

Bus Rapid Transit - Eligibility & Guidance Document

CLIMATE BOND ELIGIBILITY & GUIDANCE DOCUMENT – BUS RAPID TRANSIT | VERSION 0.9

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Forward

The **Climate Bonds Initiative** (“CBI” or “the Initiative”) is an investor-focused not-for-profit organisation, promoting large-scale investments that will deliver a global low-carbon economy. The Initiative seeks to develop mechanisms to better align the interests of investors, industry and government so as to catalyse investments at a speed and scale sufficient to avoid dangerous climate change.

A key component of the Initiative is the **Climate Bond Standard & Certification Scheme** (“**Certification Scheme**”). The Certification Scheme allows investors, governments and other stakeholders to prioritise ‘low carbon’ investments with confidence that the funds are being used to deliver a low-carbon economy. A Scientific Framework underpins the definitions of which projects and assets are consistent with a low-carbon economy and therefore eligible for inclusion in a Certified Climate Bond.

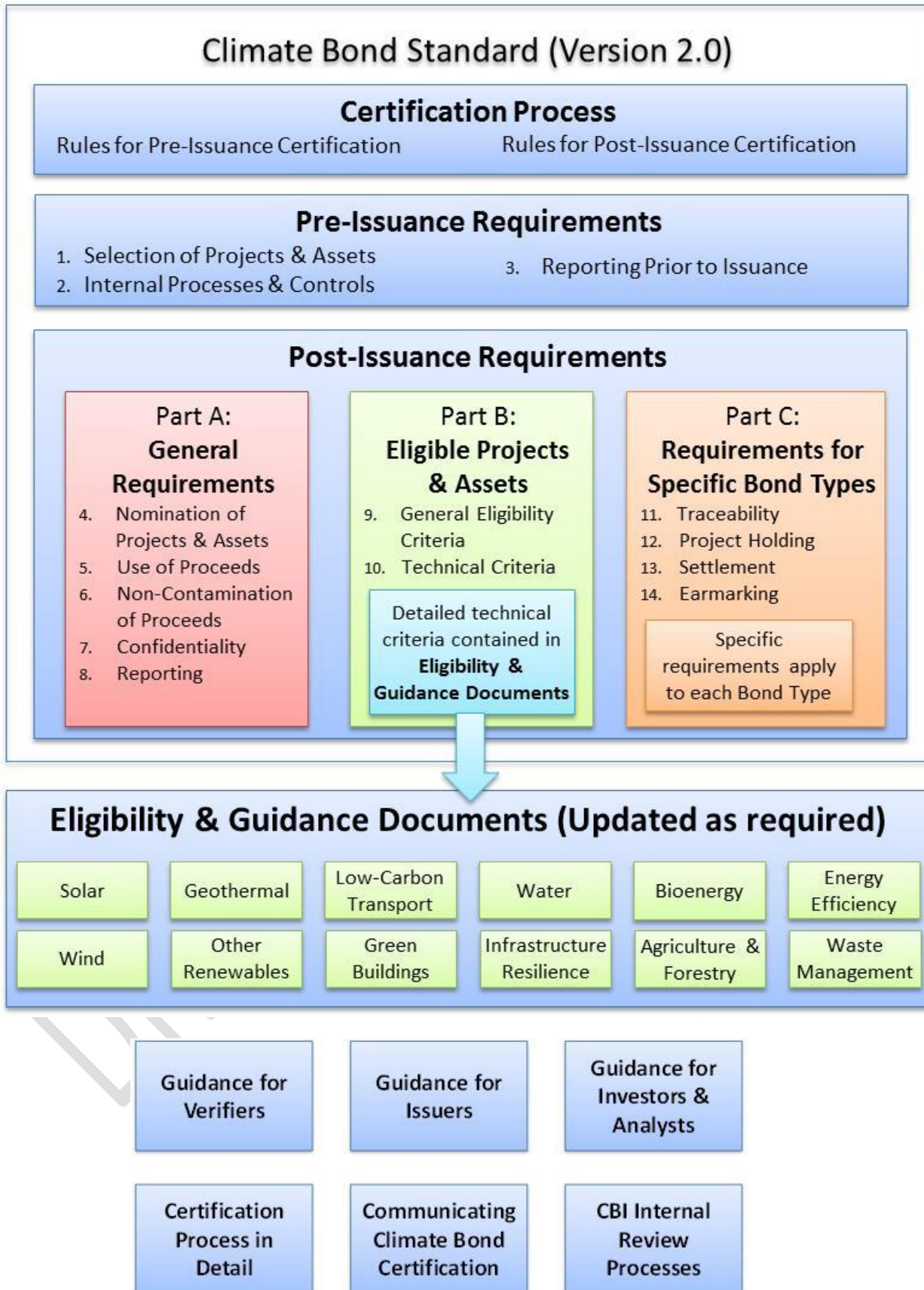
The Certification Scheme includes robust frameworks for monitoring, reporting and verification of conformance with the Climate Bond Standard. An international **Climate Bond Standards Board** comprised of large institutional investors and leading environmental NGOs provides ongoing oversight of the Certification Scheme as well as decisions on Certifications. Day-to-day operations and decision making is delegated to the **Climate Bond Standards Secretariat**.

The Climate Bond Standard is not a financial standard —the obligation to perform financial due-diligence remains with investors, just as it does for other investments.

The **Climate Bond Certified Mark** (“**Certification Mark**”) is registered in multiple countries and is used to designate Certified Climate Bonds.



Figure 1: Suite of documents making up the Climate Bond Standard



Scope

This document consists of the technical eligibility criteria for Bus Rapid Transit projects & assets which are referred to in the Climate Bond Standard Part B: Eligible Projects & Assets. The full suite of documents for the Climate Bond Standard is illustrated in Figure 1.

This document also consists of guidance information for issuers looking to develop a Climate Bond to fund Bus Rapid Transit projects & asset and a verifier seeking to assure a Climate Bond against the Climate Bond Standard.

The purpose of this guidance information is to assist the issuer in understanding the application of the technical eligibility criteria in achieving Climate Bond Certification and assisting the verifier in identifying relevant risks and assurance procedures.

Technical Criteria – Bus Rapid Transit

1. Eligible activities

- 1.1. Eligible Project & Assets relating to Bus Rapid Transit (BRT) Systems shall be projects & assets that have a Bronze, Silver or Gold score under the *BRT Standard* as developed by the Institute of Transportation and Development Policy

Guidance for Issuers

High quality BRT has been shown to be associated with the improvement of bus travel speeds and reliability and the smoothing of traffic flows, leading to greater mode shifting and reduced greenhouse gas (GHG) emissions. Lower quality bus improvements that provide only Basic BRT or less tend to result in lower bus speeds, reduced reliability of service, less mode shifting, and minimal GHG emission reduction compared with business as usual.

The 2014 *BRT Standard*, available from the ITDP website (www.itdp.org/the-brt-standard/), has been developed as a simple system for appraising the design quality and operational functionality of BRT systems, and is a good surrogate for GHG benefits of BRT.

The *Bus Rapid Transit (BRT) Standard* was developed by the Institute for Transportation and Development Policy in 2010 to establish a common definition of BRT, which was needed in response to modest improvements to bus service being inaccurately labeled as BRT. This trend degraded the definition of BRT, particularly as a rapid service. The BRT Standard was also designed to provide a means of recognizing the best BRT systems (Gold, Silver, and Bronze)—those featuring designs that combine efficiency and sustainability with passenger comfort and convenience. By scoring the level of quality, it is easier to predict a system's ability to attract new riders and reduce bus delays, results which directly affect a system's impact on greenhouse gas emissions.

The *BRT Standard* was developed by a committee composed of the world's leading BRT experts. The Standard was designed to evaluate systems based on multiple design elements. These elements are generally easily recognizable and simple to score without a massive data collection process. This evaluation method celebrates high-quality BRTs but is not intended to denigrate lighter BRT improvements, or even improvements to conventional bus systems, that may also yield important benefits to customers.

Guidance for Verifiers

[To be developed during Road-Testing & Consultation phase]

Development and Review

[To be developed during Road-Testing & Consultation phase]



Climate
Bond
Certified

<http://standards.climatebonds.net>