How to mobilise investment in the sustainable transport sector?

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EU transport emissions

Source: Odyssee Mure (2012)
GHG emissions

- Rising demand for transport; future vehicle technology remains uncertain (EV; biofuels; CNG).

- Planning decisions being made under increased uncertainty about ecosystem functioning – and what that might mean for economic activity.

- Are the right tools in place? Is traditional network modelling / cost benefit (including externalities) sufficient?
Incorporating sustainability more widely

- Robust due diligence and reference to a well-developed sustainability framework

- Biodiversity impacts. Further development in economic valuation to enhance current mitigation and offsetting measures?

- EIB transport lending policy.
  - CO$_2$ pricing + GHG assessment
  - Safeguards around carbon intensive modes
  - Focus on Research, Development and Innovation (RDI)
Delivering the finance

- Attracting private finance into sustainable modes remains difficult at project level (limited revenues; network interactions), but:
  - regulated asset owners (rail IM, airports, seaports)
  - availability based PPP + bond issuance?

- Credible, stable regulatory system required to reduce cost of private capital. (Lesson from renewable energy support schemes).

- Reform of pricing remains politically complex but has potential to boost cost recovery across urban/regional transport sector

- RDI finance is crucial.
Sparking the discussion

- How to develop criteria for *Sustainable Transport* that are well understood and received by private investors?

- Pervasive uncertainty. Risk of poor choices. How can we improve decision making to ensure *all investments* are sustainable?

- Credit enhancement – backed by public funds – may be able to play a role. But is there a wider role for pricing reform?