Sustainable and smart mobility strategy – Delivered at local level

SUMMARY

On 9 December 2020, the European Commission put forward a sustainable and smart mobility strategy, outlining its planned steps to transform the European Union (EU) transport system to meet the ambition of the European Green Deal and the objectives of the EU's digital strategy. The strategy aims to rebuild the European transport sector, badly hit by the coronavirus pandemic, making it greener, smarter and more resilient, while leaving no one behind. This is to be achieved by strengthening the existing rules, proposing new legislation and providing support measures and guidance.

The Commission will start to make proposals for the planned measures in 2021. Once agreed by the EU legislators and adopted as new EU rules, these will have to be implemented. While national governments will be expected to align their existing national legislation with the new requirements, the task of putting the new rules into practice will often be managed by public administrations at regional and local level.

Cities and regions will have to adapt their existing systems and invest to make transport more sustainable, but also to allow citizens to better combine the available mobility options, enabling them to reduce their daily travel needs while ensuring connectivity and service accessibility.

This briefing looks at the policy and other support that the European Commission is providing for local and regional authorities to facilitate the mobility transition. Following established practice, they will be invited to contribute to the design of the individual measures outlined in the strategy. They should also have their say in setting their national priorities for receiving EU financing for the post-coronavirus recovery, as an opportunity to start transforming the transport system from the local level.

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Context

With the European Green Deal and the European climate law, the EU aims to become carbon neutral by 2050. To achieve this, the EU transport sector must cut its CO_2 emissions by 90 %, which is in stark contrast with the past trend of continued transport emissions growth despite previously adopted measures. The sustainable and smart mobility strategy ('the strategy') outlines the Commission's planned steps to transform the EU transport system to meet the ambition of the European Green Deal and the objectives of the EU's digital strategy. Both strategies need to be understood in the context of the Covid-19 pandemic and its impact on lives, jobs, businesses and mobility. To repair the immediate economic and social damage, the EU has already agreed the temporary recovery instrument Next Generation EU, with the Recovery and Resilience Facility at its centre.

In the mobility strategy, the Commission defines a set of 'milestones' to which it aspires. Among these, to have at least 30 million zero-emission cars on EU roads by 2030, 100 climate-neutral cities, double high-speed rail traffic (compared to 2015), achieve carbon neutrality in scheduled collective travel for journeys under 500 kilometres, and large scale deployment of automated mobility. A second set of longer-term milestones looks towards 2050. The strategy is accompanied by a support document and an action plan that lists 82 initiatives, to be proposed over the next four years, in 10 key areas for action ('flagships').

The overall impact of the strategy will depend on the level of ambition upheld when adopting the individual legislative elements, currently only outlined and modelled. The degree to which the new rules will be relevant to local and regional authorities depends, among others, on their size, location and position in the trans-European transport network (TEN-T), as well as the local post-coronavirus context. Their role in implementing the strategy will largely be determined by their national strategies for transport, energy, taxation, jobs and the related national financing available.

This briefing outlines the general challenges the strategy will likely bring to cities and regions, with a more specific focus on urban mobility, territorial cohesion and connectivity, workforce transformation and the development of port-cities. Each section singles out several pertinent issues, matches them to the policy approach proposed by the Commission and indicates the sources of available EU funding.

General issues: Local and regional perspective

The transport sector will have to comply with the forthcoming tighter air quality and noise limits. In road transport, the planned stricter EU vehicle emission standards, both for air pollution and CO_2 emissions, will increase the pressure on fleet renewals, but should also facilitate decisions on concrete proposals for local investment in redesigning public space to allow a more sustainable modal distribution. This concerns infrastructure adaptation to enable the uptake of active modes of mobility, increase public transport efficiency and attractiveness and reduce the public space granted to individual modes of transport.

The Commission plans to review the existing State aid rules relevant to transport and establish an EU framework for harmonised measurement of emissions from transport and logistics. It is reviewing its TEN-T guidelines that seek to improve transport links in all modes, in particular their cross-border sections and urban nodes as important hubs that facilitate the flow of people and goods.

To have 30 million zero-emission vehicles on European roads by 2030, the EU needs not only strict and early introduction of emission limits but also a massive roll-out of alternative fuels recharging stations. Coordination between all administrative levels is needed to ensure sufficient coverage across the EU territory, corresponding to the demographic situation, mobility needs, and the increasing market uptake of low-emission vehicles. The review of the Alternative Fuels Infrastructure Directive should set details for the development of charging points and refuelling stations for alternative fuels at the Member States' level.[1] The physical space allocation should be managed at the local level, as the challenges for the deployment of fast and ultra-fast recharging in dense urban areas may be very different from those in low-demand rural regions. Beyond the recently published

Commission guidance on how to design tenders for e-charging infrastructure, much remains to be done to ensure reliable customer services (including ad hoc payment and roaming options) and provide users with sufficient information on the availability, status and capacity of the charging points.

The Commission plans to adopt a legal framework for the approval of automated vehicles and to facilitate the take up of connected and automated mobility. First, however, it needs to review the EU rules for intelligent transport systems (ITS), meant to accelerate and coordinate the deployment and use of these systems, complementing national road safety strategies.[2] The review of the ITS Directive will assess the availability of infrastructure and of traffic and travel data across the whole EU transport network. The Commission intends to propose solutions to enable tickets that combine various transport modes, giving passengers true options for door-to-door travel. It should also set rules for access to fare data, which are the basis for multimodal ticketing and payment systems. Many regions already have such systems in place, often integrating several operators, and the review should take this into account. The Commission also plans to develop a common European mobility data space and extend the rules on real-time traffic information services in terms of geographical coverage and datasets.

The current rules on cross-border enforcement (CBE) of road traffic rules grant the Member State in which an offence occurs access to vehicle registration data in the Member State of registration. The planned review should facilitate proper investigation, mutual recognition of court decisions and address uncertainties linked to appeals. In the preparatory consultation, several contributors urged the Commission to enlarge the scope of the CBE Directive, to include other offences, such as dangerous overtaking and illegal parking. Local authorities reported difficulties in enforcing serious traffic offences against non-residents and asked for access to Member State vehicle registers, to increase the effectiveness of the cross-border enforcement of local restrictions.

EU funding

EU financing for transport-related projects in 2021-2027 will continue along the lines of the 2014-2020 period, with some changes. Within the European structural and investment funds, the European Regional Development Fund (ERDF) and Cohesion Fund (CF)[3] will contribute to the projects managed jointly by the Commission and Member States. The explicitly stated 'partnership principle' implies close cooperation between EU, national, regional and local levels at all stages of the implementation. The rules have been simplified and give higher flexibility for transfers within cohesion policy funds and also between individual regions. This should allow for greater empowerment of regional, local, and municipal authorities in the management of EU funds.

New versions of programmes under direct EU management are being finalised: the Connecting Europe Facility (CEF) 2021-2027 will provide support for projects implementing the trans-European transport network (TEN-T) and the Horizon Europe research and innovation framework programme includes a cluster for 'climate, energy and mobility'. Financial instruments from the InvestEU programme and redefined European Investment Bank (EIB) lending will be available for bankable projects. The Commission plans to review the transport-relevant State aid rules and establish sustainable taxonomy criteria for all transport modes, to clarify which investments count as sustainable.

In response to the crisis triggered by the pandemic, the EU adopted the Next Generation EU recovery instrument, opening two funding opportunities. The first, the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) fund will provide an additional €47.5 billion via structural funds until 2022. The second, the Recovery and Resilience Facility (RRF) will offer €672.5 billion in loans and grants to support reforms and investments undertaken by Member States. These must be outlined in national recovery and resilience plans that should earmark 37 % for green and 20 % for digital investment and reform. The plans have to be submitted by 30 April 2021, following a mandatory consultation with regional and local authorities, civil society and stakeholders. While Member States should provide a summary of the consultation and describe how stakeholder inputs

have been reflected in their plans, not all are involving local communities as required. The plans will then be assessed by the Commission and adopted by the Council. If well prepared, they could provide significant additional funding for the transport transformation.

Urban mobility

The main mobility challenges for large urban areas are related to accessibility, environment, quality of life and management of public space. Next to tackling congestion, city authorities will increasingly have to grapple with issues such as the advancing electrification in road transport, increased automation, the use of connected information traffic systems and the growth of the related data economy. Recent trends in urban mobility include a growing focus on users and individual needs, as reflected in the uptake of shared mobility and micro-mobility.

Coronavirus-related lockdowns changed behaviour, temporarily increasing walking and cycling, but also private car use, and the frequency and volume of deliveries. Changes in work patterns towards increased teleworking have partly reduced commuting needs, but also public transport usage. The increase in active mobility and telework join the long-term efforts of local and regional authorities in encouraging a change in behaviour towards less car use, a key condition for the mobility transition. In this sense, the increase in private car use is unwelcome, as is the drop in public transport use. Cities struggle to safeguard and optimise public transport systems. Some are seizing the opportunity to maintain the increase in active mobility and, for instance, turn pop-up bike lanes into permanent cycle paths.

Meanwhile, a more general trend towards reducing car dependency in urban areas and reducing daily travel needs is taking shape. It is based on ensuring an adequate level of car-free accessibility through other travel options by developing walkable and bikeable neighbourhoods and making services available locally. This requires long-term changes in city space distribution towards increased density, restricting vehicle access, reducing street capacity for cars and reallocating road space to other usage, combined with adapted pricing of public transport, parking and road charges.

Following EU rules, cities have to comply with air and noise standards. Even so, pollution often exceeds safe levels due to congestion. The growing concentration of people and mobility needs put cities at the forefront of the deployment and management of refuelling and recharging infrastructure, such as charging points for electric vehicles needed to support the roll-out of electromobility. The review of the Energy Performance of Buildings Directive is to enhance the existing rules on charging infrastructure for e-mobility in publicly accessible buildings. The EU Clean Vehicles Directive promotes public procurement of clean vehicles and sets related national targets, but also raises challenges linked to the current lack of charging infrastructure for buses.

While urban mobility policies are largely defined at local and national level, the Commission has encouraged them with several policy documents, guidance and funding. With the non-legislative 2013 urban mobility package, it sought to ensure a more sustainable development of urban areas, with a strong focus on urban transport planning resumed in guidelines on sustainable urban mobility plans (SUMPs).[4] These were later revised and thematically extended to include, for instance, guidance on cycling and walking. The package, a review of which is planned, also brought guidance on urban logistics, road safety, ITS deployment by cities and vehicle access regulations. To municipalities, urban vehicle access regulations (UVARs) such as low speed zones, congestion charges and low-emission zones (LEZs) are an important tool to reduce air pollution and congestion, but also to improve liveability to locals, provided that offenders can be traced and penalised.

With the 2013 TEN-T policy, the EU recognised 'urban nodes' as key elements for the functioning of the EU transport network, eligible for EU support. Urban nodes function as interfaces between long-distance, local and regional transport. In Europe, they account for most of the congestion and constitute the majority of bottlenecks, with impacts to traffic distribution along network corridors. Having recognised that the importance of urban mobility should also be reflected in EU funding, the Commission is reviewing its TEN-T policy. It should encompass provisions for first and last mile

solutions that include multimodal mobility hubs, park-and-ride facilities, and safe infrastructure for walking and cycling. It also seeks that all large and medium-sized cities that are urban nodes on the TEN-T network put in place their own SUMPs by 2030 and that these plans include concrete targets for reducing emissions and road fatalities. It also encourages cities to deploy 5 000 kilometres of new bike lanes in the next decade. SUMPs should better embrace freight and logistics, helping to accelerate for instance the deployment of cargo bikes and – later – of automated deliveries and drones. European regions point out that both the definition of urban nodes and their geographical scope should be expanded. They propose a definition based on a set of criteria taking into account the presence of concentrated industry, centres of research and innovation as well as of visitor economy. Further improvements suggested include a better integration of urban nodes within their region, including the integration of long-distance TEN-T traffic with the local transport flows, more collaborative planning at different policy levels and more emphasis on inter-modality.

The reviewed ITS Directive should facilitate the take-up of local mobility as a service (MaaS), based on digital applications. While setting up and managing local systems that bring together public and private shared mobility providers, cities need to integrate these with the existing 'backbone' of public transport and ensure that the new services not only make profit, but really shift people away from private car use. Transport authorities stress that MaaS solutions often require costly infrastructure upgrades and that these investments should receive support and the costs should be shared among all providers. The Commission will propose guidelines on how cities can support the safe use of micro-mobility devices and how operators and platforms can inform users about the carbon footprint of their deliveries.

> **EU funding for urban mobility**
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> During 2014-2020, the EU provided some €16.5 billion for urban projects, mainly for clean public transport, but also for cycle paths and intelligent transport systems. In 2021-2027, the urban dimension of cohesion policy has been further strengthened and the CEF funding renewed.
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> To reach the milestone of 100 climate neutral EU cities by 2030, the Commission has set up a mission area under the Horizon Europe programme to 'support, promote and showcase 100 European cities in their systemic transformation towards climate neutrality'.

Challenges to territorial cohesion and connectivity

While EU cohesion policy addresses regional disparities and encompasses all EU regions, it offers little in terms of a structured approach towards low-density and depopulating regions. However, the dispersed population and distances involved make the task of ensuring connectivity and accessibility with public transport challenging and costly. The reliance on cars, ageing societies and population gravitation towards urban areas add further complexity. Due to their location and distance from economic centres, peripheral and remote areas have to cope with higher transport and travel costs, without benefiting from the economies of scale generated in more populated areas. While rural and mountainous regions encounter similar issues, connectivity and accessibility of services can also be problematic in suburbs and the outskirts of cities, if cut off from public transport links.

The Commission insists that mobility must be available and affordable for all, and rural and remote regions become better connected. It plans to address these aspects within a long-term vision for rural areas. The 2013 TEN-T Regulation already set enhanced accessibility and connectivity for all regions as one of its priorities, explicitly mentioning islands, sparsely populated, remote and outermost regions. With an operational TEN-T comprehensive network, high speed connectivity across the EU should be achieved by 2050, a long-term target based on a functional TEN-T core network by 2030. However, this battle is not yet won, judging by the latest versions of work plans of the respective European coordinators and an EU Court of Auditors report.

The Commission wants all scheduled collective travel of under 500 km to be carbon neutral by 2030. While support for rail transport is clear, with concrete actions announced under the 2021 European

Year of Rail and steps envisaged to boost long-distance and cross-border passenger rail services, plans for coach services are less clear, as the strategy is based on tail-pipe emission.

Public service obligations (PSOs) are used by national, regional or local authorities to ensure regular connections that society needs but that cannot be run commercially. The Commission wants to make PSOs more efficient and, where possible, support the shift to a multimodal system. It proposes to review guidelines for land PSOs, revise rules on air PSOs and offer guidance on freight.

Unlike in urban areas, the car will likely remain irreplaceable for much of regional mobility and travel between peripheral areas. The objective is to clean the fleet and 'channel it to locations and uses where its value to the individual exceeds the costs imposed on society'. Shared mobility options can be developed further, while automated cars could play a role in the future. Recharging points for alternative fuels will also have to be installed across regions and in rural areas. With longer distances driven on a daily basis, electric vehicles are a relevant choice for rural inhabitants who are more penalised by environmental taxes and the lack of convenient public transport.

The review of the ITS Directive should also ensure the cross-border alignment of ITS systems, a major issue for border regions. Otherwise, problems with interoperability (as is the case with cross-border railways) and low user-friendliness (in payments) may hinder ITS take-up. A better application of existing standards could be achieved by imposing obligations on Member States, clarifying the business models applied and the role of stakeholders, while also making their mutual interaction mandatory.

> **EU cohesion funding**
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> During 2014-2019, under the 'Network Infrastructure in transport and energy' theme, the ERDF and Cohesion Fund had a budget of €67.3 billion. However, projects appear to be selected more on the basis of the level of economic development (number of users), than on demographic and geographical conditions, with the largest share of EU funding going to road infrastructure. In 2021-2027, this grant support will continue. Investment in airport infrastructure will no longer be supported, except for outermost regions or in existing regional airports.
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> Grants can be complemented with financial instruments under the InvestEU programme and the public loan facility with the EIB should help public authorities with the transition to sustainable mobility.

Transport workforce transformation

The EU facilitates the mutual recognition of diplomas, training and certifications. However, most competences regarding social security and applicable law lie with Member States, making the protection of workers' rights and ensuring a level playing field across the EU problematic.

Since 2020, many transport workers have lost their jobs due to lockdown measures and others have had to carry out additional work, often away from home, facing health risks and lacking basic facilities. The pandemic has exposed shortcomings in transport policies, repeatedly criticised for their lack of a social dimension. At the same time, support from national budgets has become vital for many passenger transport companies to survive. To help Member States, companies and workers to face the impact of the coronavirus crisis on jobs, the EU launched the Support to Mitigate Unemployment Risks in Emergency (SURE) and the Coronavirus Response Investment initiatives.

However, the longer-term perspective for many transport workers is no less challenging. The workforce is ageing and several transport segments already face labour shortages. The transition requires adaptation to new technologies, progressing digitalisation, growing automation, new business models, changing supply chains and forms of work. Some jobs, for instance in the automotive sector, will disappear with the transition, triggering the need for massive re-skilling. However, new jobs are also to come. For instance, electromobility is expected to create over 1 million jobs in Europe by 2030, in some way related to transport. Having addressed these issues with the 2020 European skills agenda, the Commission promotes social dialogue and involvement

of social partners as key to the transformation of transport labour markets. An ongoing dialogue, for instance, seeks to improve working conditions for platform workers, including transport services.

The Commission also wants to make recommendations for the transition towards automation and digitalisation and launch initiatives to make the transport sector more attractive and recruit more women. It remains to be seen how the review of State aid rules and of PSO rules improve working conditions and how social aspects of digitalisation and automation are addressed within proposals in these areas.

With cities becoming transport hubs, digitalisation is used to connect the different elements into an integrated, efficient system, likely geared towards efficiency and profit. With social dialogue, cities can do a lot to make the jobs in their public transport more secure and attractive, but also to integrate new technologies without losing sight of the human perspective.

> **EU support for workers**
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> The European Social Fund+, Just Transition Fund, REACT-EU, as well as the Recovery and Resilience Facility, are intended to help Europe's workforce to acquire the skills they need to find jobs in the growing parts of the economy and to adapt to new processes.
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> Some 31 transport sector organisations called on Member States to include measures supporting just transition and preparing transport workforces for the digital transformation, in their recovery plans, based on an inclusive social dialogue.

The changing role of sea and inland ports

Coronavirus impacts aside, port development follows the trends of ever larger ships and cargo volumes handled, growing cruise tourism and transhipment demands. Beyond transport, the importance of ports as clusters of industry, the blue economy and energy hubs has grown. Cities and regions close to a larger port have had to seek mutually beneficial relations with their ports, balancing the improved connectivity and jobs with the downsides of increased air and water pollution, noise, demand for energy and ship waste treatment, as well as the need for space for port expansion.

Having outlined its ports policy in 2013, the EU clarified rules for providing port services and State aid for port infrastructure. Sea and inland ports in the TEN-T network are required to improve their connectivity with their hinterland, introduce new technologies and provide alternative fuels. For now, this means installing refuelling points for liquid natural gas (LNG) to ensure sufficient coverage of the TEN-T network and shore-side electricity for stationed ships.

The strategy announces that the revised Renewable Energy Directive and Alternative Fuels Infrastructure Directive will be complemented with a plan for funding opportunities. The future of clean fuels for ships will likely require several fuels to be made available, for different shipping segments. The planned review of the Energy Taxation Directive should also address the situation where the fuel for commercial ships remains untaxed, while electricity provided by the port is taxed. This gives ship operators no incentive to shut their polluting auxiliary engines when stationed in port and use onshore power, with direct impacts on air quality in ports. However, beyond the necessary adaptations within the port itself, a wider use of onshore power

> **EU funding for ports**
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> Seaport projects financed under the CEF focused on introducing alternative shipping fuels, improving port infrastructure elements, road and rail access to ports, terminal upgrades, as well as combined transport terminals and improving interactions with the urban environment. Only a handful of the inland waterways projects actually focused on inland ports. The Horizon 2020 programme funded several projects targeting energy efficiency and zero emissions vessels.
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> Under the new CEF, the EU will continue to support maritime and inland ports as urban nodes, as well as seaport infrastructure and alternative fuels relevant to cross-border short sea shipping (Motorways of the seas). The Horizon Europe programme will also be able to support large mobility hubs, such as ports.

by ships will require more clean electricity. This can put local sources to the test, mainly in smaller port towns trying to accommodate not only regular traffic but also large energy-hungry cruise ships.

The Commission wants to strengthen the penalties for ship-source pollution and limit access of the most polluting ships to EU ports with revised port-State control rules. With the already adapted EU rules for collecting waste from ships in force from mid-2021, new types and likely larger quantities of waste will be collected in port reception facilities. The key element of future port development, however, is their increased function as energy hubs supporting offshore wind generation and hydrogen production. This comes on top of other aspects in which ports are already involved, and is reflected in the review of the trans-European energy networks (TEN-E).[5]

This also holds to a large extent for inland ports, although with some specificities. Reviewing the TEN-T Regulation, the Commission has already indicated that no big changes are to be expected in terms of network design, as it is not aiming to add further ports to the existing EU network.

MAIN REFERENCES

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The impact of emerging technologies on the transport system, Policy Department for Structural and Cohesion Policies, Directorate-General for Internal Policies, European Parliament, November 2020.

Transport infrastructure in low-density and depopulating areas, Policy Department for Structural and Cohesion Policies, Directorate-General for Internal Policies, European Parliament, February 2021.

ENDNOTES

[1]   The European Automobile Manufacturers' Association (ACEA), European Consumer Organisation (BEUC) and the NGO Transport & Environment called on the Commission to set binding national targets to reach 1 million public charge points for cars and vans across the bloc in 2024 and 3 million in 2029, and around 1 000 hydrogen stations by 2029.

[2]   These systems apply information and communication technologies to transport in all modes, enhancing traffic safety. They include journey planners, travel information services, traffic management, safety applications (such as advanced cruise control or automatic 112 calls) and other aspects, increasingly directed towards supporting automated mobility.

[3]   The Cohesion Fund is aimed at Member States whose gross national income (GNI) per inhabitant is less than 90 % of the EU average.

[4]   Cities do not have to follow the Commission guidelines nor their national strategy to be able to benefit from EU funding for urban projects. Some Member States, such as Italy and Spain, introduced some conditionality.

[5]   Seaports' representatives (ESPO) demand that the energy infrastructure investments needed for hydrogen supply be eligible for CEF funding. Inland ports (EFIP) consider the current demand for installation of alternative fuels infrastructure at all TEN-T inland ports not feasible and leading to future oversupply and stranded assets.

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