



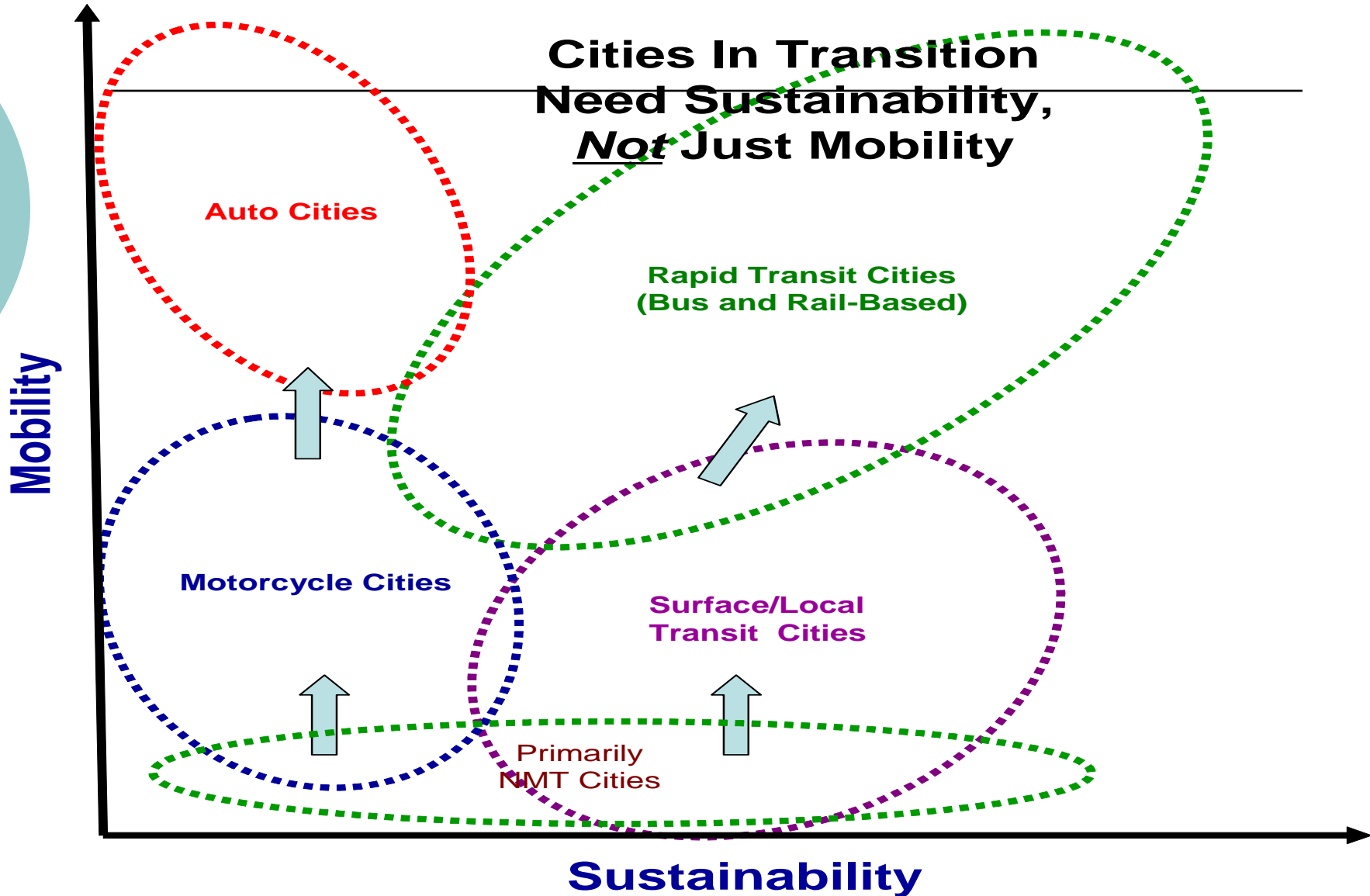
Sustainable Transport Environment Program (STEP) Using GEF Grant Financing

Presentation GEF STEP Proposal
December 2006

Why is this important?

- **Efficient Transport and Good Air Quality** are important for economic growth and quality of life
- Air quality Impact - 1.6 to 3% of GDP
- Traffic **congestion** is impacting **productivity**
- Both, erode **competitiveness** of cities
- **Cleaner transport** options demonstrated in other regions (e.g. LAC) under consideration, e.g. BRT
- **Mega Projects** aims to invest in urban transport
- Attractive sources of financing are being explored
- **Global Environment Facility (GEF)** provides **grants** for urban transport activities for local and global benefits to complement and leverage loans – China, Vietnam and Philippines have availed grants

Sustainability and not just mobility





STEP objectives

- Foster a common understanding of sustainable urban transport (SUT) & sustainable development
- Create a network of East Asian cities to share relevant experiences
- Create an environment of friendly competition for demonstration of SUT initiatives
- Set up a world-class institute on sustainable urban transport based in the region
- Reduce greenhouse gas (GHG) emissions and improve local air and over-all environmental quality by catalyzing sustainable urban transport development strategies and investments



Why a regional approach?

- Economies of scale - cities have similar problems and lessons to impart
- Promotion of critical mass and enduring interest for sustainable urban transport and environment
- Increased opportunities for a wider range of cities to be exposed to sustainable urban transport
- Enhanced coordination across the region
- Opportunity to create a permanent world-class institute based in the region to promote sustainable urban transport



STEP - technical assistance for adoption and subsequent implementation of

1. SUT and environmental policies and programs
2. Sound land-use planning at all levels consistent with a sustainable environment
3. Improved air quality for public health improvement

What is Proposed STEP?

Moving to a “holistic programmatic” approach involving multiple cities in East Asia*

- Sustainable Transport Environment Program (STEP) is a 4-year 2-component US\$ 6 million
- **Component 1: Policy And Institutional Program Support** to East Asia wide (excluding China) – national policy, capacity building, and TA
- **Component 2: Demonstrations and Pilots** – four pilots in priority cities to demonstrate and support full scale sustainable transport projects

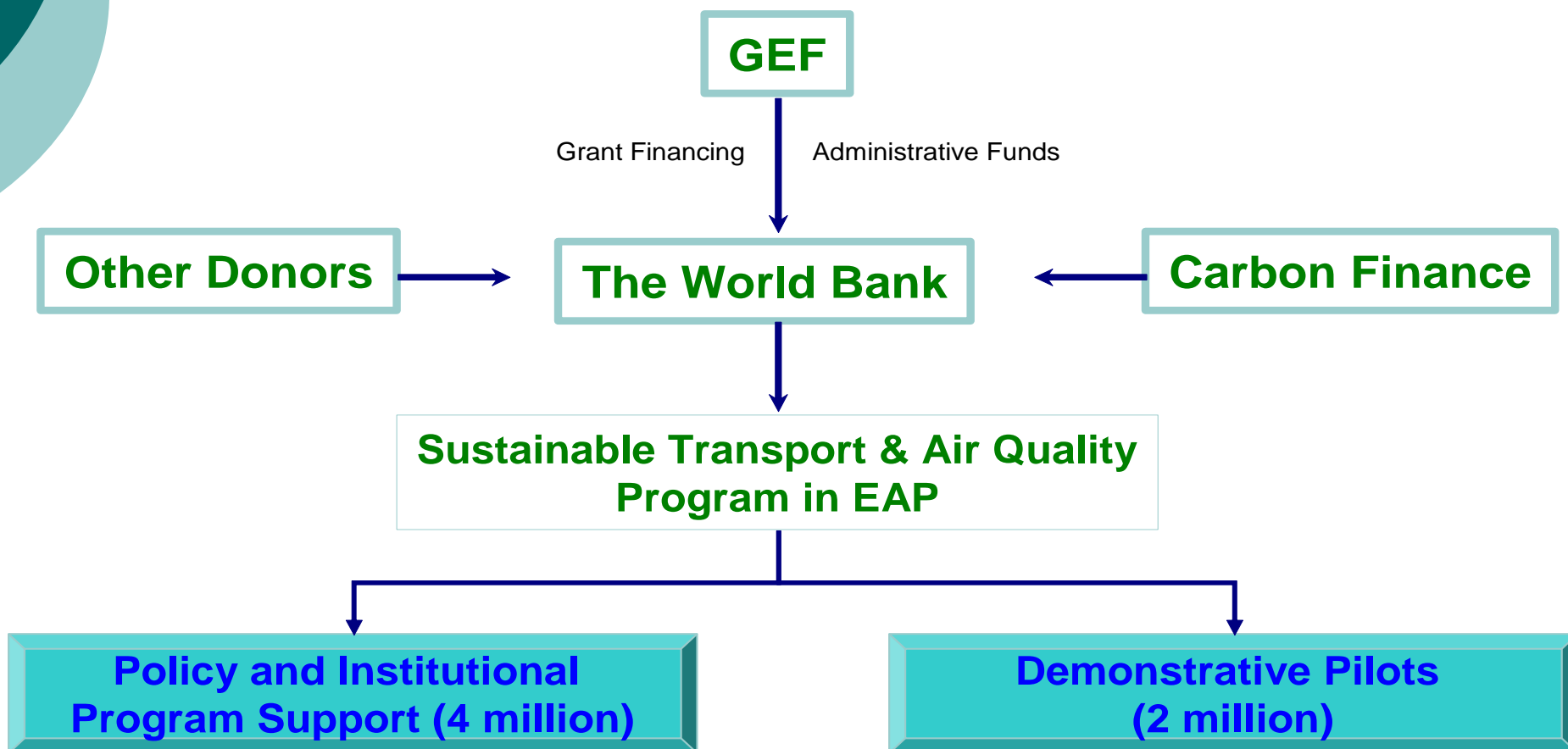
* Excluding China, which is covered under a separate national GEF program



Why should cities be interested?

- World Bank & partners offer following advantages:
 - Substantial base of scientific knowledge, tools and capacity
 - Extensive past and current experience in all relevant sectors including extensive practical experience of implementation – a major challenge
 - Convenor power
- If a city is not proposing a pilot activity, involvement in STEP will not prejudice potential GEF funding.

STEP Program Description and Coordination





Program Outcomes Expected

- Recognition of linkages among global and local pollution and urban transport
- Selected EAP Countries with well-developed sustainable transport strategies, enabling policies and appropriate capabilities
- Demonstration pilots value to promote sustainable transport in other cities

Component 1

Activity	Inputs	Outputs
<p>Policies and Institutional Program Support</p>	<ul style="list-style-type: none"> ○ Regional, national, and city-level policy/strategy reviews and dialogue ○ National/sub-national structured stakeholder consultations ○ Strategic Action Plan development 	<ul style="list-style-type: none"> ○ Assessments of transport and development patterns in terms of sustainability (status, barriers, trends, opportunities, risks) ○ Assessment of air quality policies (role of transport, trends, opportunities, risks) ○ Potential cities for consideration for future activities ○ Strategic Action Plans
	<ul style="list-style-type: none"> ○ Knowledge base and institutional capacity building in planning and analysis- Targeted training and Formal networking, awareness enhancement , dissemination and outreach ○ Technical assistance in developing sustainable land use and transport management and investment plans 	<ul style="list-style-type: none"> ○ Improved information base, analytical capacity ○ Trained staff ○ More informed stakeholders ○ Set of potential sustainable transport investment opportunities for Component 2

Component 2

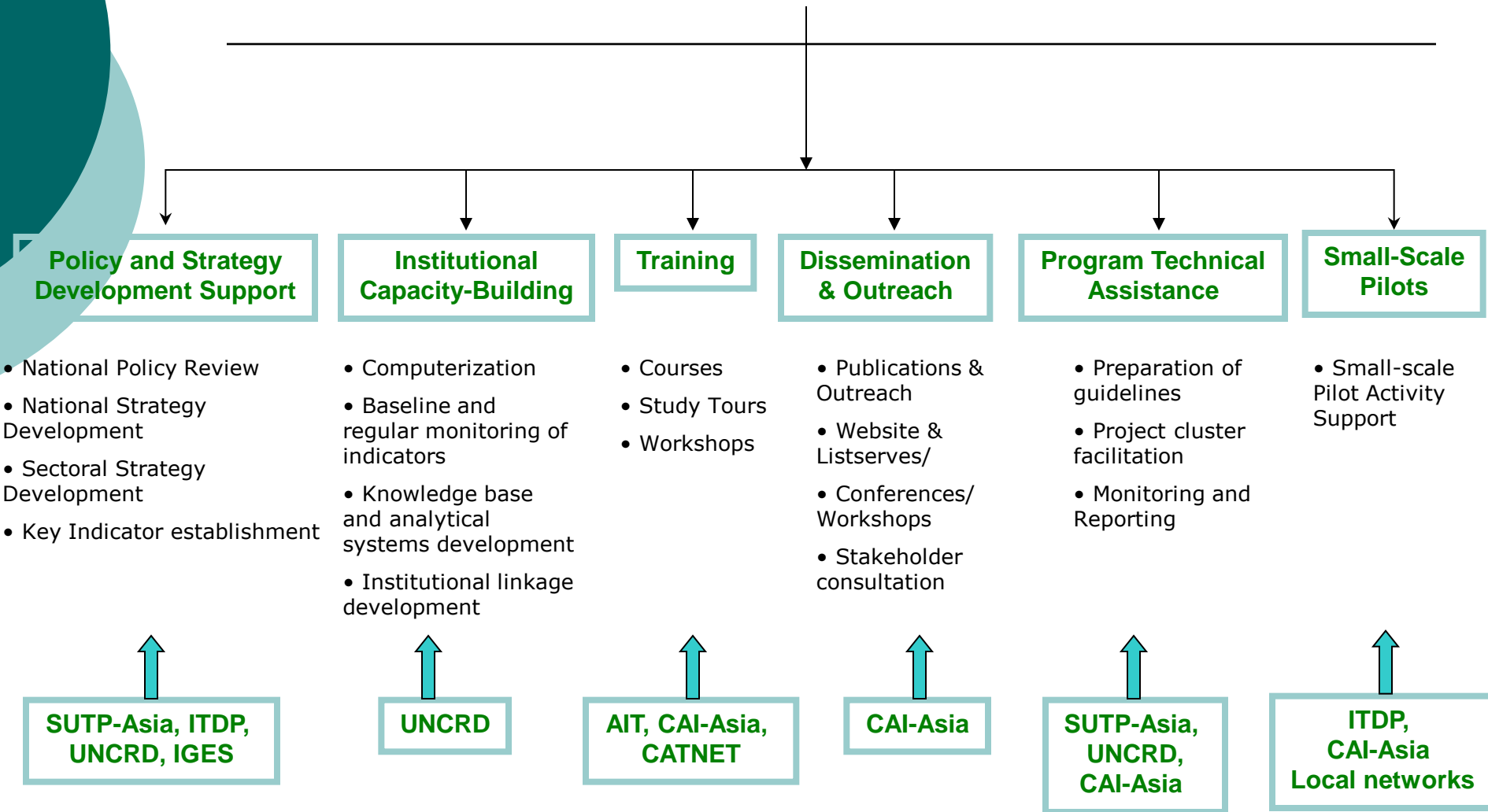
Activity	Inputs	Outputs
Pilot Investments	<ul style="list-style-type: none">○ Technical assistance in project identification and preparation○ Financing○ Ongoing monitoring (before/after studies), evaluation, documentation and outreach	<ul style="list-style-type: none">• Fully-implemented pilots• Demonstration of pilot concepts based on OP11 priorities• Catalyze diffusion of pilot concepts○ Lessons for full-scale investment related surveys, alternatives analyses and other preparation studies; stakeholder communication processes, consultations



Draft criteria

- Mid-size and smaller cities where there is:
 - Potential for both GHG and local pollutant (especially fine particulates) emission reduction
 - Commitment to sustainable transport reform
 - Potential for making a difference with modest investments and technical assistance
 - Basic urban transport planning that is not set in concrete
 - Bank, other donor or government investments/TA on sustainable transport and/or air quality
 - Political, institutional, and financial commitment to improve urban transport/air quality

DRAFT STEP organizational arrangement



List of Potential Partners (but not limited to) to be appraised for each of the activities



Advantages of Proposed Structure

- Integration of Environment and Transport sector priorities and program
- GEF China UT program and LAC regional structure used as model - Allows EAP to engage with clients in a dialogue and potential 'scale up' UT business
- Increased collaboration among many regional KM initiatives (e.g. UNCRD, SUTP-Asia, CAI Asia, GTZ, ITDP, IGES, etc.)
- Promote local and regional stakeholder interaction and input to formulation of national and city level strategies



Appraisal steps

- **Task 1:** Establishment of institutional arrangements
- **Task 2:** Preparation of a package of regional, national, & sustainable urban transport guidance materials
- **Task 3:** Establishment of a city-level diagnostic tool
- **Task 4:** Marketing of STEP
- **Task 5:** Definition of Sustainable Urban Transport Institute located within the region
- **Task 6:** Implementation role of other partners
- **Task 7:** Quantification of the global environmental benefits and co-benefits of STEP

STEP – What's Next?

1. Pipeline entry obtained January 2006
2. PAD preparation commences October 2006
3. Presentation to cities eg BAQ December 13-15, 2006 on how they can get involved
4. Cities to express their interest with initial proposals to STEP by say end Jan 2007
5. Follow-up visits with selected cities – Feb 2007
6. Finalize city proposals, financing & implementation arrangements
7. National Endorsement letter from selected cities
8. World Bank and Partners to prepare the full documentation for March 2007 Work Program Entry

Processing Timetable

Timetable	Date
Management Approval to Proceed	September 2005
Submission of PDF-B proposal and pipeline entry	Oct 2005
Start of PDF-B implementation /PAD preparation	October 2006
GEF STAP Expert Review	February 2007
GEF Work Program Entry	March 2007
Draft PAD Review	June 2007
GEF CEO Endorsement	June 2007
Appraisal and Negotiation	September 2007
Bank Board Approval	October 2007
Project Effectiveness	November 2007