



BETTER POLICIES FOR BETTER LIVES

OECD Council Working Party on Shipbuilding (WP6)

Workshop on Green Growth in Shipbuilding 7-8 July 2011

Possible policy options and best practices

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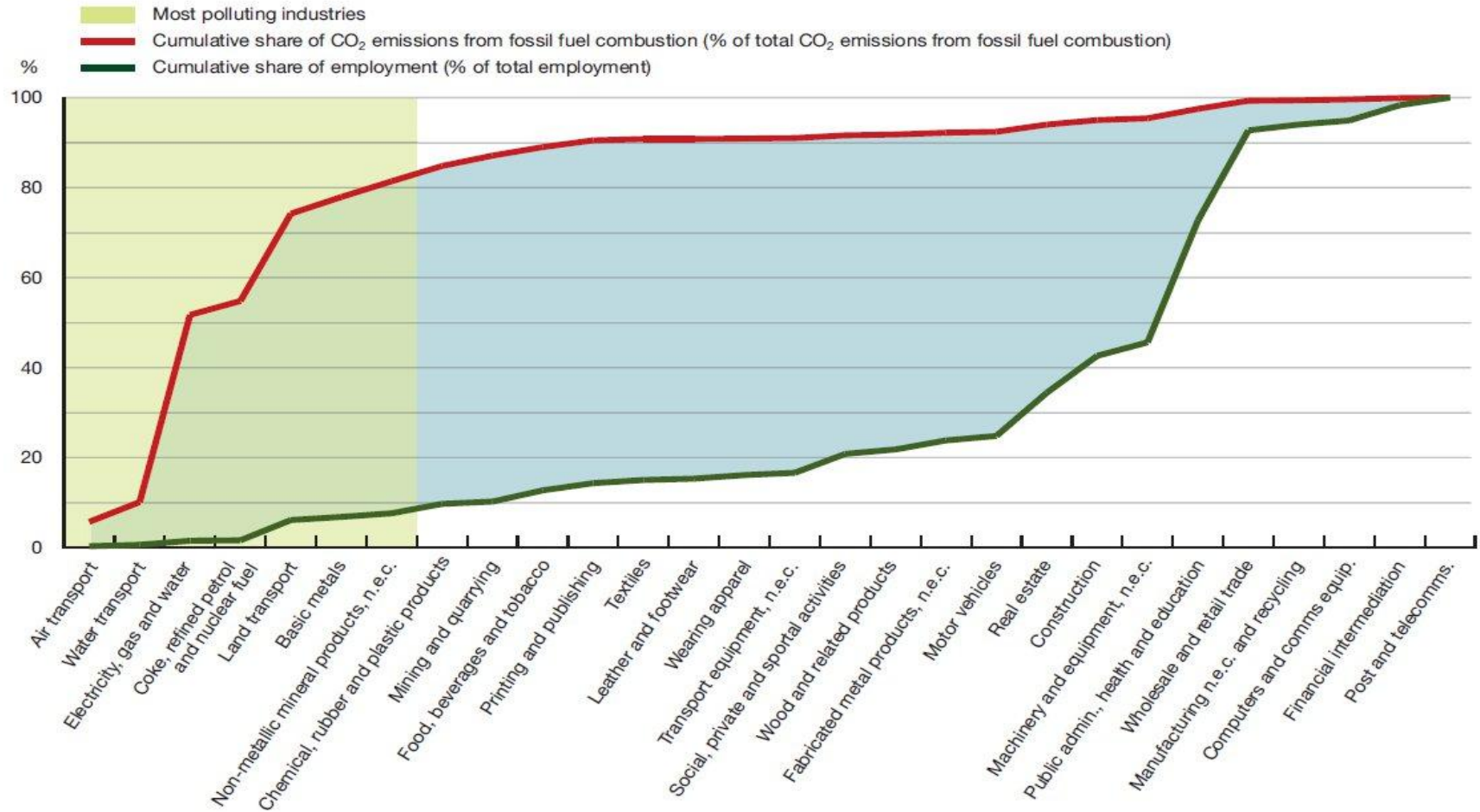
Options – not mandatory action

- Recent report by OECD:
“Tools for Delivering Green Growth”
- Highlighted options of how governments **could** respond
 - not how they **would** or **should** respond

Water transport contribution to CO₂

Sectoral employment and CO₂ emission intensity

Unweighted average across 27 OECD countries, 2004¹



Key constraints to Green Growth

- Low economic and social returns
 - in turn creates inertia in economic systems
- Low rate of appropriation of returns
 - market and government failures prevent capture of full value of “green” measures

Certainty needed

- Governments must provide regulatory certainty to underpin Green Growth action
- So that investments and plans can be implemented with minimal risk of the rules of the game changing

Policy Responses

- Governments can act in various ways to encourage/pressure players to become “greener”:
 - pricing mechanisms
 - non-price instruments
 - expenditure instruments

Price based instruments

- Cap-and-trade permit systems (emission trading)
- Taxes or charges on pollution/exploitation of resources
- Taxes or charges on a proxy for pollution

Non-price or market instruments

- Performance standards
- Technology standards
- Voluntary approaches

Expenditure instruments

- Subsidies
- Active technology support

Policy Packages

- Green Growth Strategy preferred approach:
 - use prices where possible
 - in combination with other policy instruments
 - avoid overlaps
 - approach new subsidies with caution
 - encourage innovation – overcome inertia
 - enable change in consumer behaviour

What about Shipbuilding?

- Can shipbuilding be treated as independent silo
- Or as integral part of “water transport” sector
- Does “whole of life” approach offer a way to address issues
- Is such co-operation feasible, desirable effective?

Best Practices

- Are there “best practices” that can deliver best outcomes with minimum impact on operations and competitiveness?
- The Secretariat will prepare a report using the outcome of this Workshop
 - will be circulated to all participants when finalised.

Can industry take the initiative?

- Can industry minimise government involvement by setting its own credible Green Growth agenda?
- If co-operation across sectors is key how can this be facilitated?
- Can the WP6 play an active role in this?