ReVeAL

Regulating Vehicle Access for improved Livability

UVAR Guidance: Governance and Financing

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Table of Contents

1. Introduction

1.1 About the ReVeAL project

Urban vehicle access regulations (UVARs) are one of the tools that can help make cities more liveable, healthier and more attractive for all. The goal of the EU Horizon 2020 project ReVeAL is to support cities producing good practice in UVAR and to add UVARs to the standard range of urban mobility approaches across Europe and beyond.

The ReVeAL project supports UVAR implementation in six pilot cities and is developing a tool to help other cities decide what UVAR measures may be appropriate for them and what to be aware of when implementing them. The project is also producing several guidance documents on specific UVAR-related topics.

To find out more about ReVeAL, please see the ReVeAL website.

1.2 Purpose and context of this document[1]

There is no one-size-fits-all solution in implementing an UVAR, however ReVeAL has identified four aspects – called Transition Areas in ReVeAL – that are relevant to the change process associated with the implementation of any UVAR measure. These are governance and financing, user needs and public acceptance, mobility concepts and ensuring compliance (see Figure 1).

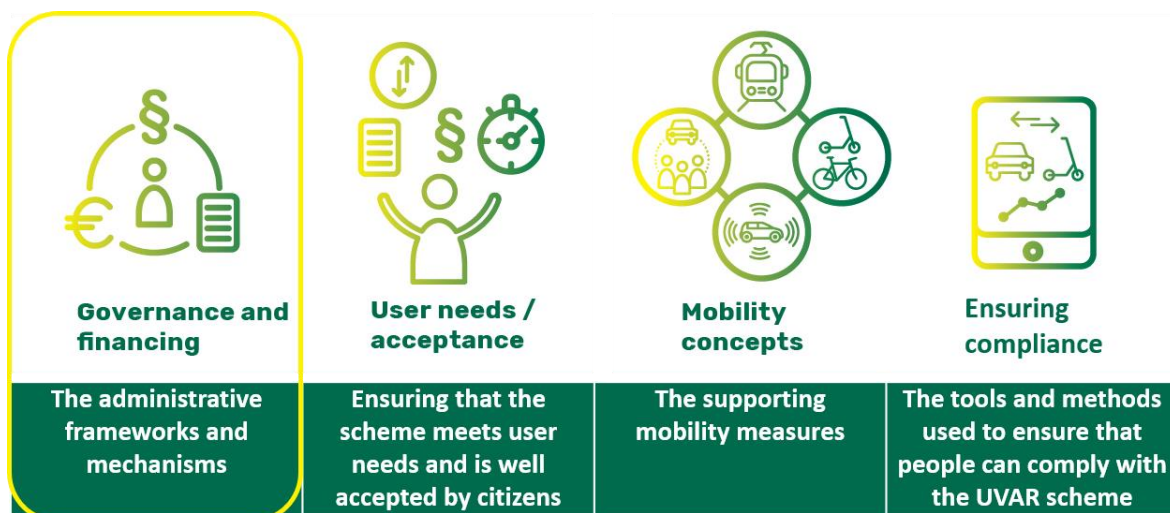| Governance and financing	User needs / acceptance	Mobility concepts	Ensuring compliance
The administrative frameworks and mechanisms	Ensuring that the scheme meets user needs and is well accepted by citizens	The supporting mobility measures	The tools and methods used to ensure that people can comply with the UVAR scheme

Figure 1: ReVeAL Transition Areas

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1 This document is for information and guidance. ReVeAL and its partners take no responsibility for any action taken based upon its content.

As these key aspects are relevant to all schemes, we have developed a guidance document for each one. This document addresses **governance and financing of UVARs.** The guidance is not intended to tell cities which options to use, but rather to help identify the questions to be asked and the factors to be considered in the decision-making process. As there are many linkages among the four transition areas, it may be worth reading the guidance documents together.

1.3   Definition and scope of governance and financing

Governance

The OECD defines governance as "the exercise of political, economic and administrative authority necessary to manage a nation's affairs." (OECD). Questions linked to governance include: Who has a voice in the decision process? How are decisions made? Who is accountable once a decision has been made? (Institute of Governance). Another key notion is good governance, which is characterised by "participation, transparency, accountability rule of law, effectiveness, equity etc." (OECD).

For ReVeAL, good governance implies transparent procedures for project management, procurement, financial management and allocation of revenues at the local level. In many cases, policy and operational coordination is needed between different levels of government affected by the UVAR.

At its best, effective governance translates into professional project management of the UVAR scheme, with accompanying measures (long and short term) institutionally anchored by means of a specific agency/authority, different agencies working together or through the establishment of public-private partnerships.

Key aspects:

- Decision-making context (including cultural context[2])
- Legal frameworks (national and local)
- EU legal issues
- Institutional setting and organisational arrangements
- Policy frameworks and planning instruments
- Political instruments
- Integration and interaction of transition areas (including champion(s)[3])
- Communications

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[2] e.g., what behaviour or level of acceptance can be expected for certain options in a given city or country?

[3] Champions are people willing to invest their resources in return for future policies they favour. Their motivation may be a concern about certain problems, the promotion of policy values, professionalism, or simply the satisfaction of participating. Champions can be elected officials, civil servants, activists or journalists, groups or individuals. The presence of an appropriate and skilful champion can improve a measure's chances of moving up on the agenda if this figure makes the critical 'couplings' when policy windows open, as well as being publicly acceptable by setting the tone of the discussion. A city staff member plus a politician or political group, can make a good champion team.

Financing

Financing refers to the way UVAR measures are funded and how any resulting revenue streams are used. Within the ReVeAL context, financial allocation must be linked to transparency. Up-front financing of the UVAR scheme might be a challenge for UVAR implementers, but there are financing instruments and options which can be considered for this purpose. Sometimes a higher start investment can reduce operational costs (see UVAR Guidance: Ensuring Compliance). Clarity about how revenue streams from UVARs (from fines or fee collection) are spent, can improve acceptance; however, UVARs (unless designed as toll schemes) are rarely net money makers. Generally, the city wants to achieve compliance rather than collect fines.

Key aspects:

- Funding of the establishment of an UVAR
- Management of in-kind contributions of institutional partners
- Procurement
- Financing complementary and supporting measures
- Purpose and management of revenue streams

2.   Key aspects

Although there is no one-size-fits-all solution, there are common aspects that need to be decided for most UVARs. Some of these depend on understanding the context of the city where the UVAR will be established, others depend on the type of UVAR planned. This section addresses governance, financing and communication.

2.1 <u>Governance</u>

Decision-making context

Understanding the decision-making context is a key step. When assessing this, some of the key issues that need to be identified are:

- Who makes UVAR-related decisions? (e.g., identify the leading politicians in the UVAR process)
- Who formulates technical solutions? (identify the leading technicians within the city and the leading external or contracted technicians in the UVAR project)
- What is the approval process, who is involved? (e.g., different levels of government)
- Which are the leading voices and organisations that affect the UVAR project (both supportive and opposing)?
- Is there an UVAR "champion" leading the process?

It is important to have the electoral cycle in mind (including elections, the beginning of campaign, etc.) and to foresee if the UVAR will be implemented within the electoral period of those deciding

the scheme. The greatest resistance to a scheme generally arises around the time of implementation[4] so there is a significant advantage of the scheme being implemented at least a year before the end of the legislative period so that the improvements can be acknowledged before the next election. If the scheme cannot be implemented within this electoral period, the question that needs to be addressed is whether the scheme will have sufficient cross-party support to be implemented over more than one electoral period. Another (riskier) option is to complete detailed preparation in one electoral period and for the politicians to seek re-election on the basis of its implementation in the next period.

Different organisations can influence decisions related to the UVAR lifecycle. These include both public administrations (e.g., city council, regional government, national government), as well as expert commissions, political parties, interest groups or other stakeholders. The interests and needs of different (vulnerable) groups must be considered from the early stages in order to make an UVAR a success.

Legal Frameworks

It is crucial to identify from the early stages if national frameworks are in place for the implementation and efficient enforcement of the selected UVAR (e.g., for automatic number-plate recognition camera enforcement, sending fines, identifying complying vehicles, transponders…), as well as for its financial management, personal data protection, tendering and procurement. It is also important to know if new local regulations are needed to implement the UVAR, and whether new or altered national legislation is needed. Sometimes other mechanisms can be used; for example, the Italian limited traffic zone legislation allows conditions to be placed to implement LEZs and in London, the congestion charging legislation is used to implement LEZs with high "charges" (i.e. fines or daily passes) for non-compliance.

There are often different ways to implement a given scheme (and any complementary measures), so it's important to identify the most appropriate way for your local context. For example, many low emission zones use a ban for non-compliant vehicles with a fine for non-compliance (e.g., Berlin); others, such as the London LEZ, use a charging legislation with a high fee for non-compliant vehicles (which could also be seen as a fine or a daily exemption permit).

It might be difficult to determine how an UVAR can be implemented within the existing legal framework, and innovation may be needed; using existing legislation for a slightly different (allowed) purpose, trial schemes, voluntary compliance or facilitating new legislation – or a combination of these – are all possible. Within ReVeAL, Jerusalem worked to update the local and national legal frameworks to allow for its LEZ.

When there is more than one scheme of any one type in a country or region there is significant advantage to having common standards and other aspects, as it leads to greater acceptance. In northern Italy and in Germany, the regions took a common approach to implementing LEZs (e.g., common emissions standards, LEZs for all cities <30,000 inhabitants) to ease communication and understanding, and to avoid the concern that shoppers would go to the neighbouring (non-

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[4] The ReVeAL guidance on public acceptance is a useful resource here.

restricted) city. Cities or countries new to UVAR would be advised to first identify whether there are models elsewhere that could be used in their city/country, to reduce the number of different schemes.

EU Legal issues

The aspect of EU law that most affects UVARs is the EU Freedom of Movement Principle, one of the key aspects of the EU treaty. In terms of EU law, a LEZ is a potential barrier to trade, but can be (depending on how implemented) justified under Article 30 of the EC Treaty due to the environmental imperative.

The other two aspects of EU law that affect UVARs are the proportionality and non-discriminatory principles – so schemes have to be proportional to the problem, and not discriminatory.

This means in practice for UVARs that:

- UVARs should not be any harder for foreign vehicles to comply than for national vehicles. Information on the UVAR should be spread EU-wide (if foreign vehicles are affected, which is often necessary for public acceptance).
- Freedom of Movement also means that the emissions or other standards and retrofit certification should be able to be met EU-wide. For example, for LEZs this means that the standard should be in line with the EU vehicle Euro standards, age of first registration or for retrofitting UNECE REC for heavy duty or construction vehicles or related to the Euro standards for light duty vehicles. This may also have implications for e.g., ITS options such as geofencing, which need to be carefully considered.
- Motorways and the Trans-European Transport Network (TEN-T) key roads need to be exempted from LEZs, or have a reasonable diversion

Institutional setting and organisational arrangements

When assessing the context, and in the initial ideation and design phases, a city must ensure that it has competence, not only for planning and deploying the selected UVAR, but also for operating and enforcing it. For each of these activities, the city needs to determine if it has full competence or if other institutional actors need to be involved (e.g., national government, national police, regional government, etc.).

Policy frameworks and planning instruments

It is helpful to identify policies that will be relevant to the planned UVAR. These can address topics such as air quality, congestion, accessibility and climate, but also land use, public transport, parking, cycling, innovation, equality, equity, economics amongst others. Many cities have policies covering these areas (and more detailed aspects of them). It is important to ensure that the objectives of the UVAR align with other policy objectives the city has, and that there is a process to align policies.

Especially for a fairly high-impact or controversial UVARs, it helps to work within the framework of an integrated, long-term plan, such as a SUMP. The integration of SUMP and UVAR ensure that the UVAR is integrated and supported by a comprehensive mobility strategy. It can also offer a structure of existing stakeholder groups or communication procedures which can support the

UVAR implementation process. There are SUMP Topic Guides, including one on UVARs to help support SUMPs.

An example of good practice in the integration of UVAR and mobility plans is provided by the ReVeAL city, Vitoria-Gasteiz. The superblock scheme (link in Spanish) was used in their SUMP as the main tool to achieve the objectives of the city.

The city of Ghent's circulation plan is another good example: the circulation plan was developed as a chapter of the mobility plan to highlight its development as an integrated measure that was part of the overall strategic vision of the city.[5]

Political instruments

Different political processes and events may have an important impact on the UVAR process (e.g., local elections, political party agreements, etc). At the same time, there are a variety of political instruments which can be used in different moments of the UVAR lifetime to support the UVAR process (e.g., consultation processes). Periodic monitoring reports are key for the necessary assessment of, and support for, UVAR measures and confirming appropriate support for their implementation (or changing them if needed to enable support). Within the monitoring process of the UVAR, aspects related to equity, equality and fairness should be considered.

2.2 Financing

The way UVAR measures are funded and the revenue streams used is an important consideration. Several aspects of the UVAR may need to have funding identified, including:

- The plan/study
- Installation of the equipment
- Communication of the measure and public involvement
- Enforcement
- Operation and maintenance
- Monitoring and review

Funding the establishment of an UVAR

The development and implementation of UVARs may entail extra upfront costs, for example for the adaptation of infrastructure assets or the procurement of new technologies that cost more than conventional solutions. Upfront financing of the UVAR scheme investment can be a challenge for implementers. Financing for schemes can come from different sources and can include negotiating with the national/regional government(s). The option of hiring expensive equipment instead of

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[5] For further information on the Ghent Circulation Plan you can visit ReVeAL's webinar ReVeALing Space for People: Ghent's UVAR ReVeALed.

purchasing it can also be considered in order to give flexibility and ease financing issues as well as to ensure funding of maintenance and services.

Procurement

Regarding tight public budgets, cities may consider a number of financing instruments and options which can be considered for this purpose. There are several options for public-private partnerships for infrastructure or system procurement, e.g., design-build-finance maintain, build-operate-transfer or similar.

The Smart Procurement for Better Transport (SPICE) project and its best practices are relevant to financing/procuring ITS systems. The SUMP Funding and Finance Guide may also provide useful support to search for funding and financing sources. The option of hiring expensive equipment instead of purchasing it can also be considered in order to give flexibility and ease financing issues as well as to ensure funding of maintenance and services.

The UVAR procurement procedures need to be transparent. The authority may already have guidelines for many of these aspects, which helps ensure this transparency, as does the Sustainable Urban Mobility Planning procurement guide. The considerations for external procurement include:

- Planning and preparation of procurement procedures
- Definition of specifications and standards
- Selection of tenders
- Valuation of tenders
- Implementation and management of the contract

Management of in-kind contributions of institutional partners

This includes such things as the UVAR authority working with other road authorities to, for example, announce the zone, to place equipment or to source power for the equipment. It could also include common promotion of a measure. All of this requires acceptance and approval – and could create challenges if not taken up willingly by other public stakeholders.

Purpose and management of revenue streams

Once the UVAR measure is in operation, transparency about how any revenue streams (from fines or fee collection) are spent helps to improve public acceptance. These revenues must also be administered properly and, ideally, be earmarked for sustainable transport improvements.

2.3 Communication

Communications play a key role in all UVAR phases.[6] In the initial development phases, two-way dialogue with different stakeholders is important to understand their needs and concerns – several different 'rounds' of this may be needed through the development – to the last round of which might be a formal public consultation (often also a legally required step). It is important that at each stage of the communication, those being asked for their opinion have sufficient information on which to make an informed decision. During early 'rounds' less information may be available, and those involved may have more opportunity to shape the scheme. By the time a public consultation is undertaken, the specific scheme and its expected impacts should be presented.

There are different aspects of communication, involving different and overlapping groups:

- Participation (involving interest groups, stakeholder events)
- Notification (to publicise the matter to be consulted on)
- Public Consultation (large two-way flow of information and feedback)
- Disseminating information on the scheme once it is confirmed (using many methods)
- Queries and complaints

The different user groups need to be identified, and decisions such as how participatory the scheme design is to be. **Participation** might range from an open choice about the scheme with a participatory development process (for example a community-based neighbourhood spatial intervention scheme) to a fairly firm idea about a scheme that has been well studied and where stakeholder involvement is needed to ensure the more detailed aspects are correctly designed (such as a congestion charge). Getting the right balance of users is important (those who are affected, who will benefit or who will need to change their habits, ensuring gender balance of those involved), and how they will be involved (e.g., meetings with representative groups, citizen parliaments, online questionnaires to many individuals). It is especially relevant to have representation of vulnerable groups, including low-income groups and people with disabilities. Considering the views of multiple stakeholders from the initial stages, is key to ensure the future success of UVARS[7]. There will be different amounts of information available, depending on the communication stage, in each case, enough information needs to be available for an informed decision.

Also important is **communication within the authority** (with the different departments: planning, traffic, climate, environment, IT department, economy, equalities…) and also between the different levels of government (national, regional, neighbouring, government agencies, vehicle database authorities etc). This is important to achieve an integrated scheme that functions well as part of the whole city organism, and that it is possible, as well as not 'annoying' neighbouring cities, including

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[6] Different aspects of communication have been covered in the ReVeAL guidance documents on user needs and public acceptance and ensuring compliance (as well as a more detailed guidance on communication and stakeholder involvement (summer 2021)).

[7] For more information, check these articles on London low-traffic schemes, and Brussels Low Emission Zones.

giving them data on how the UVAR will affect them (often the impact is positive, with fewer/cleaner vehicles travelling, despite their concerns).

In some countries, **referenda** are used. There are significant risks to this, and this should be considered very carefully before being undertaken. Here it is particularly important to have lots of information available on the specific scheme being voted on. UVAR referenda have been used successfully – and unsuccessfully - for large, controversial, schemes such as congestion charging. Some of the successful ones involved trials, which enabled the success could be proven, some of the unsuccessful ones had the referenda at an early stage, when the scheme and its positive impacts were not sufficiently developed.

Once the scheme is confirmed, **communication campaigns** and processes are instrumental to spread the word and efficiently communicate the UVAR requirements to citizens and a wide array of stakeholders. This includes making the UVAR available in digital format to facilitate its inclusion in navigation systems. Communication campaigns should use as many different methods as possible, reaching many different types of users, and include strategies to reach a variety of target groups (including those with no/limited access to new technologies). A good example for a communication campaign is Jerusalem's communication campaign Avirnaki: Clean Jerusalem from Air Pollution.

At all stages, relying on the local press or other 'leading voices' alone to convey scheme information may not give the accurate facts, and appropriate information needs to be made available by the authority.

Once the scheme is in operation, it is advisable to have a transparent **query and complaints** system; for when vehicle operators feel unjustly treated, wish to dispute a fine, or are uncertain if their vehicle complies etc.

More information on the methods and technologies for consultation are in the Ensuring Compliance Guidance and on communication in terms of user needs and increasing user acceptance can be found in the respective guidance documents.

3.   Recommendations

Each city is different, but the themes that need to be considered in the area of governance and financing are similar. Summarised, they are:

- Define clearly the objectives of the UVAR.
- Check if the objectives of the UVAR are aligned with other policy objectives
- Check if national frameworks are in place for the UVAR / efficient enforcement (e.g., digital, automatic number plate recognition)/ financial management of the UVAR / data protection, privacy, General Data-Protection Regulation / tendering and procurement
- Check if the city has full competence for planning, deploying, operating and enforcing the UVAR
- Check if the UVAR will be implemented sufficiently early within the electoral cycle (or if it will have sufficient cross-party support to be implemented over several electoral periods)
- Check if skills and knowledge are available within institutions involved to make the UVAR a reality.

ReVeAL Guidance for UVAR: Governance and Financing

- Ensure revenues are administered properly and, ideally, earmarked for transport improvements which can contribute to the equity and inclusiveness of the mobility ecosystem
  - The participatory process and communication campaigns should ensure all relevant groups are reached, including vulnerable groups, as well as those likely to be both in favour and against the scheme. Achieving a gender balance in the participatory processes is easy to overlook, so should receive attention.
- Communication campaigns should target all relevant target groups, including vulnerable groups and those with no/limited access to new technologies and reaching different genders equally.

4.   Links and references

ReVeAL glossary: https://civitas-reveal.eu/resources-overview/glossary/

ReVeAL UVAR guidance (all available at: https://civitas-reveal.eu/resources-overview/publications/guidances/)

- General – What to think about when planning an UVAR?*
- UVAR Development Process*
- Mobility concepts
- Ensuring Compliance
- User needs and public acceptance of UVARs
- Equity*
- Data and monitoring*
- Stakeholder involvement*
- Communication, awareness raising (incl. digitising UVARs)*
- Geofencing
- Permits and exemptions
- Privacy and camera enforcement*
- Foreign vehicle enforcement*

*available autumn 2021

SUMP Topic Guide: UVAR and SUMPs: Regulating vehicle access to cities as part of integrated mobility policies. https://www.eltis.org/sites/default/files/uvar_brochure_2019-09-26_digital_version_v2.pdf

SUMP Topic Guide: Public Procurement of Sustainable Urban Mobility Measures. https://www.eltis.org/sites/default/files/public_procurement_of_sump_v2.pdf

SUMP Topic Guide: Funding and Financing of Sustainable Urban Mobility Measures. https://www.ubc-sustainable.net/sites/www.ubc-environment.net/files/publications/funding_and_finance_of_sump_v2.pdf

SUMP Topic Guide: Planning for a more resilient and robust urban mobility. https://www.eltis.org/in-brief/news/sump-topic-guide-planning-more-resilient-and-robust-urban-mobility

SUMP Topic Guide: Addressing Gender Equity and Vulnerable Groups in SUMPs. https://www.eltis.org/sites/default/files/sump_topic-guide_gender-equity_vulnerable-groups_final.pdf

OECD glossary of statistical terms: https://stats.oecd.org/glossary/

Civitas Handbook: Involving Stakeholders: Toolkit on Organising Successful Consultations https://civitas.eu/sites/default/files/brochure_stakeholder_consultation_web_0.pdf

Ch4llenge Manual in Public Involvement: https://www.eltis.org/resources/tools/sump-participation-kit

SUNRISE project: Participation strategies. https://civitas-sunrise.eu/wp-content/uploads/2019/07/D2.1_Participation-Handbook.pdf

Institute of Governance, Defining Governance: https://iog.ca/what-is-governance/

John W. Kingdon, 1984. Agendas, Alternatives, and Public Policies. 2nd ed. Ed. Longman.

Project delivery methods: https://en.wikipedia.org/wiki/Project_delivery_method#Public-private_partnership_(PPP,_3P,_or_P3)

The SPICE (Smart Procurement for Better Transport) project: https://spice-project.eu/best-practices/

Ayuntamiento de Vitoria-Gasteiz, Sustainable Urban Mobility Plan, 02 Mobilidad urbana: objetivos, https://www.vitoria-gasteiz.org/wb021/was/contenidoAction.do?idioma=es&uid=_5e2b2877_120d224e518__7fe7

Municipality of Jerusalem, "Clean the City of Air Pollution": https://www.avirnaki-jr.co.il/

Stadt Bielefeld, "Altstadt.raum": https://altstadtraum.de/

Digitising UVARs (into DATEX): https://uvarbox.eu/

UNECE REC for retrofitting: https://www2.unece.org/wiki/pages/viewpage.action?pageId=2523175

Trans-European Transport Network (TEN-T): https://ec.europa.eu/transport/themes/infrastructure/ten-t_en