexity. The lack of transparency and acknowledgements of interactions of policy objectives and distributional effects is another element that affects the reliability of CBA as a decision making tool. As an additional guidance tool for decision making processes multi-criteria analysis (MCA) can be useful. It allows the incorporation of qualitative evidence as opposed to CBA which can only process quantitative data (Beria, Maltese, and Mariotti 2012). Hence factors in decision making processes that may be harder to measure but are equally important can be included.

To assess the direct and indirect CO2 emission reduction potential the Transportation Emissions Evaluation Model for Projects (TEEMP) is a useful and relatively easy to use spreadsheet based tool, which also highlights some linkages to other sustainable development benefits, but does not provide proper assessments of those. The Rapid Assessment Tool, by UN-Habitat and ITDP builds on the TEEMP tool, aiming to add some further analysis on the wider costs, benefits and overall impacts of possible transport measures. The Co-benefits Calculator for Transport Projects developed by IGES provides a detailed step-by-step guidance also building on the TEEMP model.

Developed by the Wuppertal Institute for an EU-funded project, the TIDE impact assessment tool for urban transport innovations aims to combine the advantages of the quantitative and qualitative evidence to assess the impact of urban mobility measures. The methodology was designed to assess small-scale innovative projects. The TIDE handbook provides eight key steps from the project description, to the identification, analysis and testing of key performance indicators, to the visualisation and communication of the results. TIDE is Excel spreadsheet based and requires a number of standard input data, but also provides reference data based on other assessments.
Table 3: A comparison of tools available to help assess economic, social and environmental benefits of low-carbon transport policies, technologies and infrastructures, and their climate and sustainable development objectives.

<table>
<thead>
<tr>
<th>Tool and link</th>
<th>Data needs</th>
<th>CO2 emissions</th>
<th>Economic</th>
<th>Social</th>
<th>Environmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAMA SD Tool (UNDP)</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Co-Benefits calculator for Transport Projects (IGES)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Health Impact Assessment (HIA) in Transport Planning (CDC)</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>The Co-benefits Evaluation Tool for the Urban Transport Sector (UNU-IAS)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Health economic assessment tool (HEAT) for cycling and walking (WHO)</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Harmonised European Approaches for Transport Costing and Project Assessment (HEATCO)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Transport Emissions Evaluation Model (TEEMP) Clean Air Asia / ITDP</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td>Rapid-Assessment Tool (UN-Habitat)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td>CIVITAS cba tool (CIVITAS DYN@MO)</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>TIDE Impact Assessment Tool (Wuppertal Institute / TIDE project)</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
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<tr>
<td>JOAQUIN (EU project)</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>Konsult (ITS Leeds)</td>
<td>✓</td>
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<td>✓</td>
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</tr>
</tbody>
</table>

Level of coverage of CO2 or SD benefits and data needs: high ✓✓✓, medium ✓✓, low ✓, not covered –
2.3. Conclusion and recommendations

There is great economic, social and environmental potential in low-carbon transport. Providing advice with evidence on all those aspects is important to make informed decisions about all potential synergies, but also trade-offs with other sustainable development policy objectives. Using examples of cities that have tried comparable measures can help to illustrate the basic concepts of a policy or infrastructure measure. For this some of the examples provided in this paper may help. However, transferability remains a key issue in this regard and policy makers may have diverging views on which cities or countries are comparable. Ex-ante impact assessments can provide another important input into the decision making process. Vital for this is transparency on the data and assumptions that formed the basis for an assessment. Most of the tools explored in this paper are intended to provide advice during the policy process, which is what this publication is focusing on, but they can also be used to assess the impacts of measures ex-post. This is vital to sustain support for a particular measure or to make the case for an extension in scope or time and of course it is also an important source of information to others to take-up measures.
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