POLIS

CITIES AND REGIONS FOR TRANSPORT INNOVATION

Fighting Transport Poverty with the Social Climate Fund

Recommendations to Member States and national stakeholders

March 2025

A unique opportunity – now

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POLIS is the leading network of European cities and regions advancing transport innovation. We're committed, specifically, to innovations that can make urban, suburban, and rural mobility more sustainable, safe, and equitable.

Our network brings together more than 120 local and regional governments and transport authorities from across the European Union, with a simple but essential mission: finding and implementing real solutions, for real problems, affecting real people, to build a real future.

That's what local government is about. That is also what the European Union is about. And that's why our members are stepping forward with mobility policies and measures that deliver on ambitious EU goals for sustainability, safety, competitiveness, and cohesion.

This is not an easy undertaking. We're addressing very complex challenges, of a systemic nature, created and sustained by land use, transport, and industrial policies. Real progress requires setting new priorities, adopting new approaches, crafting new tools, and (re)building organisational capacity[2].

On top of that, this transition must be implemented in a very challenging context, where financial resources are limited, speed is of the essence, and political polarisation can undermine dialogue, foster misunderstandings, and quickly flame revolt.

The Social Climate Fund (SCF) can become a precious step in the right direction, but only if that direction is taken decisively, and if the following steps are well aligned. Otherwise, we will stumble.

To support the development of Social Climate Plans, the European Commission has published a lengthy report on Transport Poverty[3], and a set of good practices[4], including recommendations formulated by the Expert Group on Urban Mobility (EGUM)[5].

POLIS contributed to the EGUM's recommendations and strongly supports these efforts made by the European Commission to help Member States make the most of this opportunity. In addition, I believe it must be said that our active participation, over the years, in several European projects and actions for transport research and innovation, has endowed our network with a unique capacity to contribute to this matter. And with that capacity, I also believe, comes responsibility.

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[1] POLIS Secretary General.

[2] To address the wider set of issues raised by the transition, POLIS established a "Just Transition Agenda", which maps the path to making transport inclusive (available here: https://www.polisnetwork.eu/wp-content/uploads/2021/11/Just-Transition-Agenda-AGA.pdf).

[3] European Commission (2024), "Transport poverty: definitions, indicators, determinants, and mitigation strategies - Final Report" (available here: https://employment-social-affairs.ec.europa.eu/transport-poverty-definitions-indicators-determinants-and-mitigation-strategies-final-report_en)

[4] Available here: https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/social-climate-fund/good-practices-social-climate-plans_en

[5] Expert Group on Urban Mobility (2024), "Social Climate Fund" (available here: https://transport.ec.europa.eu/document/download/f7e54ea5-23aa-4f8d-a24c-9d902fc9652c_en?filename=EGUM_Recommendations_Social-Climate-Fund.pdf)

We therefore take this opportunity for further contribution, with this set of strategic recommendations, based on sound research and solid experience.

These recommendations are addressed to the Member States, who have a leading role to play in the development of the (national) Social Climate Plans. They are also meant to support the work of local and regional authorities, who will always have *'the'* critical role to play in the successful implementation of these plans.

We hope this document will also encourage the active involvement and positive contribution of many stakeholders, from transport providers to advocates for sustainable mobility, road safety, regional development, and social cohesion.

We at POLIS remain committed to working with all levels of European governance – local, regional, national, and international – to address the key challenges of our time. Because the future starts today, not tomorrow.[6]

[6] Pope John Paul II (1920-2005).

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Introduction

The weight of road transport in the EU's greenhouse gas emissions is well-known. For the EU to become climate-neutral in 2050, road transport must undergo major transformations.

The European Union (EU) has taken key steps to decarbonise road transport. One of the most important is the **Emissions Trading System 2** (ETS-2), which will have a deep impact on the everyday lives of European households and businesses.

Since Nicolas-Joseph Cugnot's 1769 steam tricycle[7] started rolling, the use of fossil fuels in transport has grown exponentially, fuelling the expansion of urbanised areas, transport infrastructure and services, industrial capacity for car manufacturing, and personal mobility, all of this in a mutually reinforcing manner.[8]

Structural factors drive recurrent choices, repeated choices become habits, and habits grow roots. While freedom of movement and individual choice cannot be discarded in democratic societies, we must not ignore that most mobility choices are driven and sustained by structural factors. We must not ignore, either, that the current mobility system generates important negative externalities, which pose collective threats.

Our current transport system is based on the massive consumption of fossil fuels, and the consequent emission of massive amounts of carbon dioxide (CO_2). By putting a cap on CO_2 emissions, the ETS-2 will raise the price of fossil fuels.[9]

That rise will pose a serious challenge to households and enterprises whose everyday mobility patterns require the consumption of large amounts of fossil fuels. They need proper transport alternatives to be ready and rolling when that happens.

The absence of those alternatives will have serious economic, social, and political impacts. To avoid those negative impacts, the ETS-2 provides the time, and the Social Climate Fund provides the funds, to put in place adequate solutions.

These solutions will be particularly important for populations in low-density suburban, peri-urban, and rural areas. For reasons explained below, they are among the most vulnerable to the rise of fossil fuel prices in transport, with the inevitable threat this carries in terms of regional cohesion, social peace, an urban-rural divide, and the political viability of climate policies. But they are also among the ones who most stand to benefit from a shift towards a more sustainable, safe, and affordable transport system.

Creating efficient, affordable, and reliable transport solutions for households and micro-enterprises requires scale, speed, hands-on support, mobilisation of financial, political, and social capital, integration of different sectors, concrete outcomes, and lasting impacts.

[7] The first self-propelled land vehicle, a three-wheeled machine with a top speed of around 3 km/h originally designed for carrying artillery.
[8] The expansion of one factor pushes the expansion of the others.
[9] The cap will be lowered on an annual basis, further raising prices if demand does not decrease.

The SCF provides a way to prepare and act – but it will only be effective if it funds change in the right direction. This requires clear choices, coherent measures, and cooperation. "Sprinkling" subsidies at the national level with no local changes to match will just reinforce the status quo and open no new path towards overcoming our structural problems.

It is of the utmost importance that these national plans are steered towards effective, timely, and lasting results at the local and regional levels. After all, it's the lack of local and regional solutions for everyday life that sparks revolt.

Local and regional governments and transport authorities must play a key role in the development and implementation of the national level Social Climate Plans. This is simply logical, as they (A) have jurisdiction over the vast majority of the EU's total road network, (B) fund, and often also operate, public transport, (C) are best placed to steer new mobility services towards serving public needs, (D) have the duty of reducing road risk for walking and cycling, (E) have the duty of eliminating barriers that discriminate based on disability, age, gender and income, and (F) are best placed to engage with a vast number of communities, households and micro-enterprises, to shape and support mass behaviour change.

Planning and implementing the SCF is a joint challenge, which requires a cooperative and coherent approach across levels of government. For that reason, this document provides a way to understand and frame the (real) challenge, strategic recommendations for an effective approach, and some basic principles to best empower European cities and regions as key actors in this process.

These recommendations have been prepared to support EU Member States, which have the role of preparing the national level Social Climate Plans. The recommendations are also shared to support and encourage the active contribution of local and regional authorities, and of many relevant stakeholders, to these national plans.

Charles Darwin found that *"the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself".*[10] The Social Climate Fund provides a unique opportunity to adapt our mobility systems. How can we best use it? This is a question we must answer together.

[10] Charles Darwin (1809-1882), English naturalist, geologist, and biologist.

1. The (real) Challenge

Regulation (EU) 2023/955 (Social Climate Fund) defines transport poverty as the *"inability or difficulty"* of individuals and households *"to meet the costs of private or public transport, or their lack of or limited access to transport needed for their access to essential socioeconomic services and activities, taking into account the national and spatial context".*[11]

A problem well-defined is a problem half-solved.[12] Solving the 'other half' requires understanding the root causes and key characteristics of the problem, acknowledging its complexity, and avoiding simplistic explanations and approaches that may temporarily alleviate some symptoms but won't lead to effective solutions with lasting effects.

We recommend that the Member States consider the following key points, regarding the understanding and framing of the challenges posed by Transport Poverty:

1.1 Transport poverty is a structural problem requiring structural action

Transport poverty is a result of (A) how people and activities have been distributed in space, (B) how the transport system has been shaped and managed to connect them, and (C) how public and private resources have been allocated to cover the capital and operational costs of that system, as well as its externalities.

The insufficiencies we face today in suburban, peri-urban[13], and rural areas derive in good part from how land use and transportation policies pursued over the past century enabled and fostered individual car ownership and use, relegating other modes to a secondary role.

The convergence of other changes accelerated and reinforced those effects. The rural exodus towards urban areas, for example, depleted rural areas from population and services, and expanded urban areas with vast low-density suburbs that do not favour mass public transport nor active mobility. Also here, individual car ownership and use was often seen as the default solution. This has created a situation of car dependency.

The question is not whether this situation can be undone in a fast and 'painless' way, because it clearly cannot. What we must understand is that Transport Poverty results from, and is sustained by, underlying structural factors. This makes it a structural problem.

Overcoming structural problems requires structural action, namely (A) setting a sound and smart strategy, pointing at a clear direction for improvement, (B) removing obstacles that are impeding change in that direction, (C) prioritising investments that help advance in that direction, and (D) avoiding any measures that undermine the effort (particularly measures that, under the guise of temporary relief, end up prolonging the problem).

[11] Cf. Article 2, number 2.
[12] John Dewey (1859-1952), American philosopher, psychologist, and educational reformer.
[13] For the purposes of this document we can briefly designate as "suburban" areas with some open land, and as "peri-urban" areas with very sparse development.

While the afflictions caused by transport poverty must be addressed, the key question we face with the Social Climate Fund and its national-level implementation is whether it will be invested in the permanent removal of the problem, or wasted on the temporary relief of its symptoms (while the problem keeps growing).

1.2 The key challenge is access, not movement

The core problem of transport poverty is that it harms access to essential socio-economic services and activities such as health, education, jobs, leisure, political participation, etc.

Access implies movement, but increased movement *does not*, necessarily, improve access. Often, quite the contrary – displacing a public service away from those who need it will force its users to travel longer distances, thus increasing mobility (i.e., amount of kilometres travelled) while reducing access.

The *purpose* of transport is not 'movement', but *access*. Naturally, movement enables access, but *efficiency is key for equity*. The more movement is required from the household to conduct its everyday life, the more energy it has to consume, the higher the energy costs it must bear, the more vulnerable it becomes to an increase in the cost of energy, and, therefore, the more vulnerable it becomes to transport poverty.

That's why suburban, peri-urban and rural areas are particularly vulnerable, and why shared transport solutions (e.g., public transport, demand-responsive transport, carpooling) are among the most equitable – by aggregating trips they reduce the total amount and cost of km/passenger.

The core challenge for the Social Climate Fund is not to help sustain the inevitable 'pains' of inefficient and inequitable mobility, but to *improve access*. This shift in perspective is crucial to understanding the problem, prioritising effective solutions, and unlocking innovative approaches – we must help people reach basic services, but we can also, for example, invest in helping the services reach them.

1.3 Transport poverty is a regional problem

Transport poverty is a local and regional issue. It is not about sporadic access to the whole country, but about everyday access to local places for work, public and private services, and other components and opportunities of social, civic and economic life. It requires local and regional assessment, action, and responsibility.

Transport poverty is driven by an insufficient level of availability, accessibility, and affordability. Addressing these insufficiencies requires (A) consulting with the community to understand the specific needs and the specific resources available in a specific context, to (B) establish what is to be considered a sufficient level[14] of availability, accessibility, and affordability, in order to (C) define context-specific strategies and priorities, and to (D) mobilise available resources towards ensuring those sufficient levels for all, and finally (E) evaluating the efficacy of the measures, (F) assuming responsibility for those results, and (G) correcting the course where and when necessary.

[14] Cf. for example Karel Martens, keynote at the 2021 POLIS Conference keynote (available here: https://www.youtube.com/live/58e_i2Vlrkk)

All the steps above will have to factor in local context, local needs, and local resources. And they will require political decisions with political responsibility at the local level.

Local and regional authorities are the level of government which has the legitimacy to lead on the local and regional scale, the duty of finding practical solutions, and the responsibility of answering politically for the efficacy of those solutions. That's why it is indispensable to actively involve them in the development and implementation of national plans for the SCF.

1.4 For many households, owning a car will never be a "solution"

Transport poverty is a multidimensional problem, which affects different types of individuals and households, in different ways, in different spatial contexts. We must guard against generic characterisations and simplistic solutions.

For example, saying that "many people really need a car" can be very misleading, because (A) it obscures the plight of a large part of the population who cannot afford or cannot drive a car, e.g., the elderly and the young, persons with some types of disabilities, households with lower incomes; (B) in car-owning households, it treats as irrelevant and subordinate the needs of household members who cannot access that resource, e.g., women, youth, children; (C) it misses the fact that the costs of a car impact very differently households with different levels of income; (D) it assumes as equally inevitable a problem that can be addressed very differently, whether in rural or in suburban areas; (E) it assumes there are individuals for whom the car is the only and best solution for all trips, at all times of the day, on all days of the year, and for all purposes, which is a very rare exception; (F) it assumes that the need of a car necessarily implies individual ownership, obscuring the economic benefits that carpooling and car sharing can provide to households and individuals, while satisfying their needs.

It may be true that those who do own and drive a car will feel a strong 'sting' with the rise of fuel prices that will derive from the application of ETS-2 to road transport, and the Social Climate Fund must address these groups.

But we must bear in mind, first, a constitutional imperative to pursue equity (and also support those who do not own cars), and, second, a functional imperative: **in most cases, improving transport for those who do not own a private car is the best way to build an alternative for those who do. "You're never wrong for doing the right thing".**[15]

1.5 Car dependency means lack of choice, not "freedom of movement"

Freedom of choice requires the availability of comparable options. The existence and persistence of severe differences between transport options makes them less comparable, and sometimes not comparable at all.

Structural factors turn differences into disadvantages, and can heavily distort choice, pushing individuals and households away from transport modes perceived as slower or unsafe. This distortion is aggravated by the fact that car owners tend to not be aware of the full cost of

[15] Samuel Langhorne Clemens (1835-1910), writer known as Mark Twain.

individual car ownership and use,[16] thus ignoring the full weight it has on the household finances and the potential savings they could make with other choices.

Distortion of choice reduces freedom of choice. In suburban, peri-urban and rural areas. This severely constrains freedom of movement, as households are forced to choose between allocating a significant portion of their income to individual car ownership, or a significant portion of their time (and safety) to public transport or active mobility.

For the households who can (barely) afford it, forced car ownership[17] is not a measure of 'freedom', as it further aggravates financial vulnerability – research shows that forced car owners have difficulty paying for heating and other basic expenses.[18]

In a way, these are mobility costs imposed by the lack of mobility choice, both for (A) those who move to lower-priced suburban areas as a residential strategy to deal with rising housing costs, and (B) those who remain in rural areas, as the distance to public services (education, health, social care, postal, etc.) forces them to travel farther.

The solution lies not in keeping households locked in this 'economic servitude', nor in making their lack of choice 'palatable'. Forced car ownership is a structural problem to be overcome, not the result of "free popular choice" in a "level-playing field" to which one must subordinate mobility policies.

Overcoming forced car ownership requires creating the conditions for *true freedom of choice*, by, at least, (A) diversifying options in terms of available modes of transport (public transport, demand-responsive transport, cycling, etc.), and (B) diversifying options in terms of ownership (e.g., car sharing and carpooling, which have substantially lower costs).

1.6 We must (really) address vulnerability to fuel price increases

For individuals and households in a situation of forced car ownership, the vulnerability to fuel price increases has three key parameters[19]: (A) *exposure*, i.e., how much the car is used and how much fuel is consumed, (B) *sensitivity*, i.e., the resulting impact of the cost increase in relation to the household's available income, and (C) *adaptive capacity*, i.e., the ability to resort to less onerous transport solutions, which depends, of course, on their availability and reliability.

[16] Cf. for example Stefan Gössling, Jessica Kees, Todd Litman (2022), "The lifetime cost of driving a car", Ecological Ergonomics, Volume 194, April: *"Motorists underestimate the full private costs of car ownership, while policy makers and planners underestimate social costs."*

[17] "Forced car ownership' (FCO) applies to households who own cars despite limited economic resources (...) [it] results in households cutting expenditure on other necessities and/or reducing travel activity to the bare minimum, both of which may result in social exclusion. (...) The FCO phenomenon suggests that, among households with limited resources, the enforced possession and use of a durable good can be the cause of material deprivation, economic stress and vulnerability to fuel price increases", in Giulio Mattioli (2017), "'Forced Car Ownership' in the UK and Germany: Socio-Spatial Patterns and Potential Economic Stress Impacts", Social Inclusion, Vol 5, No 4.

[18] Cf. for example the presentation made by Mathias De Meyer, from Brussels Mobilité, at the 7th October 2024 meeting of the POLIS Working Group for Governance & Integration (which can be made available upon request to POLIS or said researcher).

[19] See for example Giulio Mattioli, Ian Philips, Jillian Anable, Tim Chatterton (2019), "Vulnerability to motor fuel price increases: Socio-spatial patterns in England", Journal of Transport Geography, Volume 78, June.

The Social Climate Fund includes, among its eligible measures, temporary direct income support. We must highlight that, without a multimodal offer, that measure can only influence one of these parameters (sensitivity), and in a very limited manner.

Another eligible measure is funding the purchase of zero- or low-emission cars, either through first- or second-hand markets. This measure has limited benefits in terms of sensitivity[20], and essentially converts vulnerability to fossil fuel prices into vulnerability to electricity prices.

Investing in the growth of public transport and in the diversification of complementary transport solutions such as shared mobility, walking, and cycling, is the most effective, efficient, and reliable way of reducing vulnerability to fuel price increases.

First, because it *increases adaptive capacity*, by providing less onerous alternatives. Second, because it *reduces exposure*: in the case of public transport, demand responsive transport and carpooling, by dividing the number of km of the vehicle by its several passengers; in the case of walking and cycling, by resorting to the energy of the traveller himself (i.e., not having to pay for externally sourced fuel). Finally, because it *reduces sensitivity*, as transport services buffer the impact of energy price fluctuations.

1.7 Only alleviating the symptom perpetuates the problem

The general objective of the Social Climate Fund (SCF) is to contribute to a socially fair transition towards climate neutrality. Making this transition *fair* requires using the SCF to increase the offer of sustainable mobility options for the groups targeted by the Fund. Making this transition *effective* requires avoiding the *dispersion* of the SCF in options that are inequitable and unsustainable.

While decarbonisation remains a core challenge, the SCF must be applied in a way that (A) is coherent with other social and environmental policy goals, (B) helps as much as possible the advancement of those goals, and (C) does not undermine nor delay policies that serve those goals. On this point, one must bear in mind that electrification, while helpful for decarbonisation, will not, by itself, eliminate the wide range of negative social and environmental externalities linked to individual car ownership and use, namely road danger, traffic congestion, toxic microplastic emissions from road and tyre wear, and the disproportionate use (and impermeabilization) of public space.

It is critically important that Member States do not use the Social Climate Fund to *perpetuate car dependency*. Regulation (EU) 2023/955 (Social Climate Fund) does include, among its eligible measures, direct income support to reduce the impact of fuel prices, and funding for the purchase of zero- or low-emission cars – but it's critical to ensure that these measures *do no significant harm* to the transition we need.

Support for those measures must be *restricted* to situations where more efficient and equitable transport solutions are not available (and cannot, within a reasonable time frame, be made available with the SCF). Otherwise, those measures will have the perverse effect of sustaining

[20] Electric cars consume less energy and have lower running costs than cars with Internal Combustion Engines.

behaviour that must change, thus delaying the transition and, what is worse, reinforcing the obstacles to its achievement.

The best way to advance decarbonisation in a fair, fast, and lasting way, is to accelerate the shift to public transport, shared mobility (including carpooling and car sharing) and active mobility (including cycling and walking). The time and resources available are limited for a shift of such a scale and speed, and we must not dissipate them. A key question must always be: how can we maximise the SCF's impact?

We know for sure *what to avoid*, as experience clearly shows that financial measures of a general nature that support individual car ownership and use will disperse the available resources and end up disproportionately benefiting those who are not the most in need. It's essential to ensure that measures are targeted to low-income households, and not to everyone equally (which is what happens with the fuel tax cuts).

The SCF must avoid perpetuating and aggravating inequalities: the existing purchase subsidies for electric cars are mainly supporting the already affluent households.

According to the latest EAFO Consumer Monitor and Survey 2023[21], the EU Battery Electric Vehicle (BEV) driver is represented by a 35 to 55-year-old man living in a detached house with a middle to high income and a high education level.

This has a proven adverse effect, in the sense that it offers benefits to people who can actually afford to buy an EV without help, but for those in need it doesn't make a sufficient difference, or the compensation is not enough. If subsidies for EVs go disproportionately to high-income households, we will be reducing exposure among the least sensitive households, while the most sensitive will remain exposed.[22]

1.8 Transport poverty feeds injustice, and injustice fuels revolt

The "Gilets Jaunes" movement was triggered by a programmed rise in carbon taxes which coincided with an increase in car fuel prices. Research conducted since the 2018 start of the protests has highlighted deeper driving factors.

One must look beyond the 'spark' and understand the accumulation of 'flammable material': a persistent sense of (A) disadvantage in the access to services and opportunities, (B) marginalisation in the allocation of public resources, (C) difficulty in creating and retaining businesses and jobs in the local economy, (D) vulnerability and degradation of community ties and identity, (E) helplessness in the face of the effects of globalisation. People felt cornered.

Measures subsequent to the Gilets Jaunes outburst (cancellation of the fuel tax increase, freezing of planned increases in gas and electricity tariffs, and subsidies to the consumption of fossil fuel and purchase of electric cars) may have deflated the immediate cause of the protests, but did not eliminate these driving factors.

[21] https://alternative-fuels-observatory.ec.europa.eu/consumer-portal/consumer-monitor
[22] Mattioli, Giulio, Dugato, Marco, Philips, Ian (2023) "Vulnerability to Motor Fuel Price Increases: Socio-Spatial Patterns in Italy", https://link.springer.com/chapter/10.1007/978-3-031-35684-1_5

Individual car ownership and use is the most expensive form of land transport for the user and for the State[23] but also the *least inclusive* and the *least efficient*, in terms of improving access to services, allocating public resources, creating local jobs and improving community ties and identity. One can argue that, with some extreme exceptions, on all these issues it isn't even 'neutral', but rather pushes in the wrong direction, i.e., making the transport system less inclusive and more inefficient.

The Social Climate Fund must help EU regions move to a transport system that can (A) improve access for all, leaving no one behind, (B) lead to a more equitable and efficient allocation of public resources, (C) build on local resources, increase social capital and support the creation of local jobs, and (D) provide communities with a sense of agency, which is the only way to overcome helplessness, revolt, and resistance to climate-friendly policies and measures.[24]

Road transport plays a central role in the economy – in the cost structure of various businesses and in the price formation of their goods and services. The increase in fossil fuel prices expected from the application of the ETS-2 to road transport will be felt across several domains and will have various social repercussions.

It would be shortsighted and dangerously naïve to assume that, when fossil fuel price increases become an unavoidable reality, measures to keep households locked in forced car ownership will, in any way, be perceived and appreciated as helpful by those most affected.

What households and businesses need is not temporary alleviation of the symptoms, but committed and serious work on the root causes, through reliable and structural solutions, as fast as possible.

[23] Even more so if externalities are considered.
[24] Algan, Yann & Beasley, Elizabeth & Cohen, Daniel & Foucault, Martial (2019), "Les Origines du populisme: Enquête sur un schisme politique et social", Seuil, La République des idées.

2. Strategic Recommendations

We cannot solve the problems we face with the same thinking that created them in the first place.[25] In other words, **the Social Climate Fund cannot solve transport poverty by doubling down on the car-centric policies that have created and sustained it.** A new strategic approach is required, to achieve efficient, fast, reliable, and lasting solutions.

We recommend to Member States the following key points, for a strategic approach:

2.1 Transport and Energy Poverty require different approaches

The ways in which Energy Poverty and Transport Poverty can be addressed in practice differ substantively. Energy Poverty mainly involves the performance of a ***fixed asset*** (the home) with a fairly ***stable use pattern***. Transport Poverty, quite differently, involves the performance of a ***dynamic system***, in which different elements (infrastructure, vehicles, services running those vehicles, businesses launching and managing those services) ***interact and influence*** each other. This creates barriers but also leverage points. ***Use patterns also change***, just as the activities that individuals and households wish to pursue can vary substantially, and, thus, also their mobility needs.

And there are more differences to consider. The assets (vehicles) involved in transportation systems are ***diverse*** (bikes, buses, vans, cars, etc.), they can have different types of ***ownership*** (e.g., belong to the household, or to a public transport or shared mobility operator, or to a carpooling partner that offers a ride), they can be ***chosen*** according to the purpose (e.g., for long or short trips, for the full trip or just for the first and last mile, for commuting to work or for recreation, etc.), and they may end up being ***dispensed*** with (e.g., by people who cannot drive anymore because of age-related limitations, or because they can no longer afford it).

Furthermore, in such a dynamic system, individual and collective behaviours can strongly influence each other, and transport policy-makers must carefully consider whether their decisions will create ***virtuous*** **or** ***vicious*** **cycles**[26], and to what extent support to individuals will result (or not) in **collective benefits**[27]. These are critical questions to bear in mind for the application of the Social Climate Fund.

In short, while investment in an individual home or building is a necessary way to reduce energy poverty, the same does not apply to transport poverty, where the problem has resided, precisely, in supporting the ownership and use of an individual four-wheeled asset[28].

[25] Albert Einstein (1879-1955), att. and adapted.
[26] I.e., whether they will lead the system to yield progressively positive or negative outcomes.
[27] ITF (2021), "Reversing Car Dependency: Summary and Conclusions", ITF Roundtable Reports, No. 181, OECD Publishing, Paris.
[28] I.e., cars.

Experience in transport shows that subsidising the individual purchase and use of a car has several practical limitations and perverse effects: (A) it involves administrative procedures which tend to put at a disadvantage those who have lower income and social capital, and disproportionately benefits those who least need the subsidy, (B) it does not enable nor encourage the beneficiaries to pool their resources together to create more efficient solutions for the wider community (i.e., it does not generate collective benefits), (C) it does not support the creation nor encourage the upgrading of services (public or private) that could benefit a wider part of the community (another way it does not generate collective benefits), (D) it does not attract additional funding from entrepreneurs into the development and deployment of new mobility solutions, (E) it cannot benefit from critical mass nor revenues generated by higher-income customers, unlike a mobility service, (F) its resilience fully depends on the individual's ability to pay for the use of its individual asset, and not on the wider community, (G) it doesn't encourage beneficiaries to change behaviour and decrease their vulnerability to transport poverty where that is possible.

The definition of eligibility criteria for the Social Climate Fund must bear in mind these differences between energy and transport poverty, in order to be effective and generate systemic benefits.

Recommendations for the national level Social Climate Plans:

(1) **Privilege** the support to **transport solutions that do not limit** their **benefits to** the receiving **household**, i.e., to solutions that can generate direct and indirect collective benefits (including, e.g., creating jobs and retaining funds in the local economy;
(2) **Channel support to transport authorities and operators**, which can support individuals and their communities with solutions that best understand the local context, best address its needs, and best build on its resources;
(3) For support to shared and sustainable mobility, **focus eligibility criteria on geographical areas** (rural, suburban and peri-urban), **types of users** (elderly, low-income groups, households with children) and **purposes of trips** (essential socio-economic services and activities, including employment, education, health, etc.);
(4) Privilege financial support in ways that **reduce administrative barriers**, **benefit** the **users** and **support** the **services** (e.g., vouchers, micro-subsidies, well-established eligibility criteria using reduced-fare criteria and processes for public transport, etc.).

2.2 Prioritise a multimodal approach

Different people have different transportation needs – at different times of the day, days of the week, and weeks of the year, to access different destinations, for different purposes, alone or with others.

The most efficient and equitable solution for each of these transportation needs varies, and that is why **lack of choice is a key driver of transport poverty**, because it forces people to use inefficient and unsustainable transport options.

A fundamental step to address transport poverty, therefore, is to *enable choice*. **The Social Climate Fund must be used to foster the emergence of a multimodal 'menu' of transport options.** The more diversified this 'menu' becomes, the more versatile it will be. The more versatile

it becomes, the more capable it will be, as a whole, of providing convenient solutions for different transport needs. This will make this 'mobility menu' reliable, resilient, affordable, and equitable.

Real multimodal freedom of choice will have deeper effects as well, as it will allow vulnerable households to forego individual car ownership and use, contributing directly to an improvement in their social and material well-being. In other words, it will reduce vulnerability by improving adaptive capacity.

Experience shows that the budget invested in individual car ownership and use (potentially several hundred euros per month) can be devoted to other dimensions of household well-being, which will in turn have beneficial effects on the local economy, as this will free financial resources that now may flow to local economic activities (payment of food, rent, etc.).

Passenger cars can (and should) remain a part of this multimodal portfolio – for the reasons discussed above, the challenge is not to eliminate options, but to diversify them.

What must be clear is that (A) individual car use is highly inefficient, and a source of environmental and social problems, (B) car use does not require individual car ownership, with carpooling and car sharing being very efficient solutions, and (C) monopoly of the transport system by individual car-ownership and use is pushing out (and keeping out) of the mobility menu options that are more efficient and much need to fight transport poverty.

Recommendations for the national level Social Climate Plans:

(1) Prioritise measures that will, directly or indirectly, **support and grow multimodality**, either through support to operators (to deploy or scale up, including benefits for drivers adhering to carpooling systems) and users (to support or generate demand). More people in a situation of transport poverty will be reached and supported in this way, and with more lasting effects.
(2) Support the use of (2.1) **public transport**, (2.2) various types of **shared mobility** (e.g., car sharing, carpooling, demand responsive transport, shared micromobility), (2.3) **cycling and walking**, (2.4) **park and ride**.
(3) **Direct funding** for these purposes **to public services**, but also to **local labour-intensive businesses**, to launch and operate transport of people (e.g., car sharing, demand-responsive transport, etc.) and transport of goods (e.g., cooperatives to enable local shops to offer local deliveries).

2.3 Build on a solid foundation: Public Transport

As the backbone of urban mobility, mass public transport (by bus, tram, subway, train) provides the most efficient and equitable solution to connect urban centres to their peri-urban and suburban areas. Its great potential lies in the aggregation of trips, and the resulting efficiencies in terms of space, energy and operating costs.

Public transport is a key tool to overcome the transport poverty that afflicts many peri-urban and suburban areas. The characteristics of such areas, however, are challenging for mass public transport: (A) lower densities (which make aggregation of trips difficult), (B) longer distances to

reach the network (which require a first- and last-mile connection) and (C) high variations between peak and off-peak demands (which either overload or underutilise capacity).

The best way to deal with these challenges is to build on public transport as a solid foundation, by simultaneously (A) facilitating the use of cycling and shared mobility (e.g., shared electric bikes, car sharing) for first- and last-mile connections to mass public transport corridors (train, tram, subway networks), (B) contracting with shared mobility services (e.g., carpooling, demand responsive transport, taxi, etc.) when and where these are more efficient than a bus, and (C) when possible, reallocating the buses 'freed' by these gains of efficiency to increase capacity (growing fleets and frequencies) where trips are aggregated.

We must bear in mind that, while advancing sustainable mobility and fighting transport poverty, public transport authorities and operators have to address, at the same time, other key challenges, namely (A) decarbonising bus fleets, (B) making infrastructure more resilient for the now inevitable extreme climate events, (C) adjusting to an evolving demand, particularly after the COVID-19 lockdown and the growth of teleworking, (D) recruiting, training, and retaining new workers, and (E) in some Member States, dealing with a reduction of public funding. All these challenges have serious CAPEX and OPEX implications.

In this context, one must exercise extreme care when considering "free public transport" schemes. Public transport is never "free" – the question is who pays for it. However popular it may sound, the fact is that "free public transport" schemes (A) grow usage at the cost of growing capacity, (B) divest transport authorities from the capacity to grow and improve the service, (C) lose revenues from users for whom the current cost is not an obstacle and don't need the support, and (D) don't necessarily achieve modal shift in key target groups.

The Social Climate Fund must be targeted and must point at the right targets. We must avoid repeating mistakes, aggravating problems, or increasing limitations. Public transport is and must remain a solid foundation – we must build on its strengths, and complement it with transport solutions that will increase its efficiency and convenience.

Recommendations for the national level Social Climate Plans:

(1) Provide **funding for Public Transport**, prioritising measures that build on its strengths and help overcome its limitations in low-density areas;
(2) Fund the orchestration, by transport authorities, of schemes that **combine public transport and shared mobility**, namely to (2.1) increase the catchment areas of mass transit corridors and hubs, and to (2.2) increase the efficiency (e.g., cost per passenger per km) of means allocated to low-density areas, off-peak hours, and specific groups of users or trip purposes;
(3) Support the implementation of **physical and traffic management measures to improve bus and tram service**, including (3.1) reserved BUS lanes, (3.2) Intelligent Transportation Systems (ITS) to protect and prioritise bus and tram flow, (3.3) upgrading of bus stops, to facilitate docking, accelerate boarding and alighting, and protect and facilitate re-entry in traffic flow, (3.4) improvement of lighting, seating, and waiting areas in bus and tram stops, (3.5) upgrading of systems for ticket sales and validation.

2.4 Boost offer and demand for Shared Mobility

We can broadly define shared mobility as transportation services and resources that are shared among users, either concurrently or one after another – this includes, respectively, sharing rides (carpooling, demand responsive transport, etc.), or sharing vehicles (bike, scooter, car, van, etc.). Shared mobility has grown substantially over the past decade, and today offers a wide array of solutions and a solid foundation of practical experience.

Shared mobility has several key advantages, as it (A) can provide choice, and various ways to deploy, diversify and upscale mobility options to match local needs, (B) can be quickly started by private initiative (both for-profit or non-profit), and build on local resources already available, (C) can be steered to serve public needs in an affordable and efficient manner (e.g., to complement public transport), (D) is more labour-intensive than individual car ownership and use, and creates and retains local jobs, (E) retains in the local economy a higher percentage of the money spent on transport, and can even reward some users for their service to others (e.g., in carpooling), (F) can work in such a way that the more affluent users create critical mass and generate revenues that make these services available and affordable for lower income users, (G) enables public support to effectively target specific types of users, geographical areas, and trip purposes (e.g., through micro-incentives, mobility credits, etc.), and (H) provides communities with a diverse catalogue of practical solutions that can be used to create context-sensitive and tailor-made transport solutions.

Shared mobility is an extremely useful tool to fight transport poverty in suburban, peri-urban, and rural areas, while at the same time promoting (A) decarbonisation, (B) energy efficiency, (C) resiliency, (D) local economies and (E) local jobs.

Shared mobility services are currently more concentrated in denser urban areas – these offer an easier case for a go-alone business model (public incentives are mostly absent, contrary to what happens, e.g., with individual car ownership and use, which benefits from fossil fuel subsidies and much more).

But while the business case may appear more challenging in suburban, peri-urban and rural settings, there is in fact **massive untapped potential waiting for the right strategic approach and support from the public sector**. To fully achieve its potential benefits, shared mobility needs public governance, and the Social Climate Fund can be instrumental, by simultaneously helping its operators deploy in these areas, and laying the foundations for effective public steering.[29]

Recommendations for the national level Social Climate Plans:

(1) **Finance the growth of both offer and demand of shared mobility** (to avoid a 'chicken-and-egg' problem, where demand doesn't grow because of low offer, and vice-versa);

[29] Docherty, Iain & Marsden, Greg & Anable, Jillian (2018), "The governance of smart mobility", Transportation Research Part A: Policy and Practice, Volume 115, September 2018, Pages 114-125

(2) Support funding that ensures a **level of stable and reliable demand** (e.g., for the full duration of the SCF), to reduce risk and increase bankability;
(3) **Privilege regional or local transport authorities as a funding channel**, to encourage combination with public transport and steer for-profit shared mobility operators towards public needs;
(4) Enable **different forms of targeting beneficiaries**, supporting specific types of users, geographical areas, and purposes of trips through (4.1) credits or vouchers, and (4.2) micro-incentives;
(5) Support the **integration** (in the appropriate services) of **stable travel demands**, e.g., commuting to school, jobs, health and social services;
(6) Avoid restricting the services to low-income transport-poor, and enable use by higher-income full-paying customers, to enable a wider and more resilient customer base and an inclusive branding of the services, and to create critical mass and generate revenues that make these services available and affordable for lower income users;
(7) Give preference to transport services based on **socially responsible labour practices**.

2.5 Make the infrastructure protect freedom of choice

For several decades, the road network was planned, designed and managed to support individual car ownership and use. This has led to an **unequal distribution of space, speed, and risk**.

This inequality systematically harms the performance and safety of other transport modes, discouraging the adoption of more efficient and affordable solutions. It has also become an obstacle to the deployment and consolidation of new mobility services. In short, it harms freedom of choice, blocks innovation, and sustains transport poverty.

Experience at the local level clearly shows that **sustainability, safety and equity must advance together, or none of them will advance effectively** – (A) lack of safety discourages the use of sustainable modes like cycling and public transport, (B) sustainable modes are the most affordable, and as such provide critical benefits to economically vulnerable groups, and (C) road danger disproportionately affects economically vulnerable groups.

Local experience also shows that, contrary to highways and motorways, local roads and **streets can be improved at the *network* level, through simple traffic calming interventions** which, in comparison to large infrastructural interventions, require much lower budgets, enable faster and simpler procurement procedures, and apply easier construction methods.

These traffic calming interventions have *ripple effects* over wider areas[30], and allow for phased and integrated approaches. Reducing speed limits can be a first and fast step to mitigate safety insufficiencies detected in the framework of the RISM Directive[31].

[30] For example, raising an intersection for traffic calming can have an effect in a radius of 50 meters in all directions (covering somewhere between 7,000 to 10,000 square meters of land).
[31] Directive (EU) 2019/1936 of 23 October 2019, amending Directive 2008/96/EC on Road Infrastructure Safety Management.

Quality and accessibility to and from public transport stops and stations are also central determinants when one chooses to or not to travel by public transport. Thus, ensuring that the public space leading to and around public transport stops and stations is safe, comfortable and accessible is essential, making public space also part of Public Transport infrastructure. Last, but not least, we must bear in mind that the quality of public space is the quality of walking and cycling infrastructure.

In short, these targeted interventions, easy to control in time and budget, can **reduce traffic speed but accelerate change**, and unlock the full potential of streets as places for social and economic life, and for transport innovation.

Recommendations for the national level Social Climate Plans:

(1) **Promote speed reduction**, including Zone 30 areas, Low Traffic Neighbourhoods, school streets, shared spaces and *woonerven*[1], and physical traffic calming measures, e.g., raised intersections and crosswalks, bottlenecks and pedestrian islands;
(2) **Make streets safely cyclable**, through speed reduction, shared streets with bike priority (*fietsstraat*[1]), and where necessary segregated cycling lanes;
(3) **Grow bicycle parking**, both on-street, including bicycle hangars, and off-street, including bicycle parking in office, residential and public buildings, and in mass transit hubs;
(4) **Implement shared mobility hubs**, combining parking for shared bicycles, cargo bikes, standing scooters, scooters, cars and vans, and respective charging infrastructure;
(5) **Promote installation of charging infrastructure for light electric vehicles**, including fire-safe charging lockers in residential, public, and office buildings;
(6) Support targeted improvements to the **pedestrian infrastructure**, namely (6.1) safe and accessible crosswalks, (6.2) missing links in pedestrian paths, (6.3) increase accessibility, safety and comfort in pedestrian paths to and from mobility hubs, public transport stops and stations.

2.6 Mobilise the community's social capital

Advancing decarbonisation and at the same time fighting transport poverty is a massive strategic and political challenge. It requires the full mobilisation of the creative, social, and political capital of the whole community. Many stakeholders have an important part to play: public and private, for-profit and non-profit, elected officials and their constituencies. "Everyone can be great, because everyone can serve".[32]

Local and regional governments are the best place to (A) tap community ties and trust (i.e., social capital) as an economic resource, (B) mobilise and focus endogenous resources, and (C) to find and foster creative and integrated measures that provide practical, viable and fast solutions. This approach poses its own practical challenges, of course, but it can deliver in a more efficient, fast, reliable, and economical way than centralisation and top-down measures, and have deeper and longer-lasting impacts.

[32] Martin Luther King, Jr. (1929-1968)

Furthermore, there is a critical need to **interact directly with target beneficiaries**. Experience shows that those who most need this kind of support usually have less access to information about it, and less availability to reach out and follow through with all administrative procedures (usually conducted during office hours or via digital channels, which increases the difficulty).

In addition, overcoming transport poverty will in most cases require some degree of behaviour change for the household. Shaping and encouraging this change requires analysis, development of tailor-made combinations and trial of new mobility options. All of this implies more than a simple 'administrative step'. It requires one-on-one dialogue, multiplied by many households. Active cooperation of local organisations is indispensable for effective outreach, awareness-raising, and dialogue.

Recommendations for the national level Social Climate Plans:

(1) Privilege the creation of **local one-stop "shops"** that can reach out to target beneficiaries and provide **tailored guidance and support** to households, individuals and micro-enterprises (these "shops" can be added to already-established channels and programmes);
(2) Foster the involvement of **regional business actors** in the development of local shared mobility services, and support the ongoing **evolution of automobile clubs** into mobility clubs offering shared mobility solutions;
(3) Actively **support the creation or growth of cooperatives** in the transport sector, including for direct operations (e.g., local deliveries) and associated services (e.g., bike maintenance shops), covering (3.1) preparatory studies, (3.2) capacity building and (3.3) operating funds;
(4) Support **community-led creation of services and schemes** (e.g., car sharing, carpooling, cargo bike sharing, etc.), e.g., by local development associations, mobility clubs, local charities, resident associations, etc.

2.7 If users can't reach the services, help services reach the users

Physical access to essential socioeconomic services (education, health, social support, etc.) can be achieved in two ways – either the user moves to reach the service, or the service moves to reach the user[33]. The key question is to know, for different types of service and users, which way is the most efficient, reliable, and affordable, for *both* the user and the service provider.

The default approach has been to put the "burden of moving" on the individual.[34] When there are public service obligations involved, and the user isn't able to reach the services autonomously (e.g., because of disability or cost), the public sector provides (or at least pays for) specific and separate transportation to the users for whom that burden is too much.

These specific services are, often, (A) a marginal part of the service (i.e., not designed as an integral part of the process), (B) inefficient (commonly having to serve a small number of users over a wide area), (C) inevitably limited in their capacity and quality (because of budget constraints, which can then further aggravate those limitations), and (D) at risk, particularly in the case of services to the

[33] Digital technologies may provide additional options for some procedures, but those options pose additional challenges of their own, and, in any case, human contact is to a good degree indispensable.
[34] This 'burden' must often taken up by the household or close support system, if the individual has one.

elderly, because the ageing of the population will increase demand, and the rise of fossil fuel prices will aggravate financial strains.

This is a bad dilemma – things are either bad for the user, or bad for the provider, and they're often bad for both. This issue is, fundamentally, about transport poverty, and there are two ways in which the Social Climate Fund can help – by (A) supporting new solutions that help the service reach the user, particularly in lower-density areas, and by (B) supporting more efficient options for helping the user reach the service.

We can **bring the service to the user** by creating small decentralised service points for the regular provision of basic services. In the health sector, for example, (A) the "basic services" can include basic nursing care in an outpatient setting (e.g., taking samples for analysis, vaccinations, supervised taking of special medication, changing dressings and removing surgical stitches) or medical consultations that do not require fixed instrumentation (e.g., general medicine, psychiatry, etc.), (B) the "regular provision" can consist of one or two fixed days of the week (clear expectations make for easy management), and (C) the small decentralised service points can consist of adapted rooms located in already existing public facilities, or made available by local community organisations.

These decentralised service points may not "solve everything", but they will certainly help a lot. In the health sector that's literally "a lot", as many trips are taken for ambulatory care and outpatient visits that could be done closer to the place of residence.

On the other hand, when the transportation of users to places of service is indispensable, how can we improve the efficiency and financial viability of the **necessary transportation services**?

The aggregation of trips is a key step for increasing transport efficiency – shared trips reduce the amount of km per passenger, and therefore the costs. Aggregating trips in lower-density suburban and rural areas has always been a challenge, but digital technology today provides very useful tools to deal with that, and shared mobility (particularly demand-responsive transport and carpooling) provides efficient alternatives for many cases.

This will certainly help users in a situation of transport poverty – and, most importantly, it will have very important economic benefits for the service providers, because it will (A) increase service performance and efficiency (e.g., reduce no-shows, increase punctuality), (B) free up key assets (e.g., hospital beds), (C) dispense with heavy and space-consuming infrastructure investments (e.g., parking in large facilities), (D) increase the efficiency and therefore reduce the costs of transportation services (e.g., increasing the number of users allows for several economies of scale, which can be further increased by the resort to mainstream shared mobility services), (E) increase competitiveness and innovation in local businesses (e.g., supporting the creation and growth of local delivery cooperatives will enable local shops to deal with the growing pull of e-commerce), and (F) increase the well-being (and satisfaction) of the users and respective households (which has social but also financial benefits for the service providers, the community in general, and the State).

Urban and regional planning and land use also play a key role here in determining what and where is being developed and how the different uses and services are being distributed geographically.

The city of proximity and other similar approaches to urban planning offer some insights and principles that might alleviate the burden of lengthy trips and service locations by balancing housing, services, jobs, education and leisure distribution.

Increasingly connecting transport to urban and regional planning and land use will increase the efficiency of mobility solutions as well as travel distances, being particularly relevant for new neighbourhoods and developments. The SFC can support the implementation of strategic plans that develop transport and land use together, offer different sustainable transport choices, and consider housing availability. It can also provide support to institutional and organisational improvement to allow for such approaches at the local and regional levels.

Recommendations for the national level Social Climate Plans:

(1) Support the development, implementation and improvement, by public and non-profit health and social care organisations, of **services provided at home** (e.g., ambulatory health care, elderly home support);
(2) Support the creation of **local-based businesses** (e.g., cooperatives) that can provide these and other services, or transport solutions for their provision;
(3) Support the **acquisition of electric vehicles by specialised organisations and professionals** providing for access to essential socio-economic services through home service (e.g., nursing, physiotherapy, delivery of cooked meals for dependent elderly persons, etc.);
(4) Support the development and acquisition of services, platforms and fleets that can **increase the efficiency and level of service of specialised transport to key services** (e.g., school, scheduled medical appointments, social services, etc.), including their aggregation, and their integration with shared mobility services (e.g., taxi, demand responsive transport, carpooling);
(5) Support the creation and growth of **local delivery services**, by local transport cooperatives, or by individual or associated local businesses (e.g., groceries and supermarkets, pharmacies, etc.), including the technological means for conduct of e-commerce (e.g., webpages enabling the placement of orders to be delivered);
(6) Support the creation, improvement and operation of **decentralised facilities for the provision of public services** (e.g., fiscal and other administrative services, local health clinics for ambulatory care on fixed days), through direct public provision or where necessary in agreement with third parties.

2.8 Mainstream service to vulnerable users

Through its shape and function, the transport environment (infrastructure, vehicles, operations and user interfaces) imposes on potential users certain implicit "conditions to use", e.g., the ability to walk to bus stops or move through train stations, to understand the network and plan the desired routes, to use payment interfaces, to board and alight trains, trams and buses (e.g., overcoming steps and horizontal gaps), to look for and correctly identify the desired vehicle to board, or stop to alight.

These "conditions to use" require motor, sensory and cognitive abilities. And in some important cases, they require more, namely the ability to travel accompanied by children, or to overcome fear, particularly of road danger or sexual harassment, when walking, cycling, or using public transport.[35]

Users who cannot "satisfy" one or more of these "conditions to use" are either impeded or restricted in their ability to move, and forced to either forego their autonomy, or to pay a higher price for it. In all Member States, this affects a very substantial part of the population, and for two main reasons.

First, because these problems are faced by a large, diverse, and dynamic universe of individuals, including, among others, (A) women (of different ages, in different social and cultural contexts, with or without children), (B) an ageing population (including those who are driverless in rural areas, where individual car ownership is wrongly touted as 'indispensable'), (C) persons with different types of disability (motor, sensory, cognitive, including many elderly people, as age correlates strongly with disability), and (D) children and adolescents (when they're forming their attitudes and preferences towards transport modes and travel habits).

Second, because lack of autonomy generates dependency, and that dependency has costs (in time, money and resources) for the individual, but also for the respective household, close relatives and friends, the wider community and, inevitably, the State.

The source of the problem lies not in the users, but in (A) the "conditions to use" imposed by the transport environment (where the threshold for safe and autonomous use is placed too high it becomes a barrier), and (B) the lack of adequate alternatives to bypass barriers in the available offer. These factors narrow choice, and thus generate and aggravate transport poverty.

Mainstreaming the response to transportation needs is, whenever and wherever possible, the best approach. **Removing barriers that create undue effort and separation enables everyone to benefit equally and independently, making the transport system functional, safe, and appealing for all**.

Paratransit[36] or 'transport for the disabled', provided as a way to compensate for existing barriers through the provision of specific and separate (i.e., segregated) services, are often the least inclusive, the least efficient, the most limited, and the most vulnerable to financial constraints and operational complications.

The way forward is not to create segregated solutions as an alternative to the elimination of barriers in mainstream services. That approach will always be the least efficient and the least beneficial for all users – the alternative will chronically underperform, and the mainstream services will not improve.

[35] This fear is not to be discounted – first, because most often it is a reaction to objective risk, and second because, regardless of its subjectivity, it objectively affects transport behaviour and mode choices.

[36] "Paratransit" means comparable transportation service required by individuals with disabilities who are unable to use fixed route transportation systems.

What must be done is, at the same time, (A) eliminating barriers in mainstream services, and (B) creating complementary solutions to mainstream services. The emphasis is on complementary – again, diversification is key.

In what regards, specifically, persons with disabilities, the best is to align this complementary approach with the principles of Independent Living[37], and provide financial support to persons with disabilities that will enable them to tailor and manage solutions for themselves.

Recommendations for the national level Social Climate Plans:

(1) The **elimination of barriers to accessibility** (physical and communicational) in the public transport network, including (1.1) vehicles, e.g., ramps, reserved seating, and onboard communication devices, (1.2) stations and stops, e.g., circulation paths within stations, and pedestrian paths connecting to and from stations and stops, fixed or mechanical means to overcome gaps between platforms and vehicles and human support services, wayfinding, ticketing and access gates;
(2) The **inclusivity of taxi and shared mobility services**, including (2.1) purchase of wheelchair accessible vehicles, (2.2) implementation of inclusive service procedures and respective training of staff;
(3) The **integration of shared mobility services in paratransit** systems, to increase their efficiency, flexibility, and choice;
(4) The creation or improvement of **independent mobility solutions** by Independent Living Centres, including, (4.1) the acquisition, leasing, or rental of accessible vehicles for car sharing, (4.2) the provision of financial support for persons with disabilities to be able to recruit and manage personal assistants for driving[1];
(5) Where necessary, in complement to existing supports (tax benefits or subsidies), the **acquisition of electric vehicles** (cars, vans, scooters and bicycles) by individuals with a threshold level of disability (or their respective household), and funding for vehicle adaptations to their respective needs;
(6) The **reduction of road danger** for people walking and cycling, particularly through traffic calming in the vicinity of schools, health care and social care facilities, and higher-risk locations;
(7) The implementation of physical and operational measures to reduce the risk of sexual harassment and improve the feeling of **security** in public transport vehicles, stops and stations (e.g., lighting, video surveillance, staff training, etc.);
(8) The development and implementation of targeted and efficient **combined mobility solutions**, to serve the needs of people who commonly have to resort to trip-chaining or to travel in lower-density areas in off-peak hours (e.g., women, youth, elderly).

[37] "Independent Living" means that individuals with disabilities are provided with the necessary means to exercise choice and control over their lives. This includes access to (among other things) transport and personal assistance. It should not be interpreted solely as the ability to carry out daily activities by oneself, but as the freedom to choose and control, with dignity and individual autonomy, as enshrined in article 3 (a) of the United Nations Convention on the Rights of Persons with Disabilities.

2.9 If a car is "indispensable", limit support to the indispensable

While individual car ownership and use play an important role in the everyday routines of many households, it's important to keep in mind that the "need for a car" is never an absolute and objective indicator – it can be part context and part perception, part habit and part justification of habit, part lack of convenient alternatives and part lack of awareness of their existence, part need and part preference. In peripheral rural areas, each owner of an 'indispensable' car certainly has neighbours who carry on with their lives without one.

The Social Climate Fund's regulation[38] includes, among its eligible measures, direct income support to reduce the impact of fuel prices, and funding for the purchase of zero- and low-emission cars. Clear limits must be set on both the eligibility of beneficiaries, and on the type and amount of support provided to those eligible, to avoid dispersion of the available funding, and to ensure the best return on investment.

In principle, the "need of a car" must be considered in relation to:

- the needs of the full household, and not just the driver;
- the alternatives available and their cost (in terms of time and money) to ensure autonomous access, by all members of the household, to a set of essential socio-economic services and activities, e.g., health and social care, education, employment, provision of food and other basic goods, etc. ;
- the alternatives that could be created or supported for that purpose (e.g., carpooling, demand-responsive transport, etc.);
- regular work shifts starting or ending at late night or early dawn, particularly essential workers (e.g., nurses, teachers, social care workers, police and fire service).

Basing support on an individual assessment of these issues could become burdensome and intrusive. Spatial targeting and, within specific areas, income-based targeting could help implement some of these principles in a fair and respectful way.

Recommendations for the national level Social Climate Plans:

(1) As a key guiding principle, **restrict funding to the indispensable** and not beyond;
(2) Avoid funding, in any case, the purchase of first- or second-hand large and heavy electric cars, namely SUVs (**fund a vehicle that is fit for purpose, but not beyond**);
(3) Restrict the direct income support to reduce the impact of fuel prices to a time period that **ends before the term of the SCF**;
(4) In low-density rural and peri-urban areas, for households who already own, or will acquire an electric car, support the installation of **home charging solutions**;
(5) In low-density rural and peri-urban areas, consider supporting a **social leasing scheme for small electric cars**, that would enable beneficiaries (households, cooperatives or associations, micro-enterprises) to use electric cars made in Europe for a monthly rent, without upfront costs (this measure could be co-financed through the Recovery and Resilience Facility, and then revenues from ETS-2 and the Social Climate Fund; its impact could be further increased if conditional on adhesion to carpooling or car sharing schemes).

[38] Regulation (EU) 2023/955

2.10 Follow a focused approach to micro-enterprises

There is much diversity in the types of micro-enterprises, in the business they conduct, in where they are located and where they operate, in their transport needs and in the means available to satisfy those needs, in their types of employees and respective transport needs, and in the ability and functional interest of the employer to support those needs. It is important to understand and build on this diversity.

Generic indicators and one-size-fits-all measures for micro-enterprises should be avoided, as they would dissipate the impact of the Fund and have perverse effects – for example, (A) defining eligibility on the basis of fiscal performance can benefit disproportionately companies who are able to reduce their fiscal footprint[39], and (B) supporting company passenger car ownership can encourage the use of cars as a perk for higher-earning qualified workers.

Corporate mobility is an important component of local transport, and the mobility practices implemented for business purposes and employee commuting have a wider influence on mobility behaviour. Corporate mobility can also be a relevant and *reliable source of demand* for public transport, shared mobility, and cycling, and as such can make an invaluable contribution towards the viability and *bankability* of these services, which evidently will benefit the wider community.

Recommendations for the national level Social Climate Plans to support micro-enterprises:

(1) **Restrict support to the purchase of zero- and low-emission passenger cars, light commercial vehicles and vans**, to businesses which require dedicated vehicles for the performance of their activities, namely to (1.1) carry tools, equipment or materials, e.g., plumbers, electricians, cleaning, etc., (1.2) deliver goods as an essential part of their service, e.g., delivery companies, or companies which must deliver their own goods as part of their service, or (1.3) provide social or health care services at different locations, e.g., nurses and physiotherapists;
(2) Expressly **avoid covering the costs of company cars** provided to employees for their personal use (either for purchase, leasing, renting, or energy costs);
(3) In low-density rural and peri-urban areas, for microenterprises who already own, or will acquire an electric car, support the installation of **facilities-based charging solutions**.
(4) Support the development of **corporate mobility plans**[1], encouraging the association of local businesses and other employers for that purpose (e.g., in suburban business parks);
(5) Privilege the implementation of **sustainable corporate mobility solutions** based on mobility budgets for public transport, shared mobility, and cycling;
(6) Support the acquisition of **light electric vehicles**, e.g., electric cargo bikes, electric scooters, etc. for the conduct of business activities.

[39] For example, by being able to afford specialised legal advice.

3. Empower Cities & Regions as Key Actors

3.1 Consult & Cooperate for Effective Action

The Social Climate Fund regulation establishes a clear requirement for Member States to undertake a public consultation process with key stakeholders, and to demonstrate how this input has been integrated prior to submitting their Social Climate Plans.

Meaningful engagement of local and regional governments is not just a procedural requirement – it is a strategic necessity.

Local and regional governments and transport authorities (A) deal directly with the SCF's target groups, (B) have jurisdiction over most of the key elements that make up the regional mobility systems that serve everyday life, from transport infrastructure to transport services, (C) are the best positioned to mobilise endogenous resources to support the design and implementation of climate, energy and mobility policies, and multiplying their positive impacts, (D) are a specific level of EU territorial governance, with its own democratic legitimacy, and its political accountability is a key factor in the roll-out of measures funded by the SCF.

Integrating cities and regions into the planning and implementation of Social Climate Plans is indispensable for the Social Climate Fund to achieve its intended impact.

We must learn from experience. The implementation of the Recovery and Resilience Facility (RRF) demonstrated the challenges of centralised decision-making, where local and regional authorities were often excluded from consultation and meaningful involvement. While these plans have had a positive impact, their overall impact could have been much better with a more systematic involvement of local and regional authorities.

Sidelining local and regional authorities in key phases of planning, implementation, and monitoring led to broad, top-down measures that often lacked the granularity to address local needs or adequately target vulnerable populations. For the SCF, which aims to support vulnerable households and small businesses in the green transition, such exclusion could result in missed opportunities to achieve equitable and effective outcomes and poor execution rates of the available funds.

The Social Climate Fund also has tight timelines for ambitious goals, both for conception and implementation. There is no time to lose, and conducting consultation as a mere procedural requirement for conception would be a loss of time. Consultation with local and regional governments and transport authorities must be approached as the condition for a practical conception, and the foundation for fast and effective implementation.

Recommendations for the national level Social Climate Plans, regarding principles for sound and effective consultation and cooperation with local and regional authorities:

(1) On **Consultation**:

(1.1) **Adequate time** – Rushed timelines undermine the capacity for thoughtful engagement and exclude critical voices. Allow for adequate time to review and to formulate proposals. Adjust the consultation methods to the available time.

(1.2) **Multiple stages** – Consulting only at the start and end of the planning process, when the plan is either completely undefined or completely closed, misses many potential contributions. Use processes that enable constructive participation in multiple stages of the process, from brainstorming to idea refinement. It will save time.

(1.3) **Open dialogue –** Genuinely seek and value the contributions of local and regional authorities towards local obstacles and opportunities, encourage creative problem-solving, build alignments, make implementation practical. Use adequate methods, e.g., targeted workshops.

(1.4) **Transparency** – Provide clarity to stakeholders on how their input will be considered and integrated into final plans.

(2) On **Cooperation**:

(2.1) **Governance** – The consultation of local and regional authorities must go beyond the planning phase. They must have a clear role in the governance structure of the Social Climate Plans, contributing to monitoring, adjustment, and implementation. This requires formally ensuring their participation at key stages of the Fund's lifecycle, with clearly defined roles and responsibilities, as well as regular coordination mechanisms, such as joint committees or working groups. This will improve accountability and effectiveness.

(2.2) **Monitoring** – Local and regional authorities have access to fundamental quantitative and qualitative granular data on the effectiveness of measures, the identification of emerging challenges. Sharing of real-time feedback in a structured way will ensure that the Social Climate Fund is transparent and responsive to evolving realities.

(2.3) **Dynamic adaptability –** Adjustments are an indispensable component in the implementation phase of all plans and measures. Local and regional authorities are uniquely positioned: their proximity to the communities most affected by transport poverty provides them with the insights needed to refine strategies in ways that maintain their relevance and effectiveness. If certain measures prove less impactful than anticipated, local authorities can propose targeted modifications based on their ongoing engagement with local stakeholders. Embedding them in the adjustment process ensures that changes are grounded in practical realities rather than abstract assumptions.

(2.4) **Active implementation** – Empower local and regional authorities to actively participate in the implementation of critical measures. They are the best placed to expand public transport, facilitate and steer shared mobility services, implement local one-stop shops for mobility advisory services to households and micro-enterprises, and much more. Their active participation in the implementation of the SCF is crucial to ensure national-level planning translates into tangible and actionable measures at the local level.

3.2 Fund Sustainable Urban Mobility Planning (SUMP)

Local and regional governments and transport authorities know, from extensive practical experience, that creating practical, timely, and lasting solutions for the everyday lives of those most vulnerable to transport poverty requires strategy and cooperation.

Otherwise, one can get fast measures pushing in the wrong direction, or measures undermining each other, or measures that are highly visible in the short term but not viable in the long term.

The development of a Sustainable Urban Mobility Plan (SUMP) is the best way of setting and effective strategy and a solid foundation for cooperation. Thanks to the investment of the European Commission, we now have standardised guidelines to develop SUMP[40], which have been tested and refined by the practical experience of many authorities and experts, as well as standardised Urban Mobility Indicators that enable proper monitoring, evaluation and comparison.

The revision of the TEN-T Regulations[41] established 432 Urban Nodes. Each of these nodes is based on a Functional Urban Area, which includes important suburban and peri-urban areas, where large numbers of households live in transport poverty. The TEN-T regulations require each of these nodes to have its own SUMP by the end of 2027.

As we've seen above, most of the factors driving Transport Poverty are linked to **unsustainable** mobility – after all, it's the use of (and forced dependence on) energy-inefficient transport modes and mobility patterns that makes household and micro-enterprises vulnerable to the increase in the prices of fossil fuels.

This means that SUMPs are a powerful tool to not only advance Net Zero goals, but also to address Transport Poverty. Making funding available for the implementation of SUMP measures that address Transport Poverty will help their timely implementation, and that will, in turn, also accelerate the implementation of the Social Climate Plans, by providing them with a portfolio of coherent measures ready to deploy.

Finally, because several EU cities and regions do not have a SUMP yet, it's important to point out that the Social Climate Fund can cover costs related to *"technical assistance to cover expenses related to training, programming, monitoring, control, audit and evaluation activities which are necessary for the management of the Fund and the achievement of its objectives"*[42].

[40] European Commission (2019), "Guidelines for developing and implementing a Sustainable Urban Mobility Plan" 2nd Edition (available here: https://urban-mobility-observatory.transport.ec.europa.eu/sustainable-urban-mobility-plans/sump-guidelines-and-decision-makers-summary_en)

[41] Regulation (EU) 2024/1679 of the European Parliament and of the Council of 13 June 2024 on Union guidelines for the development of the trans-European transport network, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013, available here: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1679

[42] Cf. Regulation (EU) 2023/955 (Social Climate Fund), article 8, number 3.

National plans for the Social Climate Fund should:

(1) Support the development of Sustainable Urban Mobility Plans (SUMPs);
(2) Privilege the funding of measures which are planned for by SUMPs;
(3) Support costs related to the monitoring and capacity-building necessary to the implementation of SUMPs;
(4) Support the implementation and operation, by Member States, of their respective National SUMP support programmes, aimed at SUMP development and implementation through funding, capacity building, communication and evaluation.

3.3 Set proportional targets for application of the Fund

The implementation of the Social Climate Fund must be balanced, grounded, and coherent:

- it will be **balanced** if both challenges (energy poverty and transport poverty) are allocated an adequate proportion of the available funds;
- it will be **grounded** if regional and local governments and transport authorities play an active role in the planning and a leading role in the implementation of the measures, ensuring local support to beneficiaries, mobilisation of the local social and business communities, and the alignment of the measures with local strategies and plans;
- it will be **coherent** if it privileges measures that address the root causes of transport poverty and offers practical solutions with a lasting effect.

For this effect, **National plans for the Social Climate Fund should set** proportional targets for the allocation of SCF funds, in the following manner:

(1) Dedicate 50% of the total amount to address Transport Poverty;
(2) Of the amount for transport, dedicate 65% of the total to measures that are to be planned and managed at the regional or local level;
(3) Of the amount for local measures, dedicate 75% to multimodal solutions, i.e., not individual car ownership and use.

POLIS
CITIES AND REGIONS FOR TRANSPORT INNOVATION

About POLIS:

POLIS is the leading network of European cities and regions advancing transport innovation. We are committed, specifically, to innovations that can make urban, suburban, and rural mobility more sustainable, safe, and equitable.

POLIS draws its expertise from a valuable network of decision makers, field practitioners, and researchers, who are working for local and regional governments and transport authorities, public research organisations, and private non-profit and for-profit organisations, from advocacy to mobility service providers.

We build on the results of EU-funded projects and on the input of thematic Working Groups that address key transport challenges, to link innovation and public policy guidance on urban and regional mobility with European policy development.

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