Financing Cleantech Investments in Transport

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GHG Reduction Projects: Public Transport

BRT TransMilenio, Colombia

Metro Delhi, India

Cable Car, Medellin, Colombia

TOD Nanchang, China

GHG Reduction Projects: Fuels, Vehicles, Modes, Infrastructure

Biofuel production Paraguay

Electric vehicles India

Bridge Mumbai, India

Freight road to ship Colombia

Carbon Finance Helps

- Carbon finance can be critical:
  - 10-100% of total investment
  - Can make operations profitable or non-deficitarian

however

- Access to carbon finance is complicated (methodologies, UNFCCC procedures)

and

- Transport projects have high implementation risks

Its not about Technologies or Fuels… but Systems and Modes

- Old diesel bus: 20 grCO_2/PKM – new hybrid passenger car: 100 grCO_2/PKM
- Fuel cell car with average electricity grid is worse than fossil fuel powered vehicle
- Life-cycle biofuel emissions including land-use change can be (much) worse than fossil fuel

Do We Need Financing for Climate: No

- Inclusion of price of CO_2 and working carbon offset market would be enough

But currently this has still major problems

- Uncertainty: what happens after 2012? Extreme price discounting
- Terms: Long-term price security and market security CO_2 required – currently 5 year time-frames
- Insecurity: UNFCCC changes rules continuously and plays against and not with the markets
- Pre-finance: Due to insecurities pre-finance is only partially available and at very high discounts

Rather fix the carbon market than make continuously new instruments

Climate Friendly Transport

- Does transport need to be completely climate friendly?
  - Overall GHG emissions are important – perhaps in some sectors it is easier to reduce than in others…
- Get prices and markets right
  - UNFCCC and international bodies are great for rules ….much less for managing markets

Further Information

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