Sustainable land-use and transportation planning:
Challenges is policy coherence

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Vivi Niemenmaa NAO Finland

Audit on urban sprawl (2010)

- Compact urban structure is a strategic objective, but hard to put in practice as many policy sectors affect
  - Transport policy and planning in a key role
  - Policies not in coherence
    - Insufficient co-operation between land-use and transportation planning
    - There are fiscal tools that favour the use of private cars and lead to sprawling
    - State subsidy system that supports commuting with private cars was found particularly counterproductive

- Recommendation: Fiscal tools, such as tax deductions, need to be evaluated regularly
- Are the targets still valid? Do systems have negative implications elsewhere?
Audit on climate and energy strategy (2011)

- One focus was on climate related spending + spending possibly harmful to the climate
- Audit found out that there was no comprehensive analysis of counterproductive spending
- Recommendation: Need for better calculations and transparency in climate spending as well as other spending affecting that

Follow-up audit (2013)

- A comprehensive analysis of environmentally harmful subsidies had been carried out in 2012-2013
Environmentally harmful subsidies in Finland according to the government research

- OECD definition (2005):
  - A subsidy is environmentally harmful if all things being equal, the subsidy increases the levels of output/use of natural resources and therefore the level of waste, pollution and natural exploitation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Transport sector</td>
<td>€ 1.8 billion / year</td>
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<tr>
<td>Agricultural sector</td>
<td>€ 1.1 billion / year</td>
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<tr>
<td>Energy sector</td>
<td>€ 0.7 billion / year</td>
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- For comparison: Climate related budget allocations in Finland were € 0.55 billion in 2011

Climate mainstreaming of the EU funding

- Climate mainstreaming of MFF 2014-2012
  - Key mechanism to help meet the objective that 20% of the next MFF should be targeting climate-relevant activities
  - Climate tracking methodology for climate related spending.

- Climate proofing: Incorporating climate adaptation needs into projects from the design and planning stage

- Some earlier studies on climate proofing of EU budget that indicated possibly counterproductive spending of infrastructure projects
Towards policy coherence?

- Coherent financing a necessity
- Better coordination of infrastructure projects and land-use planning
- Better co-operation between government and local level planning
- Soft factors: Building bridges between professionals