

Management Comments on the Transport Operations Policy Special Study (PE09-470S)

1. General Comment

Management considers generally that the recommendations are reasonable and in most cases are already being implemented. The conclusion of the Study that transition impact has performed below the Bank average, needs to be interpreted with care given the small population of projects to which it applies and the fact that many of the “marginal” rated transactions were carried out in the 1992 and 1997 TOPs.

In addition, Management has comments on Recommendation 3 as outlined below.

2. Management Comments

Recommendation 3: Prioritisation of environmentally-friendly traffic modes and technology

Management agrees with the finding that the new Transport Operations Policy should address the ways in which the Bank can further encourage sustainable transport in the region. Management recognises that this requires a multi-modal approach that will include both public and private sector solutions. The relevant EU standards used by EBRD for transport projects are set out in the European Principles on the Environment (EPE) handbook (section 2.8.3) and in the relevant Performance Requirements (for the EPE handbook see <http://www.ebrd.com/pages/about/principles/sustainability/resources/environment.shtml>).

Many of Transport’s investments include technology components that increase the energy efficiency gains already associated with basic modernisation efforts. One example is the inclusion of regenerative braking technology for rail locomotives, such as in the Montenegro intercity rail project. Examples are also found in the maritime sector, such as under the Volga Balt Transport Holding project, where fleet renewal improves fuel efficiency and reduces air emissions with new vessels being around 20 per cent more efficient. This results in carbon savings exceeding 2 gCO₂/ton km.

With regard to the recommendation that the Bank engage more into the investment in the production of less polluting private vehicles, including electrical cars, this is a proposal that goes beyond the current remit of the Transport Team. The Bank as a whole has been very active in the automotive sector with cumulative investments now at around €460 million in 15 projects, supporting manufacturers complying with EU pollution standards.