



Towards a Green Investment Policy Framework:

The case of low-carbon, resilient surface transport infrastructure

Presented by Geraldine ANG, OECD

Bridging the Gap between transport and climate change,
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OECD PROJECT PRESENTATION



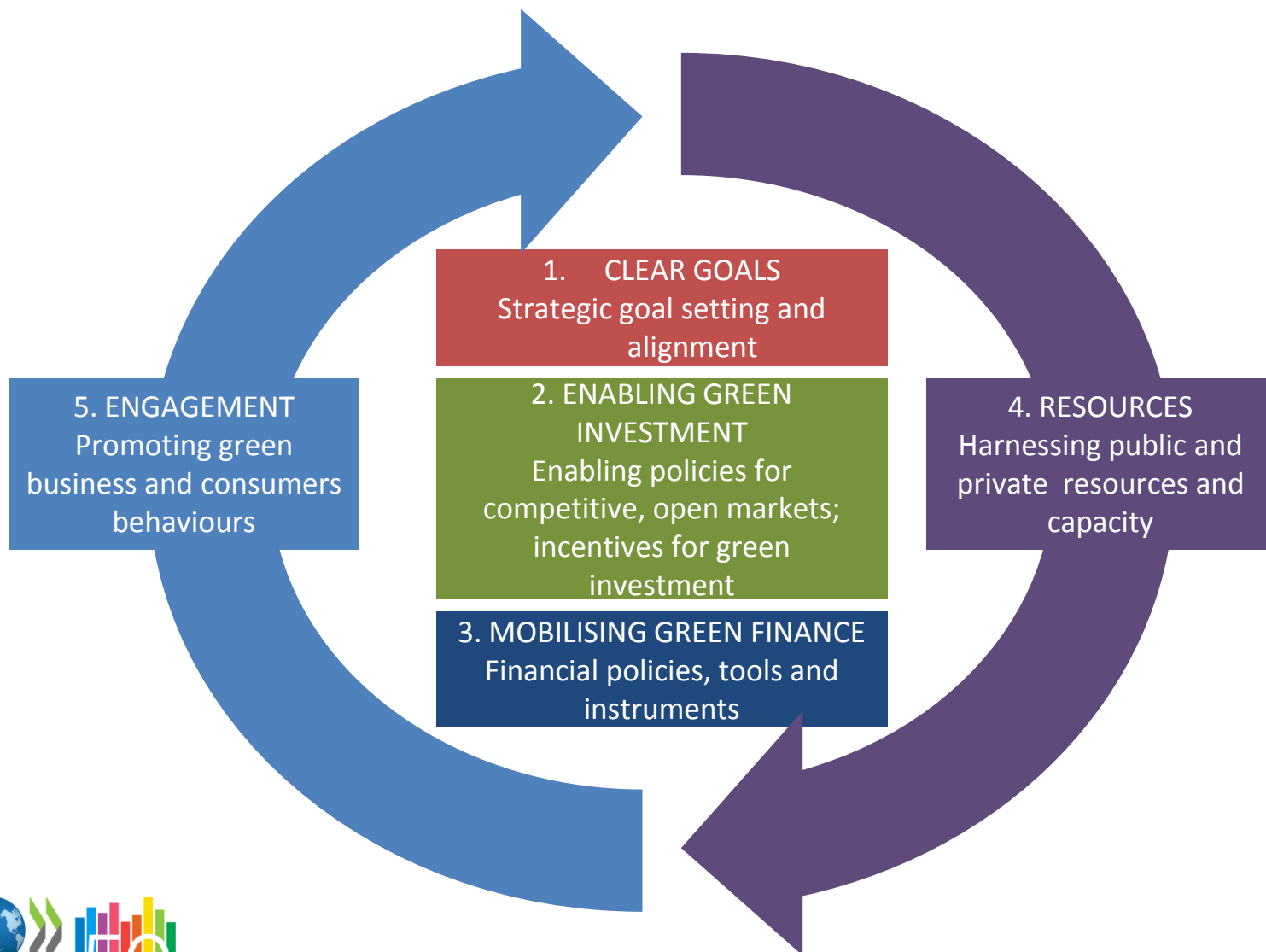
1. POLICY FRAMEWORK



2. APPLICATION TO THE TRANSPORT SECTOR AND COUNTRY-SPECIFIC CASE STUDIES



TOWARDS A POLICY FRAMEWORK FOR GREEN INVESTMENT IN INFRASTRUCTURE





THE CASE OF SURFACE TRANSPORT INFRASTRUCTURE:

Scale of the LCR challenge in transport sector

(investment gap and risk of lock-in)

Strategies to transition to LCR transport infrastructure:

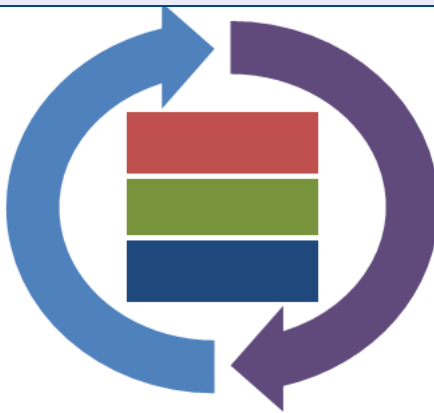
- *Avoid-Shift-Improve (A-S-I) approach*
- *Integrating climate resilience*

Financing challenges

- *public sector prevalence*
- *limited public funding*
- *infrastructure investment risk*
- *climate failures*
- *PPP challenges*



Priorities for a green investment policy framework in surface transport infrastructure?





1. CLEAR GOALS

Strategic goal setting and alignment

	Key tools	Examples
Strategic goal setting	<ul style="list-style-type: none"> • Infrastructure planning with climate goals 	<ul style="list-style-type: none"> • <i>UK National Infrastructure Plan, Building Canada, etc.</i>
	<ul style="list-style-type: none"> • Long-term national climate goals for emission reduction or adaptation 	<ul style="list-style-type: none"> • <i>EU 10% reduction in transport by 2020 (binding commitment)</i>
Alignment	<ul style="list-style-type: none"> • Aligning LCR goals with other policy goals 	
	<ul style="list-style-type: none"> • Integrated land use and transport planning 	<ul style="list-style-type: none"> • <i>Cities in the Netherlands, Curitiba, Hyderabad Unified Metropolitan Transport Authority (UMTA)</i>
	<ul style="list-style-type: none"> • Integrating investment and financing, strategies upfront in the planning process 	<ul style="list-style-type: none"> • <i>Use of transport funds in the UK, India, Mexico, etc.</i>
	<ul style="list-style-type: none"> • Aligning investment timescales with climate change longer timelines 	
	<ul style="list-style-type: none"> • Stakeholder engagement 	<ul style="list-style-type: none"> • <i>BRT Metrobus in Mexico, UK electric vehicle charging infra.</i>



2. ENABLING POLICIES FOR GREEN INVESTMENT

Competitive, open markets; incentives for green investment

	Key tools	Examples
Policies to enable and mobilise private investment / Open and competitive markets	<ul style="list-style-type: none"> IP protection for LC vehicle technologies Independence of transport authorities Improving regulatory framework for PPPs 	<ul style="list-style-type: none"> China allowing EV foreign investors to establish fully-owned foreign enterprises without joint-venture Swedish Arlanda Express rail link
Provide market incentives	<ul style="list-style-type: none"> Removal of fossil fuel subsidies Carbon prices Congestion charges Fuel and vehicle tax, parking levies 	<ul style="list-style-type: none"> Indonesia's fuel subsidy reduction UK, Sweden, Australia Singapore, London, Stockholm Singapore Vehicle Quota System (revenues for MRT); Germany, France
Regulatory policies	<ul style="list-style-type: none"> Fuel economy standards Land use planning and zoning policies Public procurement 	<ul style="list-style-type: none"> CAFE, EU, Japan's Top-Runner Traffic restrictions and bans, parking restrictions



3. MOBILISING GREEN FINANCE

Financial policies, tools and instruments

	Key tools	Examples
Financial regulatory framework		
Financial tools and instruments	• PPPs	• Metrobus and TransMilenio BRT, High-Speed Line Zuid rail link
	• Grants, loan guarantees and other risk guarantees	• India VGF • EU TEN-T loan guarantees
	• Credit enhancement	• EU 2020 Project Bond initiative for TEN-T
	• Green infrastructure bonds for rail	
	• Climate risk insurance	
	• Infrastructure funds and banks	• KfW, UK GIB, India urban transport funds
Transitional direct support	• Land value capture	• Copenhagen metro
	• Fiscal incentives/subsidies for low-carbon vehicle charging infrastructure	

4. RESOURCES

Harnessing public and private resources and capacity



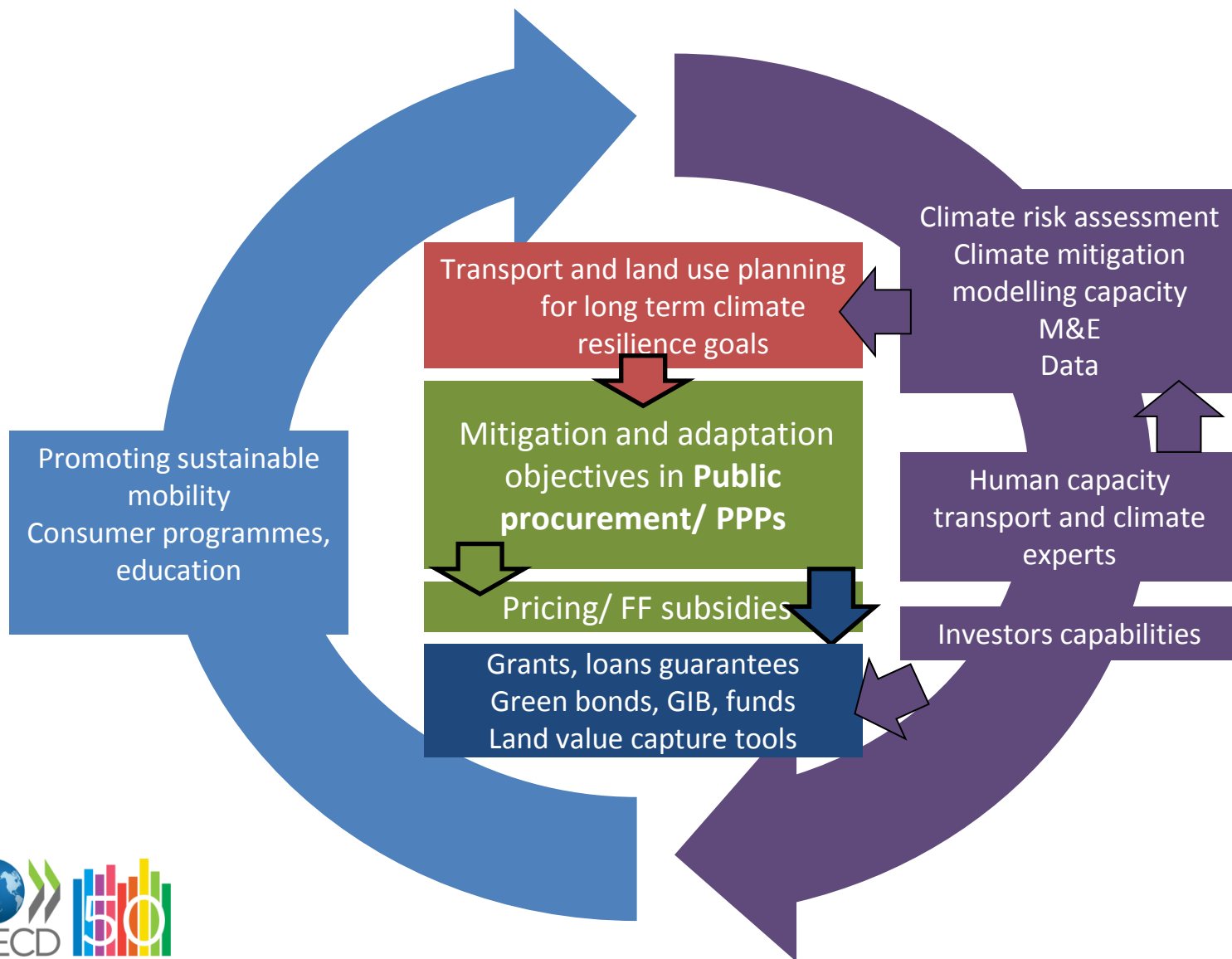
5. ENGAGEMENT

Promoting green business and consumers behaviours

Policy checklist for action	Key tools	Examples
4.	<ul style="list-style-type: none">Human capacity for private investors to understand transport infrastructure sector	
	<ul style="list-style-type: none">Regulatory experience with PPPs	
	<ul style="list-style-type: none">Climate risk screening tools and disclosure guidelines	<ul style="list-style-type: none">UK ORCHIDNetherlands' Climate quick scansGerman Climate check,U.S. Climate Change Disclosure guidance by the Securities and Exchange Commission
	<ul style="list-style-type: none">M&E (role of NAMAs)	
5.	<ul style="list-style-type: none">Education and training programmes	



TOWARDS A POLICY FRAMEWORK: AN APPLICATION TO THE TRANSPORT SECTOR





Thank you!

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