

Research for TRAN Committee – The future of transport in the context of the Recovery Plan - overview briefing

KEY FINDINGS

- The EU's priorities in the field of transport relevant for the purpose of this research were identified based on an analysis of EU policy documents, including mainly the [Sustainable and Smart Mobility Strategy \(SSMS\)](#), the [Directorate-General for Mobility and Transport \(DG MOVE\)'s Strategic Plan 2020-2024](#) and the [EU's webpage on Transport and Mobility](#), and complemented with other policy documents (i.e. action plans, communications, regulations, directives and decisions) that deal more specifically with certain themes within the transport sector.
- In total, 29 EU priorities in the field of transport are identified. Of these, twelve are related to sustainable transport, nine to smart transport and eight to the theme of resilient transport.
- The Recovery and Resilience Facility (RRF) is the centrepiece of the EU's Recovery Plan responding to the COVID19 crisis, with an allocated sum of €723.8 billion (current prices, 2021) in loans and grants.
- Due to the broad formulation of the goals of the RRF, all of the 29 EU priorities in the field of transport fall under the scope of the RRF. Measures related to sustainable transport and smart transport, however, are deemed more favored for funding than measures related to resilient transport.
- The scope of the RRF is broad. While this allows Member States to develop more customized actions in areas where they see fit, at the same time, too little guidance may lead to certain transport priorities remaining unaddressed.
- The requirements set in the RRF Regulation regarding the timeline for the implementation and disbursement process may favour the funding of shorter, already mature and low-risk (as opposed to innovative) transport measures.
- The remaining €83.1 billion of the EU's Recovery plan is added to six existing financial instruments, of which €61.5 billion is used to reinforce cohesion policy.

The present document is the executive summary of the overview briefing on The future of transport in the context of the Recovery Plan. The full study, which is available in English can be downloaded at: <https://bit.ly/3rR5TTh>

EU policy priorities in the field of transport



The EU's main transport policy objectives are threefold: (i) promote sustainable forms of transport, (ii) improve the digitalisation of transport, and (iii) make the transport system more resilient. Based on an analysis of EU policy documents¹, 29 EU priorities in the field of transport are identified for the purpose of this research. These priorities are divided into the three themes of sustainable, smart and resilient transport, and are shown in Table 1.

Table 1: 29 EU priorities in the field of transport

Theme	#	Priorities
Sustainable transport	1	Improve energy efficiency of road transport
	2	Deployment of alternative fuels in road transport
	3	Improving sustainability of waterborne transport and ports
	4	Improving sustainability of airborne transport and airports
	5	Improving sustainability of rail transport and rail terminals
	6	Improve multimodal transshipment locations to facilitate a modal shift
	7	Improve rail transport to facilitate a modal shift
	8	Improve water transport to facilitate a modal shift
	9	Improve active mobility (cycling, walking) to facilitate a modal shift
	10	Cross-border transport and interoperability
	11	Sustainable urban transport
	12	Internalising external costs of transport
Smart transport	13	Smart mobility in road transport
	14	Smart mobility for multimodal passenger transport
	15	Smart mobility for multimodal freight transport
	16	Smart mobility in rail transport
	17	Smart mobility in aviation
	18	Smart mobility in waterborne transport
	19	Innovation in smart mobility technology
	20	Develop digital infrastructure to enable smart mobility
	21	Support data availability, access and exchange of mobility data
Resilient transport	22	Improved transport sector governance
	23	Completion of the TEN-T network
	24	Improving the resilience of the transport system against disruptions
	25	Fair, accessible and just mobility and passenger rights
	26	Improve conditions and attractiveness of working in transport sector
	27	Gender equality
	28	Road safety and security
	29	Improve safety and security of other modes of transport

Source: Authors' preparation based on own analysis.

¹ Section 2.1.1 contains an overview of the EU policy documents analysed to identify the EU's policy priorities in the field of transport.

The Recovery Plan in the context of transport

The EU's Recovery Plan, called the Next Generation EU (NGEU), consists of the Recovery and Resilience Facility (RRF), with an allocated sum of €723.8² billion in loans and grants, and several other smaller programmes, to which €83.1 billion have been allocated. The main focus of this report is the RRF, the centrepiece of the NGEU.

Based on the analysis of the RRF's funding opportunities for transport, it is concluded that due to the broad formulation of the goals of the RRF, all EU priorities in the field of transport fall under the scope of the RRF. While this is true, due to the way the goals of the RRF and the funding requirements are defined, certain transport measures are more likely to be included in the National Recovery and Resilience Plans (NRRP) by the Member State than others. Transport measures most eligible for RRF funding are:

- Measures related to transport-specific challenges Member States are facing within the following topics:
 - Green transition;
 - Digital transformation;
 - Smart, sustainable and inclusive growth;
 - Social and territorial cohesion;
 - Health, and economic, social and institutional resilience;
 - Policies for the next generation.
- Measures related to the Country Specific Recommendations (CSR) for Member States in the field of transport, which are, in general, related to accelerating the use of low and zero-emission technologies in transport, the provision of renewable energy, and providing 5G coverage.
- Measures contributing to gender equality and equal opportunity for all.
- Measures that are coherent with other measures.
- Measures contributing to the 37% and 20% minimum expenditure target for investments in climate and digitalisation, respectively.

In addition, the measures must also meet certain requirements to be eligible for RRF funding. In particular:

- Measures need to be mature enough to define milestones and targets at the time of submission of the plan.
- Measures must be completed before August 2026.
- Measures must not significantly impair efforts in (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) the circular economy; (v) pollution prevention and control; and (vi) the protection and restoration of biodiversity and ecosystems.

While the broad formulation of the goals of the RRF allows Member States to develop more customised actions in areas where they see fit, at the same time, too little guidance may lead to certain transport priorities remaining unaddressed.

Reimbursement will take place based on the milestones achieved by the Member States and agreed with the EU in advance. As the last milestones are to be reached by August 2026, Member States may prefer to use already mature, fast and low-innovation measures to achieve results and

2 This and the following figures are in 2021 prices, derived from the EU's 2021-2027 long-term Budget and Next Generation EU: Facts and Figures, <https://op.europa.eu/en/publication-detail/-/publication/d3e77637-a963-11eb-9585-01aa75ed71a1/language-en>

milestones quickly, rather than opting for ambitious and riskier measures. The EU intends to keep track of the implementation of the RRF through the milestones and through a scoreboard system, which is yet to be developed.

As for the other programmes that fall under the NGEU, the following programmes are relevant for transport.

- Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) and the Just Transition Fund (JTF) can be used for transport topics falling under the Cohesion policy, whereby the JTF specifically is for addressing climate issues.
- For Horizon Europe, €1.35 billion is added to the transport-relevant cluster 'Climate, Energy and Mobility'.
- Additional funds for the InvestEU (€6.1 billion) programme can be used to finance riskier transport-related measures.

Next steps

The list of 29 policy priorities identified in this overview briefing will serve as the basis of the analysis framework in the full study, to be delivered in the spring of 2022. This list is used to identify which EU transport priorities are covered by the National Recovery and Resilience Plans (NRRP) and which are not. It will help to assess how well the EU policy priorities in the field of transport are covered by the NRRPs submitted by the Member States. The analysis of the EU's Recovery Plan's funding opportunities, implementation process and funding allocation provides an overview of the RRF's contribution to the achievement of EU transport sector priorities.

Further information

This executive summary will be available in the following languages: English, French, German, Italian and Spanish. The study, which is available in English, and the summaries can be downloaded at: <https://bit.ly/3rR5TTh>

More information on Policy Department research for TRAN: <https://research4committees.blog/tran/>



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