



COP27
SHARM EL-SHEIKH
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ROAD SECTOR FOR COP27

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As climate impacts already heavily communities around the world, we, leading organisations in the road industry, have come today together to share our experience and views and restate our firm commitment to support the achievement of the Paris Agreement goal of limiting global warming to 1.5 degrees Celsius compared to pre-industrial levels and achieve net-zero emissions globally by 2050. In line with Abdel Fattah El-Sisi, President of Egypt, we are firmly convinced that “(...) COP27 is an opportunity to showcase unity against an existential threat that we can only overcome through concerted action and effective implementation”.

We believe that NOW is the time to: **act with pragmatism, ensure a just transition and embrace innovation.**

1. Act with Pragmatism

- Growth, economic development and transport are inextricably linked. Just as development increases the demand for transport, the availability of transport stimulates economic development by enabling trade and economic specialisation. Growth, poverty reduction, and a better quality of life cannot be realised without access to schools, hospitals, other amenities, jobs, and markets. **Transport, thus, is the backbone of actions aimed at achieving the Sustainable Development Goals (SDGs).**
- Roads move people and goods, over short and long distances, with light and heavy loads, in urban and rural areas. Almost every journey for people or goods involves interaction with roads and some element of road transport. **We need to decarbonise without compromising the services we provide and without undermining a network that serves all other transport modes,** including active mobility and public transport.
- The **challenge – and the opportunity** – is to reconcile the growing mobility needs of developed and developing economies, with the imperative for climate action and improved resilience.
- **Hard infrastructure** (such as missing links, network upgrades, underground transport and border crossings) and **soft measures** (such as regulations, ICTs, standards, and the exchange of information) **are needed in order to ensure sustainable and efficient carbon-free multi-modal journeys** that can serve a global population set to increase to 9.7 billion people in 2050 and a freight transport demand that will more than double by 2050.
- The successful deployment of efficiency standards, zero-emission vehicle mandates, emissions standards, electric mobility and renewable fuel standards and fuel suppliers will be critical, but staged alone, they will not be sufficient to meet the challenge. **To meet the target by 2050, we need to embrace system thinking and a life-cycle approach** that spans from system planning to engineering and design passing through operations and maintenance, contingency programming, institutional capacity and identifying new financing mechanisms.

- Traditional **funding and financing instruments** have not been designed to address the high-risk and uncertain investments required to decarbonise the transport sector. **This will require creative financial approaches**, different instruments and sources, and appropriate risk mitigation strategies to overcome a lack of economic viability in the short to medium term.
- We cannot do this alone. **Overcoming this challenge will require a much higher level of concerted action** between public and private sector than what we have seen so far. Siloed approaches could hamper rather than support the development of a mobility that is inclusive & sustainable for all. We need to build true partnerships to deliver on these critical issues.
- Our sector is taking a holistic approach towards mobility and investing considerable time and resources on innovation and technology when and where these can provide the solution. Coupled with political will and citizens' awareness, we can all work towards turning challenges into opportunities for a more sustainable future. **Intelligence in our mobility services and infrastructure** and better funding of research and deployment of solutions that respect the climate targets are a priority for all our organisations.

2. Ensure a Just Transition

- Building climate resilient, low-carbon infrastructure and transport often carries higher upfront costs, but using a lower-cost, **climate-blind development approach would likely spell disaster for many regions and cities around the world, especially in low- and middle-income countries**, many of which are acutely exposed to climate change hazards.
- All countries have different transport and energy landscapes, with widely different challenges. Those **regional and local specificities need to be taken into consideration** when drafting pathways for transport decarbonisation.
- **Local context does matter.** For example, in areas where access remains a challenge and infrastructure is insufficient, the emphasis may be on expanding and upgrading transport networks, both within and between countries, with roads still figuring prominently, and being complemented by rail for high-volume routes.
- Growing urbanisation calls also for **investments on new urban mobility frameworks** that allow better use of the infrastructure, via - for example - managed lanes to access the cities, dedicated lanes for mass transport, and the development of multimodal mobility hubs that can meet the needs of people living in urban and peri-urban areas.
- Over the last few years, a **growing green divide** has emerged whereby solutions to decarbonise transport are being developed by the Global North, without taking into account the specificity/adequacy of those solutions for countries in the Global South. If the narratives of the 'north' are just replicated in the 'south', they may not effectively translate to the different challenges faced by LMICs.

- To this effect, it should be made clear that **E-mobility is more than just electric cars**. It is just one of the solutions available. Policy must combine electrification of the existing fleet with greening of the grid, promotion of collective passenger transport (including underground transport), and broad implementation of low and zero carbon fuels. Furthermore, it must be coupled with the financial support needed for upgrading road and transport infrastructure networks that the upscale of those alternative fuels and energy sources require.
- Going forward, we will require an **adequate energy and technology mix**, as well as **differentiated strategies** that are flexible and equitable but also backed up by **agile financing mechanisms** that can support the transition towards more resilient and sustainable transport.
- Natural disasters cause about US\$15 billion annually in direct damage to transportation infrastructure. That damage results in death and impoverishment. Hence, **measures to protect transport infrastructure and services are urgent**. Much of this action involves adapting existing transport infrastructure to the threats posed by climate change, and building resilient new infrastructure. **Repurposing and rehabilitation of roads should be central in any recovery, growth or climate transition strategy**. They serve both the decarbonisation and road safety agendas.
- **Climate change adaptation makes evident and urgent the need for clear value management** (prioritise protection and spending). This calls for the development of network-level thinking to better understand which infrastructure is critical and vulnerable at the network level. The setting of priorities should be based on the integration of cost-benefit analysis approaches into decision-making processes, and life-cycle costing principles should be used in developing the costs and benefits of adaptation measures.
- **Infrastructure adaptation projects ought to be considered as an integral part of multilateral climate finance schemes**, designed by States and multilateral development banks. The eligibility of these projects to such financial mechanisms should be enhanced.

3. Embrace Innovation

- We believe that **data and data-driven technologies and processes** are the foundation of good decision-making. The arrival of new digital technologies is enabling efficiency improvements in existing transport systems, as well as making them more user-friendly and sustainable.
- Understanding the **financial, institutional, and regulatory incentives that allow technology to do its part** is essential, at the national, regional and international level, and should be supported by enhanced and regular exchange of information and cooperation.

- Optimising road networks and transport through the **roll-out of digital tools and processes** will drastically reduce delivery time, costs, emissions and use of resources. To fast-track the transition, the uptake of innovative technologies for adaptive infrastructure and transport services should be supported via policy, regulatory frameworks and incentives.
- With **data and technology, services and pricing** can become dynamic and adjust as they respond to demand. Moreover, data and technology help inform investments decisions, infrastructure design & construction, predictive maintenance, operations, and a range of other activities.
- **Digitalisation applied to road infrastructure** enables, for example, to assess sustainable and cost-efficient solutions for road construction from the early stage of design. Such assessment allows reducing the climate impact of a road by up to 50%, and the use of primary materials by up to 80%.
- Equally, the **implementation of the TIR system** dramatically improves transit connectivity, facilitating cross-border trade and supports emissions' cuts by avoiding trucks getting stuck at the borders for long periods of time.
- Data and new technologies are crucial, but they are not enough. **Developing the institutional capacity** to plan and deliver change requires embracing innovation also at the level of systems, processes, and people. Fragmented jurisdictions, inadequate standards, lengthy bureaucratic procedures coupled with unskilled personnel hamper efficient and rapid implementation of new solutions. As shown during the pandemic, new levels of agility and pragmatic approaches are possible, and should be pursued.
- We can adequately respond to challenges only if we have skilled personnel. Investments should also support the **development of workforce skills** at all levels. Transition to a more efficient, safe, climate-resilient, low carbon road transport sector requires investments to upskill the workforce.

The industry is committed and ready to do its part, but we cannot do it alone. We call on all parties to join us in taking action and create together a conducive environment for the road sector to deliver on the Paris Agreement.



International Road Federation
Fédération Routière Internationale
Federación Internacional de Carreteras





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