



**Contradictory funding:
Traffic, urban sprawl and climate targets**

Vivi Niemenmaa/NAOF 11.10.2011



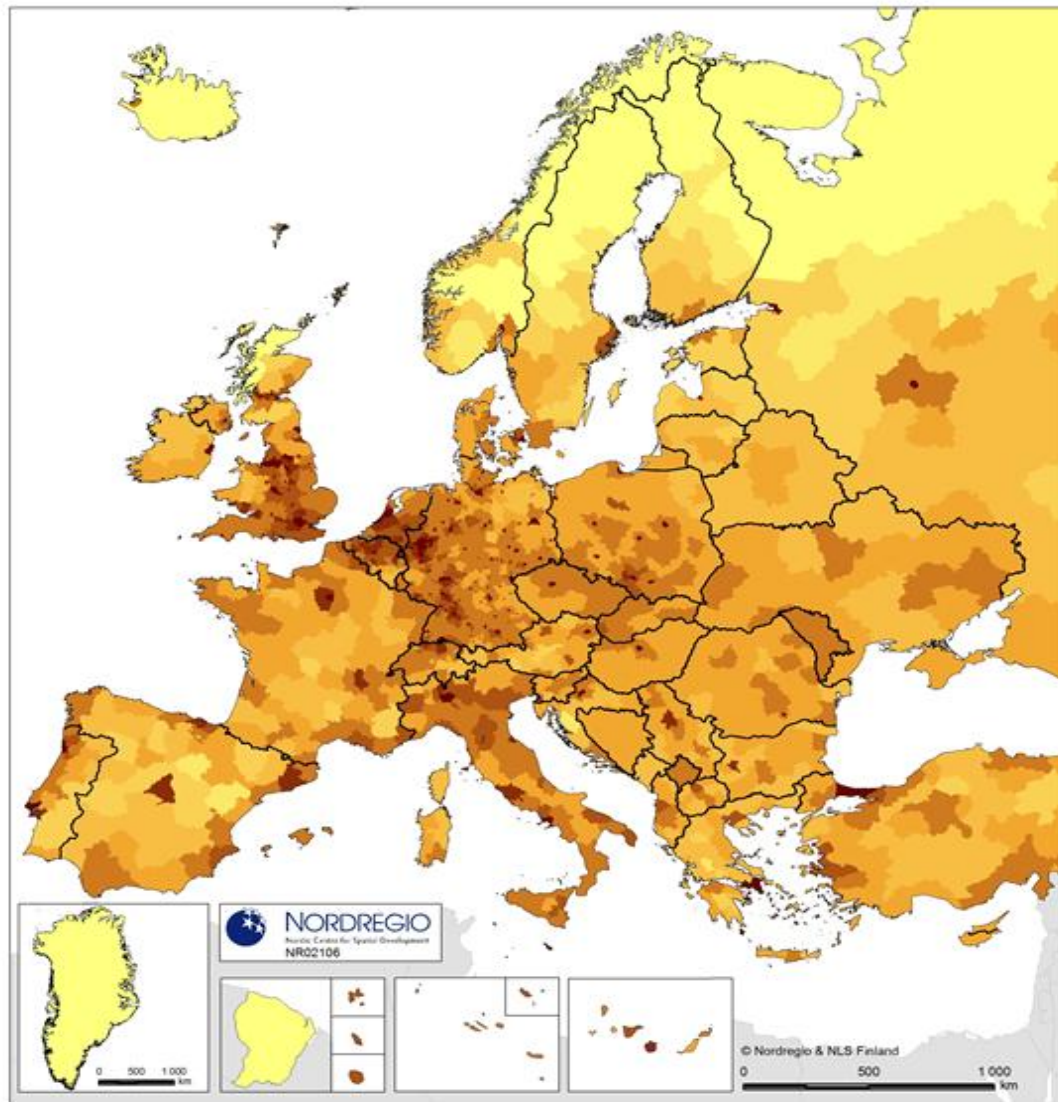
This presentation

- ▶ Based on two audits:
 - ▶ Urban sprawl (2010)
 - ▶ Preparation and implementation of climate and energy strategy (2011, forthcoming)
- ▶ Audit questions related to transport and urban sprawl:
 - ▶ Is the state is aware of the economic and climate impacts of urban physical structure?
 - ▶ Does the state operate in a co-ordinated manner in different sectors when it comes to sound urban structure and reduction of traffic?



Target

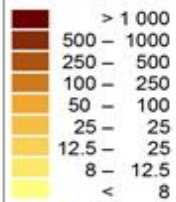
- ▶ Compact urban structure
- ▶ Reduce the ghg-gases in the traffic sector
 - ▶ 15 % reduction by 2020



Population density at NUTS3 level in 2009*

Data source: Eurostat, NSIs

Average value per region as January 1st



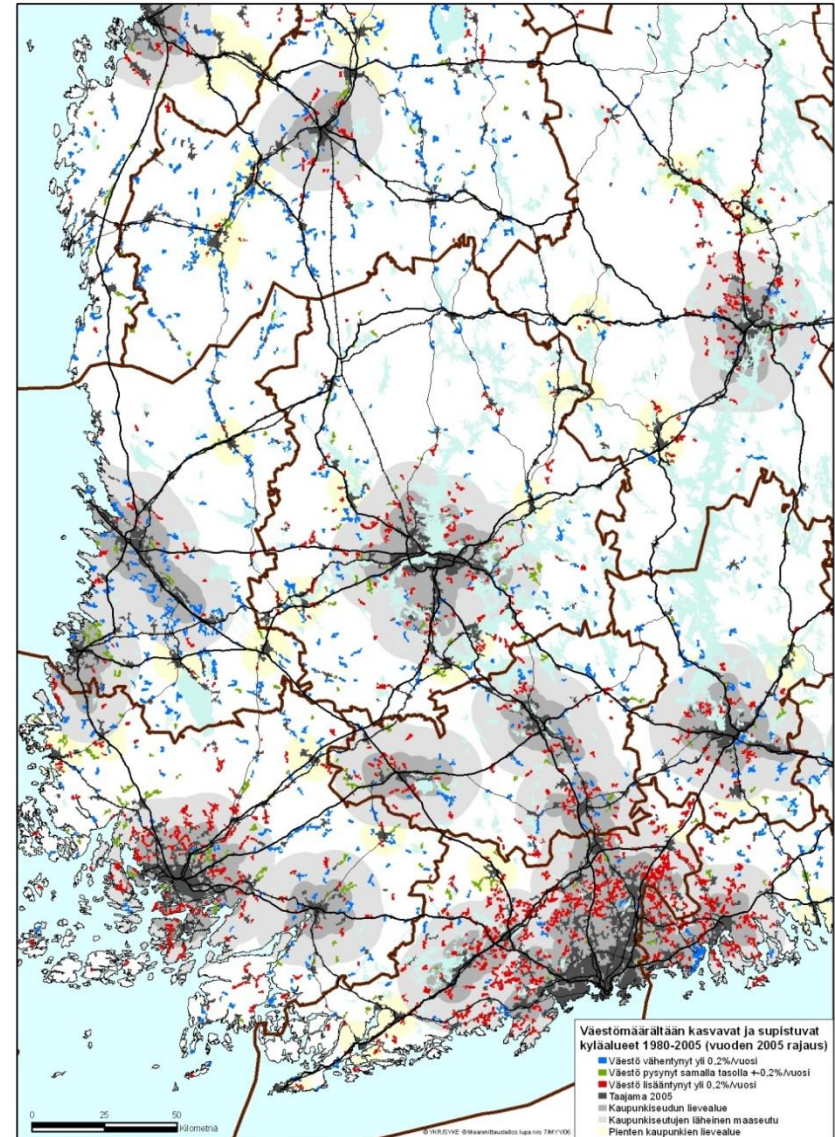
* AL, BE, DE, FR & UK 2008; Kosovo and Serbia 2007
Bosnia and Hercegovina, Moldova, Montenegro NUTS0

The average population density for EU27 is 113 persons/km²
and for the Nordic Countries 24 persons/km² (without Greenland)

Reality 1/3

- ▶ Urban sprawl especially in the finges of the fastest growing cities
- ▶ Increase of costs related to infrastructure building and maintenance, and production of welfare services
- ▶ Increase in traffic by private cars

1980-2005



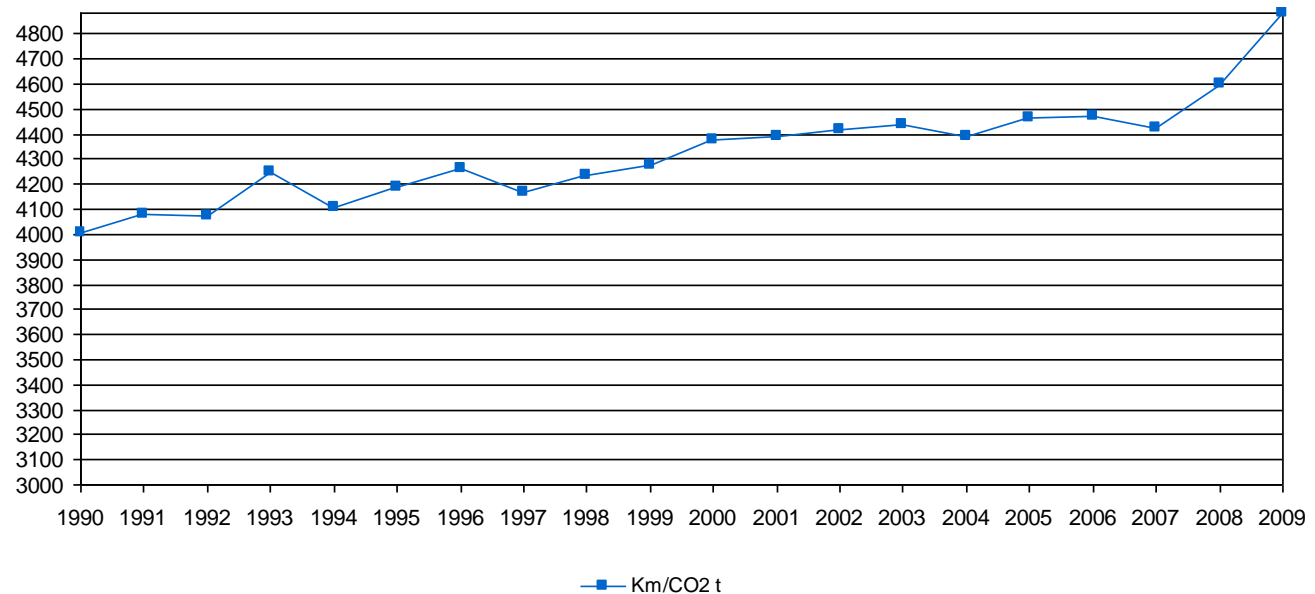


Possible tools to reduce ghg emission in transport sector

- ▶ Alter the choice of traffic mode (e.g. support of public transportation)
- ▶ Increase of fuel efficiency (renewing the car fleet)
- ▶ Decrease of fuel emissions (increasing the share of biofuels)
- ▶ Reduce the volume of traffic

Reality 2/3

- ▶ GHG reductions created by biofuels have been annulled as the traffic volume has continued to grow



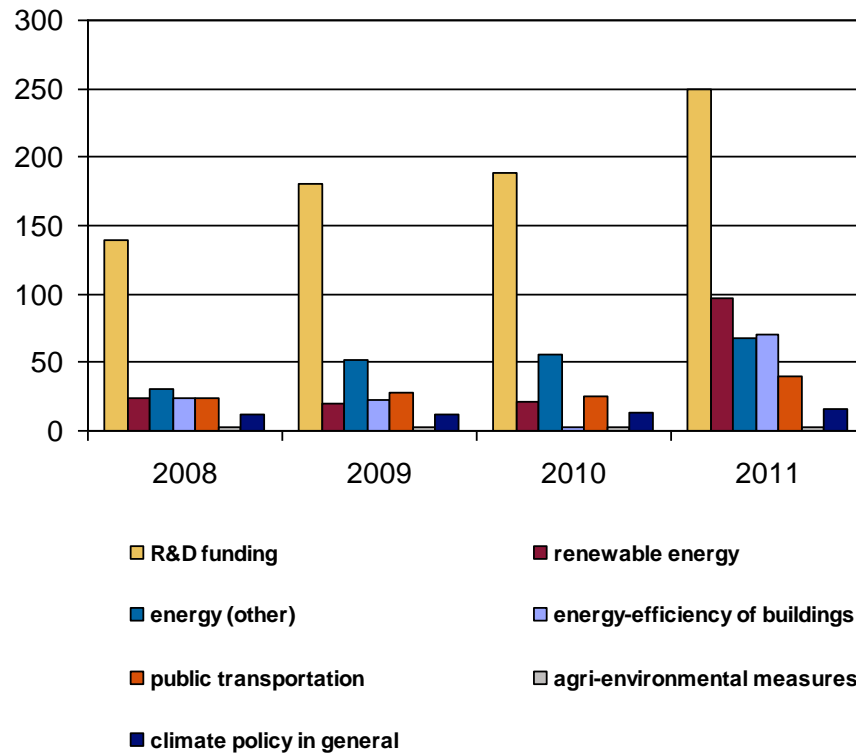


Reality 3/3

- ▶ Contradictory support mechanisms
 - ▶ funds for infrastructure building > more compact structure
 - in 2010 € 9,6 million
 - ▶ funds for water and sewage systems > sprawls
 - 2005-2009 € 50 million

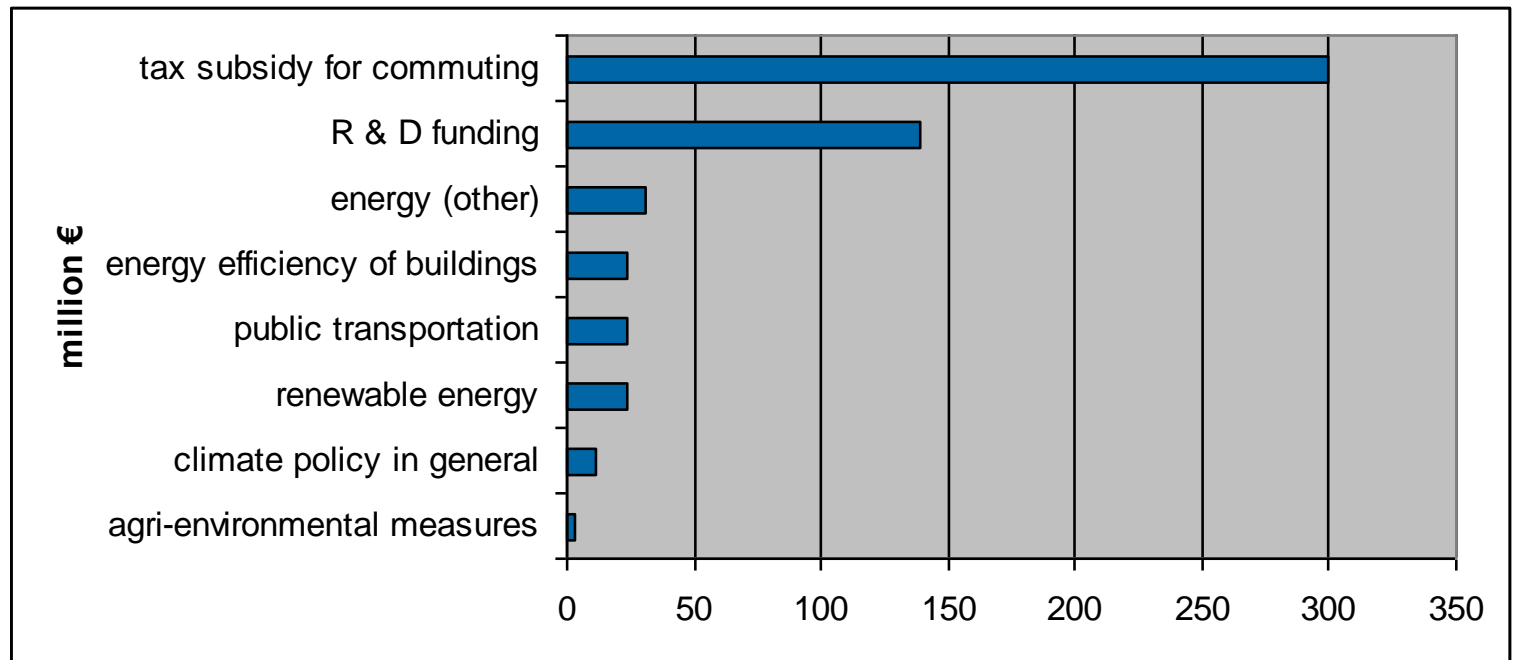
Comparison of funding 1/2

- ▶ Climate funding altogether appr. € 270 in 2008



Comparison of funding 2/2

- ▶ Tax subsidy for commuting € 300 in 2008 in lost state taxes





Conclusions

1. State has funding systems that both sprawl the structure and work against it: coherence problem that increases the costs of climate actions
2. Different support mechanisms not transparent enough: no tools for public discussion about different targets and preferences
3. It is not enough to analyse climate funding: also funding acting in an opposing way needs to be scrutinized – and not only expenses but also lost revenue