

PRIORITISING URBAN AND REGIONAL MOBILITY INVESTMENT

A Strategic Pillar for Europe's Competitiveness

We, representing local and regional governments and transport networks — including **POLIS, ICLEI Europe, Eurocities, European Metropolitan Transport Authorities (EMTA), European Cyclists' Federation (ECF), Cycling Industries Europe (CIE), International Association of Public Transport (UITP), and EIT Urban Mobility** — welcome the Commission's focus on strengthening Europe's competitiveness. The acceleration of much needed investments in the urban mobility ecosystem is a key factor for competitiveness. In this regard, we specifically appreciate the DG MOVE's initiative to launch the Sustainable Transport Investment Plan (STIP) in the coming months. We see a clear link between sustainability and competitiveness: sustainability is about long-term efficiency, and this efficiency makes the EU more competitive.

We understand that the upcoming STIP proposal will support specific renewable and low-carbon fuels for aviation and waterborne transport, while accelerating the rollout of recharging infrastructure and rail digitalisation. In doing so, it is expected to address challenges such as the fragmentation of markets, limited coordination and scaling of demand, limited leverage of the potential of public procurement, and many others. These same issues also affect urban and regional mobility investment.

The STIP is designed to address critical market challenges, including fragmentation, limited demand coordination, and underutilised public procurement potential. **However, these same barriers significantly hinder urban and regional mobility investment - yet this sector remains largely absent from current STIP discussions.**

In this context, we believe that the STIP can become a cornerstone for achieving the EU's sustainability, equity, and competitiveness goals — if it takes **a transformative approach to urban and regional mobility**. The method and timeline for this transformative approach are made explicit and compulsory through EU legislation and strategies such as the Clean Vehicle Directive, the Trans-European Transport Networks (TEN-T) Regulation, the FIT-for-55 package legislation related to CO2 standards for cars, buses and trucks, the Alternative Fuels Infrastructure Regulation, the Clean Industrial Deal, the Urban Agenda for the EU, the European Declaration on Cycling, the EU Start-up and Scale-up Strategy, among others. However, current EU funding mechanisms inadequately support the urban mobility investments these frameworks require. In addition, more could be done to coordinate national funding and to maximise the impact of national-level investment, funding and financing instruments.

While the deployment of electromobility infrastructure plays a role in the transition, **electrification alone will not resolve the challenges of congestion, urban sprawl, and car dependency**. As described in the DG MOVE's European Urban Mobility Framework (2021), a greater impact will come from a **modal shift towards more sustainable forms of transport**. These modes not only reduce emissions but also present numerous other positive externalities: they enhance public health and road safety, promote urban liveability, address transport poverty, and drive economic competitiveness^[1]. **The investment opportunity is substantial: transitioning to sustainable urban mobility requires €1.5 trillion by 2050, with €500 billion needed for implementation alone. However, the economic returns are compelling - every euro invested in public transport generates €6.5 in regional economic returns, while modal shift can save individuals up to €15,000 by 2050.**^[2] **The STIP can also act as an investment plan for this approach.** The return on investment in economic, social, and health terms outweighs the costs, delivering significant savings and benefits for individuals and society.

^[1] UITP, [Public Transport Benefits](#)

^[2] EIT Urban Mobility, [Study on the costs and benefits of the sustainable urban mobility transition](#)

With urbanisation accelerating^[3], the STIP will have an increased impact only if it has a **strong urban and regional focus**. Urban nodes play a pivotal role within the TEN-T framework, as they serve as 'crossroads' where different types of transport networks (air, maritime, road, rail) meet. By 2027, urban nodes will also be required to adopt and monitor a Sustainable Urban Mobility Plan (SUMP) that covers the functional urban area. TEN-T urban nodes and functional urban areas will require efficient, high-capacity mobility solutions to stay competitive and inclusive.

Investment in urban mobility leads to **direct job creation** in operations, construction and maintenance, and stimulates indirect employment across sectors such as retail, tourism and real estate. Many of these jobs are local, place-based employment, strengthening local economies. Well-connected cities enable greater access to employment and services^[4], strengthening both local economies and the EU's competitiveness^[5]. A strong **shift away from private car use towards public transport, shared mobility and active travel** not only reduces costs for users but also generates significant societal benefits. Additionally, external cost savings, such as reduced pollution and congestion, can exceed total investment costs by 60–150%. Health benefits are also substantial, with more walking and cycling contributing up to €1,170 per person in health gains by 2050^[6].

Moreover, **public transport complemented by shared mobility is a critical lever in achieving climate targets**. Modern sustainable transport investments — such as electric buses, metro system expansions and protected cycling infrastructure — support a low-carbon, resilient future. They can also create lead markets for a large number of industries, as well as for SMEs and start-ups. These investments position cities as forward-looking hubs of innovation and green development.

^[3] Extract of the Draghi report: “Urban mobility and logistics are set to play an increasingly important role, with nearly 70% of the global population (and 80% of Europeans) living in cities by 2050”.

^[4] Survey by GART, UTPF, and GIE Public transport Objective, 2024: 81% of Europeans rely on public transport for their daily travel

^[5] A 2021 study of Barcelona revealed that for every euro spent on public transport, the return on investment within the region was €6.5

^[6] EIT Urban Mobility, Study on the costs and benefits of the sustainable urban mobility transition

To maximise STIP's impact on European competitiveness, we recommend:

1. *Define the urban mobility scope of the STIP*

- Supporting investment mechanisms for EU homegrown industries, start-ups and scale-ups to boost innovation in urban and regional mobility.
- Align STIP with existing EU legislation, including AFIR, ITS Directive, Fit for 55, TEN-T regulation, European Declaration on Cycling, EU Startup and Scaleup Strategy, etc., which introduce infrastructure and/or compliance requirements for urban mobility.
- Ensure balanced investment across modes by integrating transport, energy, and digital infrastructure to enable truly multimodal systems.

2. *Support competitiveness through urban mobility investment*

- Leverage European manufacturing: Prioritise sectors like the cycling industry and zero-emission bus production.
- Provide clarity about demand for sustainable mobility services and products to the industry and private sector on timelines for public sector compliance with relevant EU transport and climate legislation, so investment can be aligned and sequenced accordingly.

3. *Create frameworks to enable investment and implementation*

- Streamline access to funding for local governments and operators.
 - Establish a regulatory framework that reduces barriers, simplifies access to public contracts and fosters an environment where innovation can thrive.
 - Support demand aggregation and shared investment frameworks.
 - Enhance visibility of project pipelines and investment opportunities, not least by recognising SUMP as true urban mobility investment plans.
 - Build capacity and skills for public-private cooperation.
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4. Relate future MFF instruments to STIP urban mobility priorities

- Link to MFF instruments: Connect STIP priorities to the post-2027 MFF structure through Regional and National Partnership Plans and through relevant sections such as dedicated urban chapters
- Clearly state the future role of the AFIF in supporting public transport decarbonisation. This should be a central priority of the STIP.
- Prioritise investments in multimodal transport hubs and freight terminals (as foreseen in the revised TEN-T Regulation), first- and last-mile connectivity, protected cycling infrastructure, pedestrian zones and school access programmes.
- Launch EU-wide campaigns and funding programmes to promote behavioural change and encourage a shift to sustainable mobility modes

The STIP presents a timely and strategic opportunity to accelerate sustainable transport solutions across Europe's urban nodes. While cities and regions are leading the way in implementing ambitious policies, **support and alignment at the EU level — through the STIP and complementary strategies — will be essential to achieve meaningful and lasting change.**

We would welcome the opportunity to discuss these ideas further with you and your team — either through an online meeting or in person — and to explore how we can support the implementation of the STIP in collaboration with EU institutions.

Wishing you every success in the delivery of your mandate and looking forward to continued dialogue.

Yours sincerely,

SIGNATORIES

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SUPPORTING ORGANISATIONS



POLIS is the leading network of cities and regions, working together on sustainable mobility and innovation while advocating for greater involvement of local and regional authorities in national and international mobility policy. Since 1989, we have been working to promote sustainable mobility through the deployment of innovative solutions.



ICLEI Europe connects ambitious local and regional governments with other sustainable frontrunners, national governments and European institutions, as well as business, academia, and NGOs, helping to improve local and global sustainability. They represent local and regional governments in European and global policy processes for a sustainable transformation.



The European Cyclists' Federation (ECF) is the umbrella federation of European national cycling organisations, representing 66 bicycle organisations across almost 40 countries in Europe. ECF unites cycling movements as the only civil society voice at the pan-European level, and as the world's largest cyclists' advocacy organisation.



EIT Urban Mobility is an initiative of the European Institute of Innovation and Technology (EIT), a body of the European Union and Europe's largest innovation community for urban mobility. Its mission is to accelerate the transition to sustainable urban mobility, bringing together businesses, startups, universities, research centres, and public authorities, providing them with access to markets, talent, funding, and knowledge.



European Metropolitan Transport Authorities (EMTA) unites 35 public transport authorities in Europe. The association fosters the sharing of experience on solutions that help authorities develop sustainable, smart and affordable mobility services. Its members organise the mobility of 100 million residents in 21 countries.



Eurocities brings together the local governments of more than 200 cities in 38 European countries, representing 130 million people. It provides a platform to share knowledge and ideas, exchange experiences, analyse common problems and develop innovative solutions, through a range of forums, working groups, projects, activities and events.



UITP (Union Internationale des Transports Publics) is the International Association of Public Transport and a passionate champion of sustainable urban mobility. Established in 1885, with more than 135 years of history, it is the only worldwide network to bring together all public transport stakeholders and all sustainable transport modes.



Cycling Industries Europe (CIE) is the voice of the cycling business, actively promoting the sector in Europe and worldwide. CIE represents leading companies and technology providers within the cycling industry that are powering a world-leading mobility transition in Europe.