

APRIL 2018

POSITION PAPER PRISE DE POSITION STELLUNGNAHME OF THE INTERNATIONAL ASSOCIATION OF PUBLIC TRANSPORT

DE L'UNION INTERNATIONALE DES TRANSPORTS PUBLICS
DER INTERNATIONALE VERBAND FÜR ÖFFENTLICHES VERKEHRSWESEN

THE IMPORTANCE OF INVESTING IN SUSTAINABLE URBAN MOBILITY IN THE POST-2020 EU BUDGET

UITP (International Association of Public Transport) is a passionate champion of sustainable urban mobility and is the only worldwide network to bring together all public transport stakeholders and all sustainable transport modes. We have 1,500 member companies giving access to over 18,000 contacts from 96 countries. Our members are public transport authorities and operators, policy decision-makers, research institutes and the public transport supply and service industry. Visit our website: www.uitp.org/eu-policy

Key facts for public transport in the EU 28

Passenger journeys: 57 billion/year, more or less equally shared between road modes (mainly bus) and rail modes (urban, suburban and regional rail).

Economic value of public transport services: € 130 - 150 billion/year or 1 – 1.2% of GDP.

Employment: direct employment 1.2 million and indirect employment 2 - 2.5 indirect jobs for each direct job on average.



Summary

In May 2018, the European Commission will put forward a comprehensive draft proposal of the next long-term EU budget, the post-2020 Multiannual Financial Framework (MFF). Taking into consideration both the Brexit's impact on the EU budget, as well as the EU's strategic ambitions regarding climate change, energy efficiency or the Urban Agenda, the International Association of Public Transport (UITP) is convinced that these developments create an outstanding opportunity to re-think the existing balance of the EU budget and to shift the focus on urban areas and urban populations. This urban shift in the EU budget, with clearly structured financing lines for clean urban mobility and public transport, will boost the European economy and well-being of its societies in the new decade to come.

“A sustainable city must have attractive open public spaces and promote sustainable, inclusive and healthy mobility. Non-car mobility has to become more attractive and multimodal public transport systems favoured”

DG REGIO

Today, cities are playing a key role in achieving EU strategic policy priorities, including climate change, social cohesion and innovation leadership. It is therefore high time for the EU to better include the backbone role of cities in the EU strategic objectives, its decision-making processes and – most notably – in the forthcoming budgetary framework. Urban public transport projects, most notably those related to clean public transport and sustainable urban mobility, should be prioritised in the post-2020 EU budget in order to help to unleash the potential of cities for the achievement of European growth and climate goals. Hosting two-thirds of the European population, cities enable European citizens to directly see and experience the much-prized EU added value, with urban transport projects being the most visible investments.

Yet, financing long-term and cost-intensive urban transport and infrastructure projects has often been a challenge for many European municipalities. Moreover, an increasing number of projects across Europe is being devoted to alternatively fuelled transport investments with price-tags for new electric buses and related infrastructures at least doubling the costs of conventional diesel vehicles. **It is therefore crucial not only to maintain, but also to increase the existing funding levels for the urban mobility envelope under the EU funds and financing instruments**, including the European Structural and Investment Funds, Connecting Europe Facility (CEF) and the European Fund for Strategic Investments (EFSI).

Strengthening urban mobility and its financing base is essential for the EU to move more effectively towards a low-carbon economy, while reducing traffic congestion and urban transport pollutions, as well as creating an array of green jobs across many sectors in Europe.

As European cities are being increasingly impacted by EU legislations – and often with heavy financial consequences as in the case of the forthcoming Clean Vehicles Directive – **the subsidiarity principle for urban mobility should no longer be used in order to keep cities on the sidelines of EU funds and financing.** If the EU is to meet its strategic policy ambitions, cities must be kept under the main budgetary targets.

Main recommendations by UITP:

1. European climate change objectives will not be achieved if financing for clean urban public transport does not become one of the top priorities in the next MFF. In this regard, the European Commission's Plan on alternative fuels infrastructure as well as the European Strategy for low-emission mobility, aiming at deploying clean and energy-efficient road transport and promoted by the Clean Vehicles Directive, would be the priority area where adequate budget envelopes for local authorities should be guaranteed. **In order to make the transition to low-emission mobility a reality, financial means and incentives for the local authorities and public transport operators must be provided,** also to secure the cost-efficient and uninterrupted level of public transport services, especially when based on high costs of low- or zero-emission buses and their infrastructures.
2. Moreover, **UITP encourages EU stakeholders to make public transport and urban transport infrastructure projects more compatible with – and eligible for – new and emerging Financial Instruments** offered under EFSI and through loans by the European Investment Bank. By doing so, recently unveiled initiatives like the Cleaner Transport Facility or the Action Plan 'Financing Sustainable Growth' which will help achieve the €180bn of additional annual investments required to reach the EU's 2030 targets, should all have an urban mobility focus where the link between sustainability and public services is the most obvious and easiest to establish. Yet, experiencing rather low numbers of public transport projects financed under EFSI or CEF blending calls so far, **in UITP's opinion grants should remain at the core of sustainable urban mobility financing after 2020,** with blending or combination of funds and private financing deployed when appropriate and without jeopardising the sustainable urban mobility sector's further development.
3. Following this logic, UITP underlines that suitable resources should be also transferred to the Horizon 2020 Programme and dedicated for urban mobility initiatives addressing an array of core EU topics, including digitalisation, big data, cyber security, artificial intelligence and autonomous driving. **This would be linked to generating extra attention to – and financial means for – European mobility start-up companies,** some of which are world leaders in their domain and highly innovative.
4. There should be no room for reluctance to financially support cities and local mobility strategies due to the principle of subsidiarity. **If the EU Urban Agenda is here to stay and if the EU ambitions to decarbonise transport and cities are to be materialised, it is high time to dedicate necessary financial means and empower local authorities to carry out**

integrated urban strategies with public transport being at the heart of local development agendas. Sustainable urban mobility generates benefits well beyond the mobility sphere while strengthening a wide array of urban policies, with investment in public transport bringing on value that exceeds the initial investment up to three to four times.

5. Nearly every long-distance journey starts or ends in urban areas which have an outstanding capacity of combining all transport modes and corridors in one strategic nexus. **It is the major reason why increasing the resources for – and focus on – the urban nodes priority under CEF and its future calls would effectively support the long-awaited completion of the major trans-European transport networks (TEN-T),** while substantially increasing the modal split objectives, notably in the railway sector. Likewise, strengthening the urban nodes priority is the most effective and most visible way to reconcile the EU economic and climate objectives with the benefits of tens of millions of European citizens, with public transport accounting for only 8% of the total transport sector's emissions, making it one of the cleanest and most efficient modes of transportation in Europe.

Conclusions

Securing necessary financial resources for sustainable urban mobility and public transport in the post-2020 EU budget is a fundamental condition for the credibility of both EU strategic policy objectives as well as European growth and competitiveness. With €81bn earmarked for transport in the 2007-2013 MFF and with €94bn used in the ongoing 2014-2020 budget, UITP welcomes the Commission's interest in making transport one of its flagship investment areas. Yet, in order to deliver on its strategic policy ambitions and simultaneously provide EU added value to the majority of its citizens, the EU must empower cities and its sustainable mobility schemes better than today. **Guaranteeing sufficient financial resources for sustainable urban mobility is not any more an action point, nor is it a policy recommendation – it is an urgent necessity if we want to seriously talk about sustainable, prosperous and fast-growing Europe of the decade to come.**