Recovery and Resilience Plans

Example of component of reforms and investments –

Clean, smart and fair urban mobility

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The document takes into account the Proposal for a Regulation on the Recovery and Resilience Facility (hereafter 'the Proposal') adopted by the Commission on 28 May 2020[1] and the conclusions of the European Council of 17-21 July 2020[2], the Communication on the Annual Sustainable Growth Strategy 2021 (hereafter ASGS)[3] and the Commission's Guidance to Member States on the recovery and resilience plans[4].

The document is intended to help Member States prepare their recovery and resilience plans and ensure coherence with the European flagships proposed by the Commission in the ASGS Communication[5].

The document builds on the template[6] that was issued together with the guidance to Member States on the recovery and resilience plans. Its structure is based on Part 2 of the template, where each component of the recovery and resilience plan needs to be described.Therefore, this document does not cover the information that Member States are expected to include in Part 1 (general objectives and coherence of the plan), 3 (complementarity and implementation of the plan) and 4 (overall impact) of their Recovery and Resilience Plans.

The document contains examples of reforms and investments that Member States could include under a specific component in their recovery and resilience plans, including some examples of the type of information required to describe the expected impact, to fulfil the green and digital tagging of measures and to set out the type of targets/milestones that have to be defined for each reform and investment in order to allow for the tracking of progress.

Given the fictitious nature of these examples, the document should not be regarded as comprising an exhaustive list of the most important reforms and investments in the mentioned area. Member States may cover different and/or broader mix of reforms and investments in their recovery and resilience plans. Furthermore, the description should not be regarded as complete. More details and evidence would be expected in the actual recovery and resilience plans in order to ensure a proper assessment of the measures to be implemented.

[1] COM(2020) 408
[2] EUCO 10/20
[3] COM(2020)575
[4] SWD(2020) 205
[5] The Commission in the ASGS strongly encourages Member States to include in their recovery and resilience plans investment and reforms in the areas of: renewables, energy efficiency, sustainable transport, broadband connectivity, digital public services, cloud capacities and skills.
[6] SWD(2020) 205 PART 2/2

PART 2: DESCRIPTION OF REFORMS AND INVESTMENTS

A. COMPONENT 1: Clean, smart and fair urban mobility

[Please note that this example of a component is fictitious. It has been prepared by the Commission's services to provide guidance to Member States on some reforms and investments related to the European flagship 'Recharge and Refuel' that could be included in the national recovery and resilience plans. To substantiate the intended reforms and investments, the document references specific data sources, data sets and information relating to the baseline scenario, outstanding gaps, envisaged milestones, targets, including green and digital, etc. The references provided should not be regarded as comprehensive, compulsory elements to be replicated in national recovery and resilience plans. Member States can include other/additional details and evidence to clearly describe and justify the importance and coherence of the recovery and resilience plan and its contribution to the green and digital transitions, with a view to satisfy the assessment criteria set out in Article 16 and Annex II of the Proposal.]

1. Description of the component

Clean and smart urban mobility

Policy area/domain: Urban mobility and transport

Objective: The objective of this component is to structure and coordinate efforts to make urban mobility cleaner, smarter, safer and fairer. This objective is in line with, and form part of our nationwide strategy of sustainable mobility.

The component champions the **European Flagship 'Recharge and refuel'** and promotes future-proof clean technologies to accelerate the use of sustainable, accessible and smart transport, zero and low emission vehicles, charging and refuelling stations, and stronger, more extensive public transport. This will make our cities and regions cleaner and contribute to reaching the 2050 climate neutrality objective. By 2025, the proposed reforms and investments will ensure the completion of X charging points in the country and Y hydrogen stations, where direct electrification is not possible. The component is also related to sufficient supply of renewable electricity and hydrogen, in relation with the **European Flagship 'Power Up'**.

Twin transition: This component provides an opportunity to promote jointly the green and digital transition, through smarter and more integrated urban mobility services.

Jobs and Growth: The investments related to the component will create a significant number of jobs and contribute to growth both at local and national levels.

Social resilience: Through a wider access to sustainable urban mobility and the reduction of travel times, labour market participation and labour productivity will increase. The investments in clean and smart urban mobility will improve public health through decreased pollution and noise, increased safety and more active lifestyles.

Examples of reforms and investments[7]:

The transition towards clean, smart, safe and fair urban mobility and towards sustainable transport in general requires a broad mix of reforms and investments. In this module those measures are presented that would be partly financed by the RRF. It will be explained how these fit with other measures that will be implemented to ensure a timely transition towards sustainable transport.

Reforms:

1. Create the framework for cities/agglomerations to adopt and implement individual Sustainable Urban Mobility Plans (SUMP). The legislation will ensure consistency of the SUMPs with national and EU climate and environmental objectives, and that they can serve as a basis to realise clean, smart, safe and fair mobility investments.

2. Progressively phase out the most polluting vehicles in most polluted urban areas. The legal framework will complement other national and local efforts to reduce transport-related GHG emissions, congestion and pollution.

3. Support the deployment of sustainable shared mobility services. This framework will facilitate local efforts to enhance the offer of sustainable shared mobility services, including transport on demand, to complement public transport; and to reach sustainability objectives.

4. Simplify and harmonize permitting procedures for alternative fuels infrastructure. This measure will accelerate investment in recharging stations in particular, and also facilitate interactions between the electricity grid operators and recharging infrastructure operators.

Investments:

1. Create a subsidy scheme to allow cities/agglomerations to procure smart, safe and clean public transport fleets, and their related infrastructure, as well as publicly accessible recharging/refuelling points for private and commercial zero and low emissions vehicles. Funding will be limited to investments included in SUMPs and conditional on complying with strictly specified public procurement rules. *[Add COFOG classification.]* This investment builds on Reform 1.

2. Introduce a scrapping scheme for the most polluting vehicles. The scheme will provide incentives to give up older and 'dirtier' vehicles, in exchange of mobility services, such as collective transport passes, allowances to purchase bicycles or zero or low emission vehicles. *[Add COFOG classification.]* This investment enhances the effects of Reform 2.

Estimated cost: EUR XX.X million, of which EUR XX.X million (X%) are covered by RFF.

[7] Including COFOG (General government expenditure by function) classification.

2. Main challenges and objectives

a) Main challenges

Current transport solutions are not sustainable

- Transport is responsible for X% of GHG emission and Z% of pollution in 20XX *[insert statistics on different types of pollution]*. *[Explain the contribution of urban transport to GHG emissions and pollution.]* Transport also accounts for Z% of energy consumption in 20XX. X% of this is related to urban transport. The sector is further responsible for a high environmental impact in terms of other air water, soil and noise pollution *[insert supporting statistics, references]*. In terms of transport fuels, fossil fuels currently represent X% of the energy use in the country.
- Achieving climate neutrality by 2050 requires the decarbonisation of the national transport system, including at local level. In order to be on track for the 2050 target, X% reduction in transport-related GHG emissions needs to be achieved by 2030.
- The existing fleet of public road transport operating in urban areas, including buses, is old, with X% being manufactured before XXXX. These vehicles pollute, on average, X% more than if they were replaced by models manufactured after 20XX. In addition, newer vehicles are equipped with digital equipment that allow to better manage traffic flows and provide higher safety levels than the existing fleet.
- The reduction of X% transport-related GHG emissions does not only require the replacement of road-transport fleets but also game-changing technology and infrastructure transformations and the transition towards other modes of transport, such as trains, trams, active modes of transport, etc. The necessary infrastructure for this transition is currently not in place. The modal shift should be accompanied by the transition from individual towards mass and shared transport solution.
- Citizens rely on private car-based transport in the absence of alternative modes of transport infrastructure and services; and integrated mass/public and shared transport solutions. This results in congestion in urban areas, for example in 20XX a person that worked in the capital and relied on individual road transport lost, on average, X hours per week due to traffic congestion. Congestion also leads to additional GHG emissions (as well as air and noise pollution). Excessive dependence on private car use also increases road safety problems. In addition, congestion also affects road-based public transport and limits its attractiveness.

Market failures/sub-investment level

- Urban transport is mainly provided through public services contracts or by a public transport authority because it is difficult for private investors to step in these markets. The financial costs of funding and maintaining infrastructure compared with the flow of revenues are extremely significant, which is a constraint for private investors. *[Give examples with supporting statistics for major cities in the country.]*

- The external costs of transport pollution and congestion are only partially internalised by taxes and charges at present[8].
- There are no incentives to invest in interoperability between cities and between mobility providers. Similarly, there are no incentives for transport operators and services to exchange data between operators, with platforms, and with local authorities. *[Give examples to show how limited interoperability and data sharing is.]*

Investment barriers/Administrative hurdles

- Fragmentation of local jurisdictions and standards hinder the transition towards an integrated and interoperable, sustainable national transport system. The lack of coordinated urban and regional transport policies is an entry barrier for transport services. *[Give evidence, for example from regulatory reports.]* This also makes rural regions less attractive and hampers efforts to mitigate dramatic rural population decline.
- Heavy and lengthy permitting procedures act as a barrier to the deployment of alternative fuels infrastructure. Permitting rules sometimes differ greatly even within our country. Competent authorities often resort to general permitting rules, which can be burdensome. These issues make permitting procedures unnecessarily time-consuming and costly *[provide evidence]*.
- Another persistent problem is the lack of transparency in relation to the capacity of the electricity network to accommodate new recharging infrastructure *[provide evidence]*.
- Planning of transport services is complex. The lack of administrative capacities within local administrations prevents them from managing complex contracts and tenders.

Financial barriers.

- The lack of budgetary and funding capacities of regional and local authorities prevent them to invest in the infrastructure and renewal of the public transport fleet. Urban transport also have been penalised by the lack of demand due to the COVID-19 pandemic.

b) Objectives

2019 and earlier Country Specific Recommendations for [our] country mention the need to support sustainable transport and mobility, in particular in congested urban areas. Furthermore, the European Green Deal has called for accelerating the shift to sustainable and smart mobility.

Twin transition:

Investing in clean and smart urban mobility has the potential to reduce GHG emissions by X tCO2e per year during the period 2021-2026 (X%) and reduce energy use by Y ktoe per year (Y%). Significant environmental benefits are also expected from substituting fossil fuels with

[8] https://ec.europa.eu/transport/themes/sustainable/internalisation-transport-external-costs_en

other, renewable electricity based or clean fuels in terms of reduction in air, water, soil and noise pollution *[insert expected impact in figures]*.

Digitalisation of transport will enable innovative mobility-related businesses and services, such as capacity planning and traffic management systems. Smart mobility will benefit from, but will also contribute to 5G roll-out, the development of artificial intelligence, block-chain, and other efficient digital technologies *[explain expected impact]*.

Investing in smart traffic management systems, embedded sensors, and connectivity networks[9] as well as tracking and tracing technologies, in line with GDPR, (that are all integral part of the SUMPs) can manage traffic flows, reduce congestion and travel time, and therefore further decrease GHG emissions. In addition, collecting data from cars, public transport and micro mobility services that feed into smart traffic management systems will help the authorities to monitor, report and take informed decisions *[explain expected impact]*.

Jobs and growth:

Investments in clean and smart urban mobility will create or safeguard local jobs (estimated to amount to X new jobs between 2021-202X nationwide), and will also stimulate private investments, especially in transport-related new services *[further details and estimates of impact]*. They will also have important spill-over effects on the local economy and will increase productivity due to decreased travel times. For example, they will facilitate job searches and link job seekers who are not equipped with cars to a higher number of job opportunities by giving them access to clean mobility.

Social resilience:

Smart urban mobility will reduce congestion and the time spent in traffic, with a positive effect on labour productivity. By providing more public transport alternatives will also help the integration of the most vulnerable citizens into the labour market *[provide estimates of labour market impact]*.

Substituting fossil fuel-based urban transport by zero or low emission alternatives fuelled with renewable energy will reduce air pollution and noise with positive effects on public health *[provide estimates of health effects]*.

Investing in active mobility (walking and cycling, also encouraging multimodal connection with public transport e.g. through bike parking facilities at metro stations) will further improve public health thanks to increased levels of physical activity *[estimates of effects]*. This can decrease obesity levels and contribute to preventing cancer, hypertension and other chronic diseases. The new transport infrastructure and integrated mobility services will also be accessible and adapted for disabled users (again, this is an integral part of the SUMPs).

[9] See the Connectivity Component.

Clean and smart public transport and improved infrastructure for active transport will protect vulnerable road users. It will help to increase road safety and reduce the number of people injured in accidents and of fatalities *[provide estimates of this]*.

Better commuting solutions with peri-urban and rural areas will contribute to more sustainable living conditions and will mitigate rural population decline.

c) National strategic context

[Explain how the module related to clean and smart urban mobility fits in the national sustainable mobility strategy]

3. Description of the reforms and investments of the component

[The following outlines a mix of reforms and investments of the component. The separation of reforms and investment presented below is for illustrative purposes only. Their interlinkages and synergies are explicitly mentioned and explained as part of their description, but Member States are asked to be more specific and to provide a more detailed description of the specific context of each suggested reform and investment, in line with the template. This should also include a description on how the intended reforms and public investment projects reinforce the effects of one another and how the Member State seeks to ensure that they are of a complementary and coherent nature.]

a) Examples of reforms

1. Create the framework for cities/agglomerations to adopt and implement individual Sustainable Urban Mobility Plans (SUMP)

Challenges:

Sustainable urban mobility plans are currently developed on a voluntary basis at the level of individual cities/agglomerations, and hence vary greatly in depth and quality in terms of observing the EU's SUMP guidelines[10]. This results in larger cities with more resources to work on such plans having high quality SUMPs in place, while others are somewhat lagging behind, with negative impact on functioning of local transport, and quality of life.

Although in our country most cities are quite advanced in the preparation of their SUMPs, without a national framework in place, cities develop their SUMPs without taking sufficient account of important national objectives, including the GHG reduction objectives and integration with longer distance services to improve connectivity with peri-urban and rural areas.

[10] https://ec.europa.eu/transport/themes/urban/urban-mobility/urban-mobility-actions/sustainable-urban_en

Objectives:

Through this reform, different cities/agglomerations with certain characteristics (see below) will be required to produce coordinated plans in order to create an efficient and integrated national transport network.

A SUMP is a strategic plan designed to satisfy the mobility needs of people and businesses in cities and agglomerations for a better quality of life. It builds on existing planning practices and takes due consideration of integration, participation, and evaluation principles. They are currently purely voluntary although they are prepared in line with EU level guidance.

The objective of this reform is to harmonise the legal, financial and organisational frameworks to be designed by the cities and agglomerations; and ensure that all SUMPs are prepared with the required level of detail and quality. The SUMPs of different cities and agglomerations should ensure the seamless integration between urban mobility and longer distance services (passenger and freight) to support greater use of modes with lower environmental impact (e.g. park and ride schemes, micro-hubs and other consolidation centres)). The SUMPs should also specify detailed investment plans in accordance with intermediate climate and environmental objectives defined in the SUMPs. This investment plan should detail the minimum level of investment to be carried out, but managing authorities may strive to invest above this level if they wish and have the necessary means to do so.

This reform will make the implementation of the SUMPs binding.

Relationship with the European Flagships 'Recharge and Refuel' and 'Power Up': the SUMPs will provide the roadmap to investment in clean, smart, safe and fair urban mobility. In order to meet the national climate and environmental objectives, a key part of the SUMPs will necessarily have to be the construction of electric charging points and hydrogen stations.

Implementation:

A national legal framework will specify the obligations of cities and agglomerations to produce their SUMPs, within six months following the adoption of the law. The framework will apply to cities and agglomerations/local authorities above a population density X persons/km², above a level of congestion of X% and above a level of air pollution of X *[insert thresholds for different pollutants]*, and above an overall population of XX.

The legislative framework shall:

- require the creation of legal entities locally in charge of the preparation and implementation of the SUMPs (local managing authorities);
- provide a template and a guidance for the preparation of SUMPs;
- require to involve citizens and other stakeholders in the preparation of SUMPs via a public consultation;
- specify a timeline with clear targets in terms of reduction of GHG emissions and other pollutants that the individual SUMPs should include, in line with national climate and

environmental objectives. In particular, SUMPs should specify an X% reduction of GHG emissions by 2025, etc. *[specify]*;

- provide a financial framework for the implementation of SUMPs that supports aggregation of funds, to be managed by the local managing authorities, including in terms of budgetary commitment and financial schemes;
- make the implementation of the SUMPs binding.

The legislative framework will also empower the national transport regulator to coordinate the preparation of the SUMPs, and amend the SUMPs, if required. The national transport regulator will be required to ensure cross-sectoral cooperation and leadership. It will also coordinate the implementation of the SUMPs.

The legal framework will complement other national and local efforts to reduce transport-related GHG emissions, congestion and pollution.

Once the national legislation is adopted, the national regulatory authority will engage in close collaboration with the local authorities in order to ensure: (i) the creation of the local managing authority; and (ii) the finalisation of the SUMP along the lines defined in the legislation.

Drawing up SUMPs should not as such raise State aid concerns. If in the context of the financial framework for the implementation of SUMPs, it appears that support may be granted to undertakings performing economic activity, which could constitute a selective advantage, then the SUMP will take into consideration State aid rules.

Target population: entire cities and agglomerations

Timeline: legislative preparation is on-going, legislation adopted by 31 July 2021, SUMPs finalised by 31 December 2021.

2. Progressively phase out the most polluting vehicles in most polluted urban areas

Challenges

Cities and sub-urban areas are particularly polluted. Infrastructure charges and transport taxation do not yet provide incentives to use alternative (collective, active, clean) transport solutions.

There is still a sizeable number of old vehicles in use, which creates a disproportionate amount of pollution. *[Insert information on the average age of fleet, share of vehicles that predate Euro standards and that fall under different Euro categories; and their average pollution per vehicle if available. This should concern both public and private vehicles and for both passenger and freight transport.]*

Different local jurisdictions put in place different rules regarding access by older vehicles, which resulted in a complex set of rules. They also lack the human and financial resources to control polluting cars.

Objectives

To ensure, in a progressive and coordinated manner and in line with EU law, that vehicles, which predate the Euro X *[insert the exact type]* standard are not allowed to circulate in cities with air pollution above a certain level (% NOx and % pollution particles) by 2026.

This will encourage the roll-out of clean vehicles that, in turn, will reduce GHG emissions and air and other pollution including noise emission; and will have a positive impact on people's health.

Relationship with the European Flagship 'Recharge and Refuel': by removing the most polluting vehicles from circulation will direct demand towards zero and low emission, and smart vehicles and their charging infrastructure. This is conditional on sufficient supply of renewable electricity and hydrogen in relation with the European Flagship 'Power Up'.

Implementation

The national administration will adopt legislation that sets out a detailed schedule of when certain restrictions enter into force, in a proportionate manner compared to the level of pollution. *[Include a table with the exact timing by Euro standards and by level of pollution]*. The legislation will also require local authorities to reinforce their human and financial resources to control polluting cars.

As long as the applicable legislation aims at removing the most polluting vehicles from circulation in the most polluted areas and does not provide for compensation for phasing out and scrapping those vehicles, there should not be State aid concerns.

Target population: users of vehicles that predate the Euro X standard in polluted urban areas

Timeline: legislative preparations are on-going, legislation adopted by 31 July 2021.

3. Support the deployment of sustainable shared mobility services

Challenges

The development of innovative urban mobility solutions such as mobility as a service applications, the deployment of car sharing, e-bikes and other micro mobility solutions and local passenger on-demand (taxis / private hire vehicles) and their integration with public transport are hampered by an accumulation of regulatory barriers and restrictions:

Moreover, public services contracts often do not contain provisions related to the integration of new services. Finally, data is often not shared between transport operators and with the local authorities, and data sharing is further complicated by problems of interoperability.

These hurdles result in lack of incentives for private investments.

Objectives

The objective is to facilitate local efforts to enhance the offer of sustainable shared mobility services, including transport on demand, to complement public transport.

This reform will simplify the authorisation process and provide access conditions to transport and mobility data. The reform will also promote the more systematic use of tenders for accessing the urban mobility services markets.

This reform accelerates the transition towards sustainable urban mobility.

Implementation:

This reform will be implemented through adopting a national legislation that will replace the current Law XXX that relates to the authorisation process of shared mobility operators.

In addition, a legislative framework for data sharing between transport operators will be adopted.

Recent clean vehicles are equipped with digital components. This will facilitate the deployment of intelligent transport systems that will enhance traffic and mobility management at urban level, together with collection of mobility data, and systematic use of digital tickets and digital payment systems, in particular in a context of 5G based infrastructure for connected and automated mobility[11].

State aid rules are no hurdle to public service contracts including sustainable mobility services. However, if a running public service contract needs to be amended as a result of this initiative, local authorities will take into consideration the applicable EU framework[12].

Target population: users of shared mobility services

Timeline: Legislative preparations are on-going, adoption foreseen by March 2022.

4. Simplify and harmonize permitting procedures for alternative fuels infrastructure

Challenges

Heavy and lengthy permitting procedures act as a barrier to the deployment of alternative fuels infrastructure. Permitting rules sometimes differ greatly within our country. Building regulations often do not provide specific rules for the deployment of alternative fuels infrastructure. Competent authorities often resort to general permitting rules, which can be burdensome. These issues make permitting procedures unnecessarily time-consuming and costly for project developers.

[11] See the Connectivity component.

[12] Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70, as amended by Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016.

Another persistent problem is the lack of transparency in relation to the capacity of the electricity network to accommodate new recharging infrastructure. The development of recharging stations in locations where sufficient grid capacity is already available can considerably reduce connection (one-time) and network costs (annual), even though there may be investments necessary that are in far reaching locations, or not on the dense network. In practice, however, project developers only obtain a clear idea of available capacity and grid connection costs for a specific location after introducing a site-specific grid connection request to the grid operator.

Objectives

The objective is to ease permitting procedures for alternative fuels infrastructure.

Moreover, the reform should enable much more efficient infrastructure development by requiring DSOs (Distribution System Operators) to make available information on their grid, indicating possible congestion areas, the state of digitalisation and the flexibility of the grid.

Implementation

This reform will be implemented by a revision of the current legislative framework governing the permitting procedures for roll out of alternative fuels infrastructure, including recharging and refuelling stations alongside the road network and in the building stock.

Measures to make permit procedures leaner and quicker and to ensure transparency of the network data do not normally involve State resources and therefore do not fall under State aid rules. Access to data will be provided in principle on an open access basis and without favouring any particular undertaking thereby excluding any potential competition/ state aid concerns.

Target population: users of alternative fuels infrastructure

Timeline: Legislative preparations are on-going, adoption foreseen by July 2021.

b) Examples of investments

1. **Create a subsidy scheme to allow cities/agglomerations to procure smart, safe and clean public transport fleets, and their related infrastructure, as well as publicly accessible recharging/refuelling points for private and commercial zero and low emissions vehicles**

Challenges

The share of clean vehicles in public and private road transport fleets is low *[provide further explanation and statistics]*. Clean vehicles and corresponding infrastructure for urban mobility are still more expensive than conventional vehicles *[provide evidence]*. Transport operators do not have the financial means to achieve ambitious targets for fleet renewal. Private companies and citizens are reluctant to buy zero or low emission vehicles due to the lack of publicly available charging points *[provide evidence]*.

Objectives

SUMPs include a minimum schedule of investments in urban mobility (as required by Reform 1), together with a financial framework for their implementation. This investment package will create incentives to set a more ambitious investment schedule for public transport fleet (i.e. vehicles and rolling stock) renewal and their related infrastructure, as well as publicly accessible recharging points for private zero and low emissions vehicles, than foreseen in the SUMPs. This will accelerate the transition towards the zero-emission urban mobility goal.

The ambition is to increase investment in public transport fleet renewal or retrofitting[13] and related infrastructure by X%, as well as publicly accessible recharging points for private zero and low emission vehicles by Y% in the period 2022-2026 (compared with investments set out in the SUMPs). If the total sum of available subsidies is taken up, the corresponding investment will result in an approximately X% additional reduction of GHG emissions by the end of 2026.

As the construction of related infrastructure creates local jobs, this measure also has the potential to create up to X jobs in 2022-2026.

In addition, the roll-out of charging infrastructure (electric and hydrogen), built for the public transport fleet, will also create synergies and will lower the costs also for commercial vehicles and private cars. This will accelerate further the fleet renewal of private and commercial vehicles.

Further, recent clean vehicles are equipped with digital components, which will facilitate and reinforce the deployment of intelligent transport systems that will enhance traffic and mobility management at urban level.

Relationship with the European Flagships 'Recharge and Refuel' and 'Power Up': the SUMPs will provide the roadmap to investment in clean, smart and fair urban mobility. In order to meet the national climate and environmental objectives, a key part of the SUMPs will necessarily have to be the construction of electric charging points and hydrogen stations. In addition, this subsidy scheme will ensure a more ambitious investment level than the minimum level required in the SUMPs.

Implementation:

The subsidy scheme will be implemented through the national promotional bank, which will also make available the necessary financing. Funding will be limited to investments included in SUMPs but that are additional to the minimum investments foreseen by a certain date. The amount of subsidy will be X% of this additional investment in the period 2022-2026.

Funding will be conditional on meeting relevant public procurement requirements, such as awards based on ambitious economic and environment criteria, and should promote the use of quality evaluation criteria, in order to ensure the efficient use of public funds. The managing

[13] Retrofitting of fleet will allow for e.g. reduction of noise in the case of rolling stock and boost the use of advanced, energy efficient solutions for vessels

authorities will have to use opportunities provided by the existing legal framework that would contribute to ensuring a level playing field in the area of public procurement[14].

Local managing authorities should commit that the additional investment in 2022-2026 will not be followed by a corresponding fall in investment after this period, but that it will bring forward the final implementation date of their SUMP.

In case State aid would be present, local managing authorities have several tools at their disposal to ensure compatibility of the aid. First and foremost, local managing authorities can apply the General Block Exemption Regulation (GBER)[15] to increase the share of clean - either new or retrofitted - vehicles (in particular the provisions on investment aid for environmental protection) if the GBER requirements are met, the measure does not require prior notification to the Commission and can be immediately implemented. If the GBER conditions cannot be met, local managing authorities should notify the aid under the EEAG[16] for approval.

As regards low emission infrastructures, local managing authorities have various options under the GBER in case aid would be present. For instance, the measure can be immediately implemented without prior notification to the Commission if it respects the GBER provisions for investment aid to increase environmental protection where the infrastructure is dedicated and used by the beneficiaries themselves (e.g. charging points in bus depots). In case of local support, relying on the GBER provisions on investment aid for local infrastructures also appears possible, unless the infrastructure is dedicated to certain identifiable undertakings and tailored to their needs. If the GBER conditions cannot be met, aid will be notified for approval under the TFEU.

In addition, if as a result of the subsidy scheme, a running public service contract might need to be amended, they should take into consideration the applicable EU frameworks[17].

Target population: users of clean and smart public transport fleet and related infrastructure.

Timeline: Set up the scheme by December 2021, 70% of tenders finalised by end 2022, remaining 30% of tenders organised in 2023, and delivery of clean and smart vehicles and completion of charging infrastructure by 31 December 2026.

[14] Member States may use the options to regulate participation to public tenders, as explained in the 2019 Guidance on the participation of third-country bidders and goods in the EU procurement market (in particular Article 25 of Directive 2014/EU/24 and Article 85 of Directive 2014/EU/25).
[15] Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 26.6.2014, p. 1
[16] Guidelines on State aid for environmental protection and energy 2014-2020, OJ C 200, 28.6.2014, p. 1–55
[17] Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70, as amended by Regulation (EU) 2016/2338 of the European Parliament and of the Council of 14 December 2016

2. Introduce a scrapping scheme for the most polluting vehicles

Challenges:

Cities and sub-urban areas are particularly polluted and congested. Infrastructure charges and transport taxation do not yet provide incentives to use alternative (collective, active, clean) transport solutions.

There is still a sizeable number of old vehicles in use, which creates a disproportionate amount of pollution. *[Insert information on the average age of fleet, share of vehicles that predate Euro standards and that fall under different Euro categories; and their contributions to pollution, if available.]* This concerns vehicles for both passenger and freight transport.

Although the national legislation to be introduced by Reform 2 sets out a reasonable and feasible schedule to progressively restrict the circulation of old vehicles in the most polluting urban areas, this schedule could be further accelerated to achieve climate and environmental objectives sooner.

Objectives:

The scheme will provide incentives to give up older and 'dirtier' vehicles that predate the Euro X *[insert the exact type]* standard in exchange of mobility services such as for collective transport passes, and allowances to purchase bicycles or zero or low emission vehicles.

This will reduce GHG and air pollutant emissions, with a positive impact on people's health.

Relationship with the European Flagships 'Recharge and Refuel' and 'Power Up': by removing the most polluting vehicles from circulation, this will sustain demand towards clean and smart vehicles and their charging infrastructure.

Implementation:

The scrapping scheme will provide a grant when the alternative zero or low emission vehicles or public transport passes are purchased. The grant will be paid on the basis of the purchase and scrapping certificate provided by the purchaser to the administration.

The size of the grant will vary with the characteristics of the vehicle in question. *[Insert a table with the size of the grant in function of the difference.]*

The benefit would need to pass through consumers (individual and undertakings). A minimum period of ownership of the old vehicles will be included, to avoid that such vehicles are imported from other countries specifically to benefit from this scheme.

The direct beneficiaries of the scrapping scheme are individual consumers, which would normally exclude the presence of State aid. Moreover, in order to exclude any potential indirect aid, the scheme will be general and open to any owner of a vehicle that predates the Euro X standard willing to scrap his/her car and purchase an alternative vehicle or a public transport pass. The criteria to be met by the applicants will be defined in an objective and non-

discriminatory manner, avoiding any indirect preferential treatment to one or more manufacturers of alternative vehicles.

Target population: users of vehicles that predate the Euro X standard.

Timeline: the scrapping scheme will be in place by 31 July 2021, and will be operating until the end of 2026.

4. Green and digital dimensions of the component

a) Green Transition:

The (proposed) Regulation COM(2020) 408 establishing a Recovery and Resilience Facility sets a binding target of at least 37% of the plan's total allocation to contribute to the green transition or to the challenges resulting from it[18].

The transport sector is one of the main contributors to the country's greenhouse gas emissions. In 2017, X % of total national greenhouse gas emissions came from the transport sector. CO2 emissions from transport increased by X % compared with 20XX. The transport sector is also responsible for a high environmental impact in terms of pollution (air, water, soil and noise).

To achieve climate neutrality by 2050, a 90% reduction in transport emissions is needed by 2050.

Investing in clean, safe and smart urban mobility has the potential to reduce GHG emissions by X tCO2e per year during the period 2021-2026 and reduce energy use by X ktoe per year. Significant environmental benefits are also expected from substituting fossil fuels with other, renewable fuels and electricity in terms of reduction in air, water, soil and noise pollution *[insert expected impact in figures]*.

Therefore, by comprising X% climate expenditures (see Table 1 below), this component contributes to the 37% climate mainstreaming target *[provide more details on how the expenditures of each investment/reform relates to the climate target, including an explanation for the choices made in Table 1]*.

In addition, the component proposes measures that contribute to the green transition, taking into account three of the six climate and environmental objectives as defined in Regulation (EU) 2020/852 (Taxonomy Regulation). The proposed reforms and investments contribute to the climate change mitigation and adaptation objectives, as well as pollution prevention and control. *[Provide more details, justification and evidence on how exactly the measures contribute to the environmental objectives as defined in Regulation (EU) 2020/852 (Taxonomy Regulation)]*.

[18] Communication COM(2020)575 on the Annual Sustainable Growth Strategy 2021 sets out a climate target of 37% for each national Recovery and Resilience Plan, to follow the commitment of the European Council of July 2020. This is reflected in the 7th compromise proposal put forward by the German Presidency on the proposal for a Regulation COM(2020)408 as a Council negotiating mandate.

There are also clear commitments and mechanisms in each of the reform and investment to ensure that the do no significant harm principle is respected and effectively implemented for the other environmental objectives as defined in the EU Taxonomy Regulation. The measures will not impair the sustainable use and protection of water and marine resources, the transition to a circular economy, nor the protection and the restoration of biodiversity and ecosystems. *[Further details, evidence and justification needed to explain how each reform/investment relates to the 'do no significant harm' principle defined in Regulation 2020/852 (Taxonomy Regulation).]*

b) Digital Transition

The (proposed) Regulation COM(2020) 408 establishing a Recovery and Resilience Facility sets a binding target of at least 20% of the plan's total allocation to contribute to the digital transition or to the challenges resulting from it[19].

By comprising X% digital expenditures (see Table 1 below) this component contributes significantly to the 20% digital target *[where relevant, provide more details on how the expenditures of each investment/reform relates to the digital target, including an explanation for the choices made in Table 1, in particular if you choose to increase the coefficients for support to the digital objective from the values set out in Annex III of the (proposed) Regulation COM(2020) 408 as amended by Council.]*

The majority of reforms and all investments listed above will also contribute to the digital transition through the promotion of smart, integrated mobility solutions.

Recent clean vehicles are equipped with digital components. Deployment of intelligent transport systems and 5G based infrastructure for connected and automated mobility[20] will enhance traffic and mobility management at urban level is foreseen, together with collection of mobility data, systematic use of digital tickets and digital payment systems. Enhanced traffic and mobility management, in turn, have direct positive impacts on GHG and air pollution emissions, thus reinforcing the green transition.

The component also aims to facilitate the entry of new and innovative digital mobility solutions, mostly on the back of access to mobility data.

[19] Communication COM(2020)575 on the Annual Sustainable Growth Strategy 2021 proposes setting a 20% digital target for each national Recovery and Resilience Plan. This was endorsed by the European Council of 1-2 October. It is reflected in the 7th compromise proposal put forward by the German Presidency on the proposal for a Regulation COM(2020)408 as a Council negotiating mandate. See Article 15(3)(c1) which sets out the 20% digital target, based on a methodology for digital tagging set out in Annex III.

[20] See the Connectivity component

[Please fill in Table 1 from the template on the contributions of the measures to the green and digital transitions. Please note that when relevant investments/reforms contribute to the mutually reinforcing goal of the twin transition, Member States can simultaneously associate those to both one green intervention field and one digital intervention field. The Table is only provided for illustrative purposes and does not reflect the ongoing work for the definition of a common methodology to track digital expenditures.]

Table 1. Green and digital impact

Please indicate if 0%, 40% or 100% of the reform/investment contributes to the objective. For reforms/investments and the climate objective, Member States should use the methodology for climate tracking applied for cohesion policy funds, in particular as set out in Table 1, Table 4 and Table 6 of Annex I to [Common Provision Regulation COM(2018) 375] and justify their choice, in particular for reforms. For reforms/investments and environmental objectives, they are invited to follow the same methodology. In both cases, please indicate the relevant intervention field for every reform/investment by choosing the most appropriate one. If several ones can be applied, the Member State should motivate why they choose the selected one. For green objectives, Member States are invited to indicate that the do not significant harm (DNSH) principle is respected defined in Regulation 2020/852 (Taxonomy Regulation).

Short title	Green objectives				Digital objectives		Transition challenges	
	Climate	Environmental	Intervention field	DNSH			Green	Digital
	Tag	Tag						
Component X: [Reform 1: *Create the framework for cities/agglomerations to adopt and implement individual Sustainable Urban Mobility Plans (SUMP)]*	*100%*	*40%*	*73*	*yes*				
Component X: [Reform 2: *Progressively phase out the most polluting vehicles in most polluted urban areas]*	*100%*	*40%*	*74*	*yes*				
Component X: [Reform 3: *Support the deployment of sustainable shared mobility services]*	*100%*	*40%*	*74*	*yes*				
Component X: [Reform 4: *Simplify and harmonize permitting procedures for alternative fuels infrastructure]*	*100%*	*40%*	*73*	*yes*				
Component X: [Investment 1: *Create a subsidy scheme to allow cities/agglomerations to procure smart, safe and clean public transport fleets, and their related infrastructure, as well as publicly accessible recharging/refuelling points for private and commercial zero and low emissions vehicles]*	*100%*	*40%*	*74*	*yes*				
Component X: [Investment 2: *Introduce a scrapping scheme for the most polluting vehicles]*	*100%*	*40%*	*74*	*yes*				
Component 2: …								

5. Milestones, targets and timeline (developed only for one sub-component in this example)

Examples of milestones and targets to measure progress in implementation:

Reform 1

- Adopt national legislation by 31 July 2021 (two different legislations, see table below);
- X number of SUMPs finalised by 31 December 2021;

Reform 2

- Adopt legislation by 31 July 2021 that sets out a detailed schedule of when certain restrictions enter into force and that requires local authorities to reinforce their human and financial resources to control polluting cars;
- Polluting vehicles of type X no longer circulate by date Y [different dates for different types];
- X number of experts per city in place to control polluting cars 31 December 2022.

Reform 3

- Adopt a national legislation that will replace the current Law XXX relating to the authorisation process of shared mobility operators by 31 March 2022;
- Adopt a legislative framework for data sharing by 31 March 2022;
- X number of tenders organised by date Y in Z number of cities.
- X number of data sharing agreements between public transport operators and shared mobile services operators by date Y in Z number of cities.

Reform 4

- Adopt national legislation that governs the permitting procedures for roll out of alternative fuels infrastructure by 31 July 2021.
- X number of tenders organised by date Y;
- X number of DSOs made available information on their grid by date Y.

Investment 1

- Contract with the national promotional bank by 31 December 2021;
- Call published for first wave of tenders for the purchase of the fleets by 31 July 2022;
- % of all tenders finalised by 31 December 2022
- Call published for second wave of tenders for the purchase of the fleets by 31 July 2023;
- % of all tenders finalized by 31 December 2023;
- X number of tendered clean and smart vehicles delivered and Y number of charging infrastructure built by 31 December 2026.

Investment 2

- Adopt national legislation regarding the scrapping scheme by 31 July 2021;
- Administrative cell in place within the Ministry of Transport that will organize the payment of the grants by 31 July 2021;
- X number of scrapped vehicles by 31 December 2026.

[Only one sub-component shown here, for illustrative purposes]

Table 2. Milestones and targets											
Related reform or investment	**Milestone or target name & number**	**Qualitative indicators (for milestones)**	**Quantitative indicators (for target)**			**Timeline for completion (indicate the quarter and the year)**	**Data source /Methodology**	**Responsibility for reporting and implementation**	**Description and clear definition of each milestone and target**	**Assumptions/ risks**	**Verification mechanism**
			Unit of measure	Baseline	Goal						
Component 1: (Reform 1: Introduce national legislation obliging cities/agglomerations to adopt sustainable urban mobility plans (SUMP) and ensure their implementation											
Component X: [Reform 1: Create the framework for cities/agglomerations to adopt and implement individual Sustainable Urban Mobility Plans (SUMP).]	Milestone 1: the legislator adopts national legislation	The legislation would comply with such and such criteria and contain in particular such…	n.a.	n.a.	n.a.	Q2 2021	Published in the official journal - draft law proposed by Ministry of Transport	National legislator	The legislator prepares the law that will • require the creation of legal entities locally in charge of the preparation and implementation of the SUMPs (local managing authorities); • provide a template and a guidance for the preparation of SUMPs; • require to involve citizens and other stakeholders in the preparation of SUMPs via a public consultation; • specify a timeline with clear targets in terms of reduction of GHG emissions and other pollutants that the individual SUMPs should include, in line with national climate and environmental objectives; • provide a financial framework for the implementation of SUMPs that supports aggregation of funds, to be managed by the local managing authorities, including in terms of budgetary commitment and financial schemes; • make the implementation of the SUMPs binding. The national legislator prepares the law that empowers the national transport regulator to coordinate the preparation of the SUMPs, and amend the SUMPs, if required. The national transport regulator will be required to ensure cross-sectoral cooperation and leadership. It will also coordinate the implementation of the SUMPs.	Long legislative debates, lack of clarity in the legislative text.	Publication in official journal.
	Target 1: X00 number of SUMPs finalised	High quality SUMPs in line with EU guidelines that are finalised following impact assessment and public consultation	Number of SUMPs finalised	Number of SUMPs at present	X00	Q4 2021	National transport regulator registry	National transport regulator	The national regulatory authority engages in close collaboration with the local authorities in order to ensure: (i) the creation of the local managing authorities; and (ii) the finalisation of the SUMPs along the lines defined in the legislation	Short timeframe until the finalisation of the SUMPs may not allow for satidfactory stakeholder consultation and may result in SUMPs lacking the sufficint level of detail.	Ex-post audits performed by the Ministry of Transport

6. Financing and costs

[Member States should provide information on the total estimated cost of the component, backed up by appropriate justification. This should be complemented by the appropriate detailed justification on the plausibility and reasonability of the estimated costs, as explained in the guidance. The justification can be annexed to the RRP. While the table is introduced directly in the text, actual RRPs should include this information in the Excel files attached to the template.]

Table 3. Estimated cost of the plan

Component (name)	Investment/Reform (short description or cross-reference)	Relevant time period	Total estimated costs for which funding from the RRF is requested (mn/bn national currency, e.g. mn EUR)	If available: Total estimated cost by year (mn/bn national currency/EUR)							Funding from other sources (as requested by Art. 8 in the Regulation)				COFOG level 2 category / or type of revenue (if relevant, e.g. tax expenditure)
											from other EU programmes		*from the national budget*	*Other sources (please specify)*	
				2020	*2021*	*2022*	*2023*	*2024*	*2025*	*2026*	*mn.bn nat. currency*	*Specify the EU programmes and breakdown by programme if relevant (e.g. regional operational programme)*			