

LOW CARBON

LOGISTICS



**RECOMMENDATIONS
FOR GREEN POLICY
INSTRUMENTS**

LOW CARBON LOGISTICS

PROJECT INFORMATION

By implementing low carbon logistics solutions in small and medium-sized cities in the South Baltic region, the project aims to contribute to the efficiency and ecological sustainability of the transport sector as an important cause for GHG emissions. Green policy instruments play a key role in the implementation and establishment of sustainable and long-term environmentally friendly logistics solutions.



WHAT ARE GREEN POLICY INSTRUMENTS?




Green policy instruments are interventions made by the government or public authorities with the intention to improve the state of the environment. Since no single policy instrument can provide solutions to all environmental problems, the spectrum of policies is broad – ranging from traditional regulatory approaches, market-based instruments, and planning instruments to voluntary approaches. With traditional regulatory approaches, or so-called demand-and-control measures, legislation directly regulates an industry or activity by mandating which technology to use or what performance to achieve. While market-based instruments or incentives use economic variables to balance, reduce or eliminate negative environmental externalities, planning instruments primarily include measures designed to increase the attractiveness of alternatives. Voluntary approaches comprise information and awareness raising campaigns as well as the use of labels. A combination of different instruments has proven to be most efficient.

Traditional Regulatory Approach	Market-based Instruments	Planning Instruments	Voluntary Agreements
Standards	Taxes	Demonstration and Pilot Projects	Labels
Bans	Fees or Charges	Support for Research and Development	Awareness Raising
	Environmentally Motivated Subsidies		
	Tradable Permits		
	Incentives		

GREEN POLICY INSTRUMENTS

IN SWEDEN, LITHUANIA, POLAND AND GERMANY

Traditional Regulatory Approach	Market-based Instruments				Planning Instruments	Voluntary Agreements
<div>Standards</div> <div>Fines for the manufacturing, storage, transport and distribution of fuels that do not comply with quality requirements</div> <div>Guaranteeing a minimum share of biofuels in the total quantity of market fuels and an increased accessibility of alternative fuels</div> <div>Environmental zones requiring a certain Euro class and/or type of fuel</div> <div>Limited delivery times for non-electric vehicles</div> <div>Bans</div> <div>Driving ban for Diesel vehicles</div>	<div>Taxes</div> <div>Exemption from excise tax/tax reduction for electric vehicles</div> <div>Exemption from excise tax for plug-in hybrids</div> <div>Exemption from excise tax/tax relief for biofuels</div> <div>Energy tax for fuels</div> <div>Carbon dioxide tax for fuels</div> <div>Sulfur tax for fuels</div> <div>Taxation of fuels and vehicles</div> <div>Environment pollution taxes</div>	<div>Fees or Charges</div> <div>Fee system for using the environment (kg substance/air)</div> <div>Congestion fee in larger cities</div> <div>Environmentally Motivated Subsidies</div> <div>Subsidy for electric bikes</div> <div>Funding program electromobility</div> <div>Subsidy for installing home chargers for electric cars</div> <div>Bonus for sustainable urban environments</div>	<div>Tradable Permits</div> <div>Emission trading system</div> <div>Incentives</div> <div>Bonus-malus system to increase the sales volume of electric vehicles</div> <div>Exemption from or lowering of parking fees for electric vehicles</div> <div>Reservation of parking spaces for electric vehicles in public areas</div> <div>Granting exemptions for electric vehicles to certain access restrictions</div>	<div>Free charging for electric vehicles at public charging stations</div> <div>Incentivization of biofuel production</div> <div>Incentives for the supply and the consumption of electricity-based fuels</div> <div>Use of public transport lanes for electric vehicles</div> <div>Larger depreciation write-offs for companies using electric vehicles</div> <div>Prioritization of support mechanism applications according to the best climate value</div>	<div>Demonstration and Pilot Projects</div> <div>Cargo bike testing with pilot businesses</div> <div>Support for Research and Development</div> <div>Scientific evaluation and assessment of consumer acceptance, vehicle deployment and environmental impacts of cargo bikes</div>	<div>Labels</div> <div>Fair transport label</div> <div>Awareness Raising</div> <div>Registry of greenhouse gas emissions</div> <div>Eco-driving guide (for drivers using heavy vehicles)</div> <div>Awareness raising for the professional use of cargo bikes</div> <div>European Climate Initiative (deepening transboundary dialogue, exchange of experience and knowledge, capacity building, establishment of networks)</div>



WHAT MAKES A GREEN POLICY INSTRUMENT EFFECTIVE?

To ensure the long-term effectiveness and sustainability of an environmental policy instrument, both eco-efficiency and cost-effectiveness need to be balanced. Also, the legitimacy or acceptance of the instrument needs to be considered. Here, not only the legislative background needs to be considered but also whether the instrument is likely to reach public acceptance. Therefore, it is fruitful to either analyze the public need first and then make targeted policy decisions or to combine a regulatory or a market-based instrument with voluntary approaches. For an effective strategy, it is essential to combine market-based instruments with direct public intervention.

The aim is always to achieve the translation from regulation to implementation and finally acceptance. Although international competitiveness is an important criterion, especially instruments that focus on regional development are highly needed and can help significantly to minimize the growing urban-rural disparities.

Generally, green policy instruments as part of environmental policies should be integrated in other policies to encourage sustainability and environmental consideration in all sectors.



RECOMMENDATIONS FOR GREEN POLICY INSTRUMENTS

- 1** Acknowledging the importance of traditional regulatory approaches such as driving bans, environmental zoning and limited delivery times. (Lithuania, Poland)
- 2** By focusing on affirmative taxes for green technologies in form of tax reductions or exemptions rather than taxing traditional vehicles and fuels, these instruments can be considered to incentivize sustainable behaviour instead of being restrictive. (Lithuania and Sweden)
- 3** Planning instruments, especially integrated planning where transport, logistics, urban design, human ecology and environmental planning need to work hand in hand. (all countries)
- 4** Voluntary agreements, especially awareness raising campaigns, are crucial for public acceptance and sustainable learning. Therefore, they need to be in the focus of policy-making. (Poland, Lithuania, Sweden)



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