

# **Meeting the Institutional Challenge of Sustainable Transport: An NGO Perspective**

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## Meeting the Institutional Challenge of Sustainable Transport: An NGO Perspective

By 2025, the transport sector's energy consumption and greenhouse gas emissions will have doubled and more and more people will become dependent on private automobiles. The health and environmental implications of this rapidly growing and poorly regulated motorization are highly problematic. Each year, more than 750,000 people are killed by motor vehicles, most of them pedestrians, and another 500,000 die prematurely due to transport-related air pollution. Billions of dollars are spent on highways and ring roads while too little is spent on new public transit fleets which could dramatically reduce pollution and congestion. Meanwhile, the poorest populations in developing countries continue to principally rely on walking and headloading to satisfy their access and mobility needs. By increasingly marginalizing non-motorized transportation, transport decision-makers and politicians are both discriminating against low-income people and ignoring the environmental benefits these modes can afford.

In this talk, I will focus on some of the ways in which non-governmental organizations (NGOs) can strategically work towards healthier, cleaner and more equitable transport systems. My own organization, the Institute for Transportation and Development Policy (ITDP) was established in 1985 as a US-based international non-profit organization exclusively dedicated to promoting equitable and environmentally friendly transportation policies and projects worldwide. ITDP is one of the few NGOs worldwide who have focused on advancing sustainable transportation systems in less developed countries.

Since its inception, ITDP has sponsored and implemented a variety of small demonstration projects which show the benefits of non-motorized travel. During the 1980s, much of this work was focused on sending containers of second-hand bicycles from the US to Nicaragua to be distributed by in-country partners at a time where the mobility of the Nicaraguan population was severely limited due to the oil embargo. Since then, similar projects have been carried out in Haiti, Mozambique and South Africa. Possession of a bicycle can signify a tremendous advance in economic productivity especially for rural populations. In Mozambique, the project was focused on rural women, who typically carry up to 80% of the transport burden of the household. During the last two years, ITDP has focused on making bicycling and cargo-cycles more affordable for low-income South Africans, and set up a facility to train young mechanics and manufacture and low-cost cargo-bike. In India, ITDP has worked with local partners to develop new, superior prototypes for cycle rickshaws. The negative image of human-powered vehicles exists in part because the available designs and technologies have not been modernized since WW II, and the vehicles are heavy, uncomfortable and of poor ergonomic design, thus increasing the drudgery for the operator and contributing to their image as exploitative and backward. ITDP's new cost-conscious designs are to be tested as trial fleets during the coming year.

ITDP also provides technical assistance to organizations and NGOs in developing and transition countries to help them play a meaningful role in the transport-decision making process in their own country. In rapidly motorizing Central and Eastern Europe, ITDP

has helped NGOs fight drastic cuts in rail and public transit service. In Asia, ITDP financed and organized the Second General Assembly of the Sustainable Transport Action Network for Asia and the Pacific (SUSTRAN), a coalition of Asian transport advocacy groups founded by ITDP and the UNDP Asia-Pacific Program in 1994. In December 1998, ITDP co-founded the Bicycle Transportation Coalition of South Africa with the South African Department of Transportation.

Finally, and perhaps most importantly from a global institutional perspective, ITDP works to reform the decision-making processes at the international development institutions (IFI) so that their transport sector lending or grant making activities better benefit public transit passengers, bicyclists and pedestrians. In some countries, development institutions such as the World Bank fund up to a third of national transport infrastructure investments, giving them crucial opportunities to influence the future direction of the overall transport system.

In theory, IFI only fund what the recipient government asks for. In practice, the IFIs are able to use their lending power to leverage important policy-changes. Also, IFIs like the World Bank employ the world's top specialists in the development field, and whatever policy approach is advocated by them is likely to become a model for future interventions. The World Bank still defines the status quo in development policy. In the past, this power has been used in both positive and negative ways. To take a recent World Bank example from Eastern Europe, the World Bank used their transport lending in Hungary to require serious service cuts and fare hikes as part of a rail rehabilitation package, resulting in the closing of many rural lines serving disadvantaged populations. On the other hand, the Bank also demanded that important parking control schemes be implemented as part of a Budapest public transit loan, thereby eliminating an unfair *de facto* subsidy to car users in the form of free downtown parking.

Regarding overall project appraisal at the IFIs, ITDP has long argued that the lending criteria at the World Bank are unfairly biased against rail, making it easier for road projects to receive funding. An ITDP case study on Hungary called "*Wheels out of Balance*" documenting this fact was presented to Bank staff in the fall of 1995. Despite raised awareness of the problem, the situation has not been remedied to date.

ITDP has been at the forefront of the international NGO-sector IFI reform effort since the late 1980s. In 1996, our efforts led to the passage of a new transportation policy at the World Bank called *Sustainable Transport*. This policy incorporated many of NGOs' concerns by emphasizing the environmental, poverty alleviation and gender dimensions of transportation beyond the importance of the sector to economic development. The document states that "*one of the best ways to help the poor is to improve non-motorized transport*" (p.74). Nevertheless, the document's triple definition of sustainability as having financial/economic, environmental/ecological, and social/equity dimensions still belittles the inherent conflictual nature of the sustainability concept. In 1997, the Bank also published a discussion paper on "Poverty and Transport," that admits that the links between the two are not adequately stressed and understood at the bank. However, this

internal document remains ambiguous about advocating institutional change to correct this deficit. Instead of calling to address the issue at a larger institutional scale within the organization, the paper contends itself with pointing to task managers as individually choosing to address transport-related aspects of poverty on a project to project basis.

In reference to improving the sustainable transport record of other UN institutions, ITDP and the International Union for Public Transport (UITP) headed the UN NGO Sustainable Transport Caucus at the Habitat II conference, ensuring the insertion of crucial language into the “Strategies for Implementation” section of the Habitat II Global Plan of Action, recognizing that “*non-motorized transport is a major mode of mobility, particularly for low-income, vulnerable, and disadvantaged groups*” and that “*one structural measure to counteract the socioeconomic marginalization of these groups is to foster their mobility by promoting these affordable, efficient and energy saving modes of transport.*” In 1997, ITDP Executive Director, Dr. Walter Hook was asked to write UNDP’s new policy paper on transport, which is scheduled to be released in early 2000. Recently under new leadership, there is now a strategic opportunity to refocus UNDP technical assistance in the transport sector to bring it closer to UNDP’s reformulated core missions of poverty alleviation, good governance, environmental sustainability, job creation and women’s empowerment. In the past, a majority of UNDP technical assistance in the sector went to civil aviation projects, which seems hardly concurrent with these missions.

An important new environmental joint-initiative of the World Bank, UNDP and UNEP is the Global Environmental Facility (GEF) grant program, which provides \$40 millions dollars a year in resources to primarily small to medium-size demonstration projects that show emission reduction benefits. Operational Directives (OD) were to determine which kinds of project would be eligible in the various sectors, including transportation. In 1997, a first draft of the Transport Sector OD presented guidelines that ruled out all projects except those promoting the use of hydrogen fuel cell battery technologies. While perhaps hopeful for many developed country contexts, there are certainly serious problems with applying this technology in developing countries regarding refueling, maintenance, spare parts as well as it being too costly for commercial use. An exclusive focus on this technology thus seemed inappropriate, and in fact was contrary to the GEF’s own advisory board recommendation. In early 1998, ITDP and UITP, in their function as co-chairs of the UN NGO Transport Caucus, therefore submitted a letter and organized a meeting between the GEF council and concerned NGOs in Washington. The most recent transport OP draft now emphasizes the initial promotion of 6 different topic areas, of which the first one is non-motorized transport, and the second modal shifts to more efficient modes.

While NGOs and their institutional allies have thus increasingly assured that the overarching objective of environmentally sensitive and socially equitable transportation development truly forms part of international official policies, and of lending and grant making objectives of international institutions and conventions, much remains to be done to improve the actual reality of the transport sector projects conceived and financed. The IBRD arm of the World Bank Group did hire a non-motorized transport specialist and

started a major non-motorized transport pilot project in Lima, Peru. Contrasting some of these recent laudable efforts at the IBRD, however, the IFC, the World Bank's private sector funding arm has recently been the cause of increasing concern for environmental NGOs.

In reaction to an overall move towards more private-sector involvement in the transport sector, an increasing number of privately financed toll roads have received IFC funding in the last several years. This is quite problematic from an environmental perspective, since IFC project approval has traditionally been subject to weaker environmental due diligence than even IBRD projects. Beyond these environmental ramifications there are also other crucial accountability and transparency issues connected with this, since private sector concession contracts are not subject to public scrutiny in many countries.

A most dramatic illustration of these NGO fears is the environmentally disastrous Corredor Sur project in Panama. Built on a causeway only forty meters from the Panama Coastline, the road is creating a large cesspool of trapped sewage and contaminated runoff right in front of several coastal communities. The project was only found financially viable because of cross-subsidies from a speculative real estate venture called Punta Pacifica, to be built on a land fill in the Bay of Panama. No environmental impact assessment (EIA) was even done on this venture. After major demonstrations in Panama City, a formal protest by over 20 major environmental organizations, and several NGO meetings with World Bank Executive Directors, the IFC suspended further disbursement of the loan in 1998, pending a re-evaluation of the EIA on Punta Pacifica. The EIA has since been done, and the IFC now maintains that "conditions required by the Corporation for its participation in the Corredor Sur Project have now been met," despite strong arguments provided by the Panama-based Foundation for the Development of Civil Liberties that the EIA was incomplete, and that there were numerous technical objections, only limited public participation/consultation, and no analysis of social and economic impacts on the surrounding communities was done. This is thus one example where limited financial viability of a development project was obviously judged to be more important than a full-scale assessment of its larger sustainability implications.<sup>1</sup>

In conclusion, NGOs thus continue to play an important role in holding IFIs and other development agencies accountable for their sustainability rhetoric, often forcing concrete changes in lending approaches to better benefit the environment and disadvantaged populations. Yet little can be achieved in the long term without an increasing commitment on the part of these large and powerful institutions. Much has changed for the better in the last decade, but much more remains to be done in the future.

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<sup>1</sup> As of summer 1999, the Corredor Sur struggle in the Panama Bay continues. For additional information and updates on the project, contact Felix Wing Solis at the Fundacion para el Desarrollo de La Libertad Ciudadana at libertad@pty.com