



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

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### 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

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## Follow-up audit (2013)

- ▶ A comprehensive analysis of environmentally harmful subsidies had been carried out in 2012-2013

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## 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*

Transport sector	€ 1.8 billion / year	← Cannot be moved abroad
Agricultural sector	€ 1.1 billion / year	
Energy sector	€ 0.7 billion / year	

- ▶ For comparison: Climate related budget allocations in Finland were € 0.55 billion in 2011

## Climate mainstreaming of the EU funding

- ▶ Climate mainstreaming of MFF 2014-2020
  - ▶ 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