



DIRECTING INVESTMENT IN THE ENVIRONMENTALLY SUSTAINABLE LAND TRANSPORT SECTOR

Green Growth and Sustainable
Development Forum

OECD, 5 - 6 December 2013

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Private investment for Green Growth

- Requires clear, predictable and appropriate policy frameworks
 - Appropriate = fit for purpose = conducive to transition to sustainable transport
- re-orientation needed?

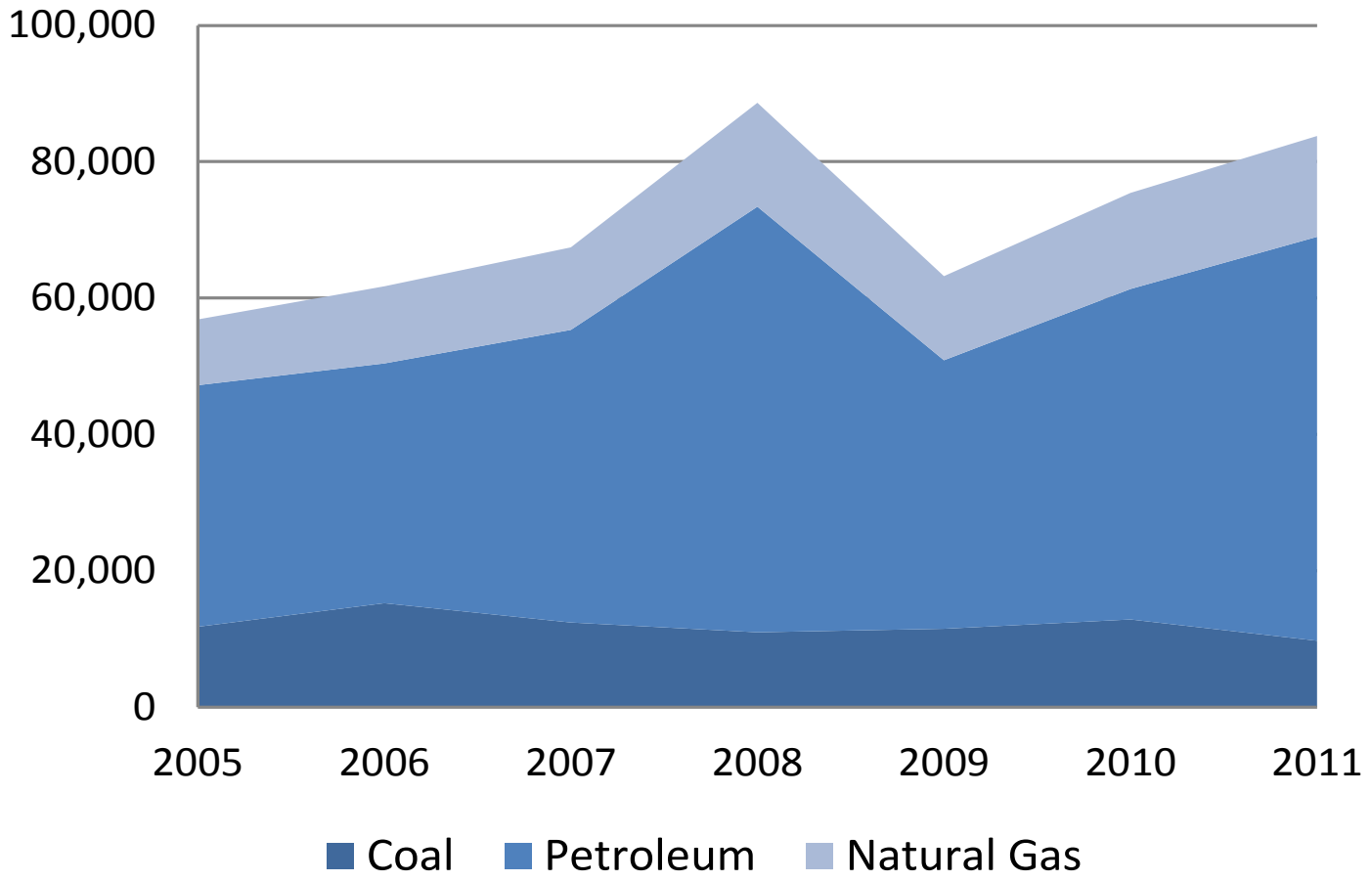


Energy prices, transport prices

- Fossil fuel support remains.
- Energy taxes not designed for green growth.
- Transport taxes poorly aligned with external costs.
- Abatement sometimes very costly.



FFS – support to fossil fuels in OECD countries by year and type of fuel (millions of current USD)

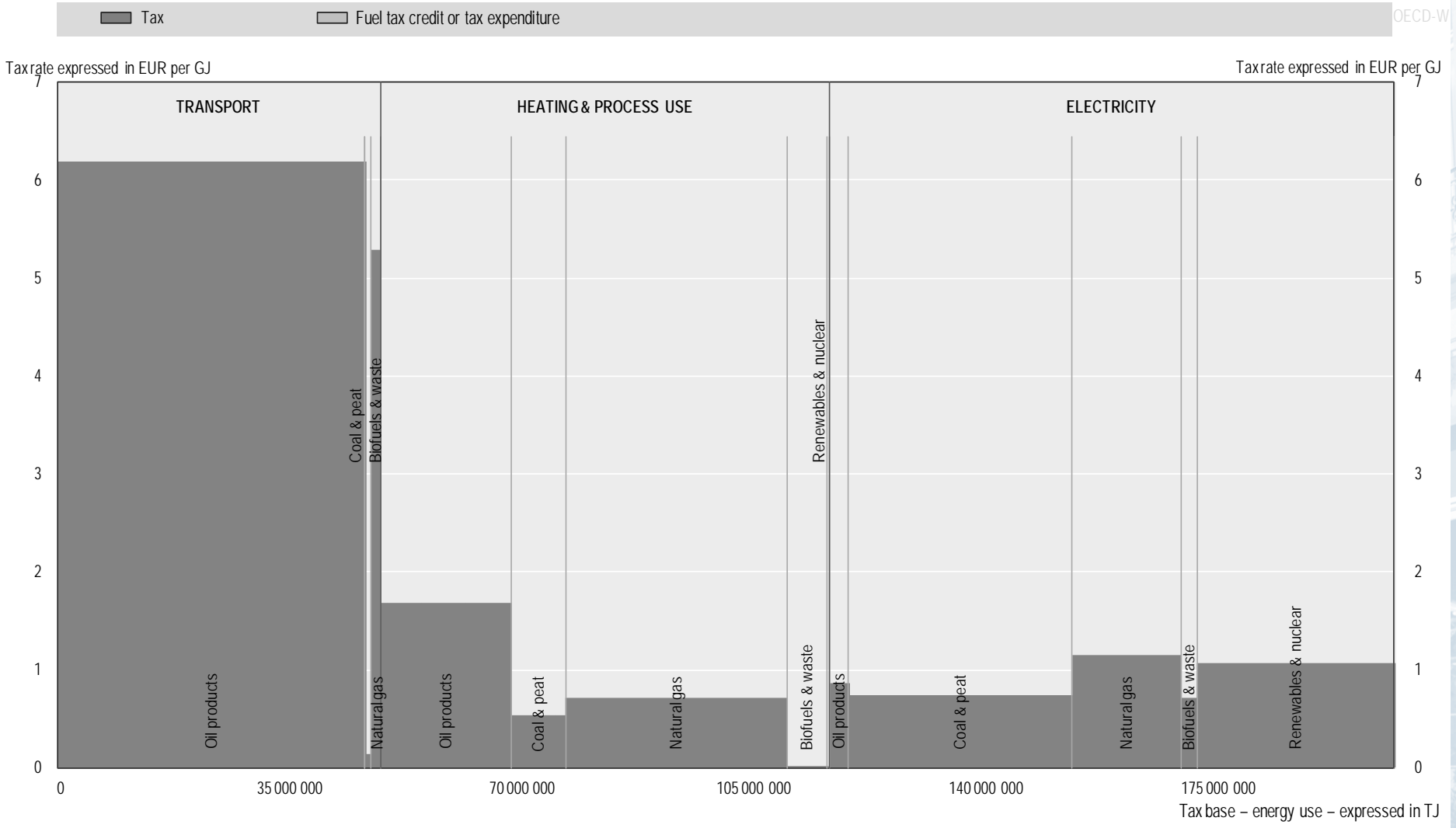


The chart is based on an arithmetic sum of the individual support measures identified for all 34 OECD member countries. It includes the value of tax relief measured under each jurisdiction's benchmark tax treatment. The estimates do not take into account interactions that may occur if multiple measures were to be removed at the same time.



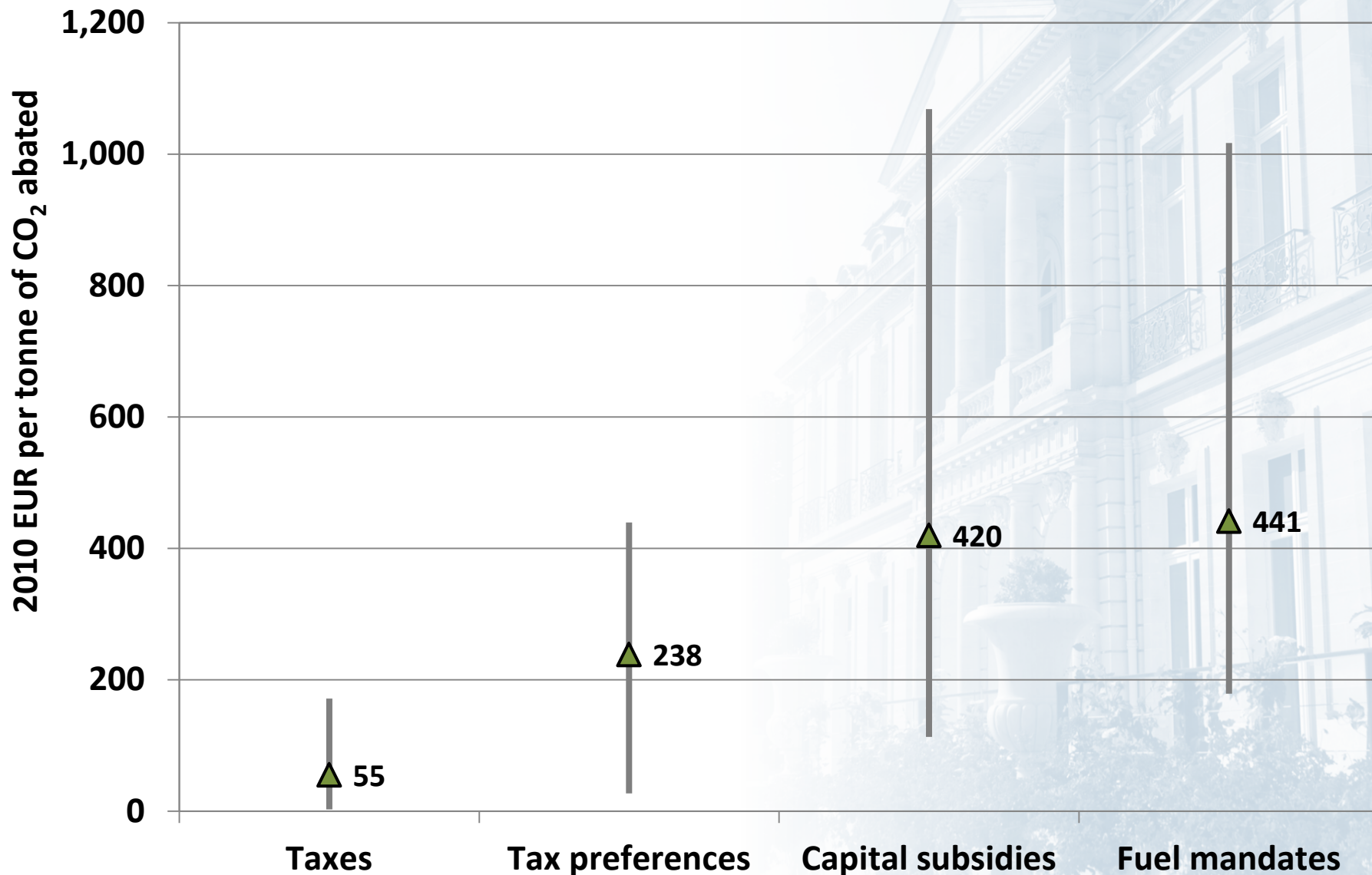
Taxing Energy Use – OECD average, by sector, per unit of energy

OECD-W





Abatement costs per tonne of CO₂ in the transport sector by type of measure





Land-use and infrastructure

- **Land-use and infrastructure policies broadly supportive of car-oriented mobility development.**
 - **Brownstone & Golob, 2005: 40% increase of residential density of CA city would reduce driving by 4.7% and fuel use by 5.5% (as fuel economy increases with density).**
 - Avoid rapid decline of density, consider polycentricity, consider interactions between cities.



Towards sustainable mobility

- **Public transport – clarity of objectives to allow effective business models.**
- **Appraisal – long run and strategic instead of ‘near’ term narrow transport perspective; include land-use.**
- **Financing and funding in line with asset life-cycles to ensure stability and save costs. User charges, PPPs.**



Concluding remarks

- Policy context more encouraging or accommodating of *status-quo* than geared towards sustainable transport.
- No use tacking on green measures – instead overhaul of policy framework.
- Principles understood – way out of *status-quo* not so much.
- Private funding can be part of a solution.



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