Memorandum

Report from the Conference on a Nordic exchange of experiences about policy instruments for the development of sustainable cities (Lund, 11 April 2019)

by Ulrik Berggren
Introduction

The purpose of the conference, which was held on 11 April 2019, was to learn from the various countries’ experiences of policy instruments for sustainable mobility through exchange and discussion. Additionally, the meeting was to consider potential joint recommendations for the future design of policy instruments for sustainable transport based on these Nordic experiences. The day was divided into two parts, first presentations with a subsequent question time and discussion, followed by a workshop where the participants discussed a number of pre-set questions in groups. The programme of the day is set out in Annex 1.

Introductory summary and presentation from four countries

Ulrik Berggren of K2 held a brief introductory presentation of Nordic experiences of policy instruments for sustainable mobility. The presentation provided a comparison of the various countries in this respect. They have in common that they are aimed at increasing sustainability and attractiveness in urban regions and improved efficiency of the transport system. More information is available in the memorandum “Nordic experiences of governmental incentives in the form of economic support and policy instruments for the development of sustainable mobility in Nordic cities”.

Byvekstavtal in Norway – a tool to achieve the zero-growth in car traffic goal

Presentation

The zero-growth objective for passenger car traffic (nullvekstmålet) – providing that there must be no increase in the number of vehicle kilometres at the end of the contract term compared with a reference year, and that any increase in passenger transport must be in pedestrian, bicycle and public transport modes – is a fundamental part of Norway’s byvekstavtal. The objective, which was initially perceived as ambitious and which is now well-known and generally accepted, was a response to the increasing population in cities and byvekstavtal were created to follow this up. There are currently nine (not legally binding) byvekstavtal – Oslo, Bergen, Trondheim, Stavanger, Kristiansand, Drammen, Skien + Porsgrunn, Fredrikstad + Sarpsborg and Tromsö. To date, four of these have been executed, while negotiations continue for the remaining five. In the national infrastructure plan for 2018-2029, a total of NOK 66,000 million has been allocated to the byvekstavtal projects (the negotiations are divided into four categories – public transport, pedestrian traffic, reward schemes for public transport operation, and development of exchange points and stations), which also include a major project in Oslo – Fornebu-banen (but not a number of large projects in the national rail network providing for improved quality or capacity in local rail services). Road tolls (bompeng) must be used as an instrument to achieve nullvekstmålet for passenger car traffic. A few cities already meet the objective. The byvekstavtal include investments in projects for pedestrian, bicycle and public transport, and restrictive measures in relation to passenger car traffic. For example, Bergen municipality has been granted support for its bybane (trams) in exchange for a commitment to plan for concentration of new developments along the tram line. The focus in recent agreements is thus on the use of land and spatial planning.
Questions and discussion

Norway has a stronger regional planning legislation than Sweden, a consequence of many small municipalities and a long-standing preservation of productive agricultural land (jordvern). There is also a central ministry for municipalities and regions which provides support of land-use planning. There are three levels of land-use planning – local, regional and national – where regional planning provides guidelines for the municipalities’ plans (local level). Byveksavtal are perceived as an instrument to strengthen the role of the regional plans in land-use planning, and to ensure that the various plans are synchronized. One example is the localisation of travel-generating activities to locations with public transport. As in Sweden, the systematic review of measures is considered to be poor. However, this has changed in connection with the byveksavtal. Municipalities and regions must now prepare indicators that can be reviewed, among others based on complete travel behaviour surveys. There are also strict methodical requirements for how indicators should be prepared, and municipalities have an obligation to document predictions as well as measured effects of the measures. Municipalities can apply for special funding for planning and preparation in connection with the negotiations.

Recently, in connection with the preparation of byveksavtal, the larger municipalities try to include their neighbouring municipalities in the negotiations with the government, which has produced a good result in Trondheim, among others (however there are also numerous challenges where it has not been possible to participate in the same funding as large municipalities). For certain small municipalities, however, the funding received via the larger municipalities can be worth a lot in the negotiations with the government, as can the possibility to participate in government funding. The government/region can also impose mandatory sanctions if the smaller municipalities fail to comply with the regional plan for land-use. Large municipalities such as Bergen have announced a readiness to share government funding to include neighbouring municipalities in projects aimed at restricting, for example, commuting by car into the large municipality.

One experience from the negotiations regarding byveksavtal is that a certain measure of political games has developed. Local representatives view the agreements as a threat, to some extent, to local autonomy, while the central representatives consider that some larger municipalities take the funding offered for granted and make no effort. It is important to be able to present “carrots” that can be cashed in (for desired measures) if the requirements in the national and regional plans have been met.

Citizen reactions vary from agreement to agreement. In Trondheim, where the measures are relatively modest (for example minor measures to improve pedestrian accessibility) and clear environmental improvements are included (miljøpakke), which do not require high road tolls, the agreement has mainly been well received. Bergen and Stavanger have experienced more resistance because of major road toll increases because a lot of money is required for expensive public transport investments. In Oslo, where a similar structure has been in place for nearly 30 years, citizens have grown accustomed [to the measures] because the changes, with the resulting positive effects, which the funds from road tolls have financed, have been appreciated. In Trondheim, the agreement was negotiated and secured “under the radar”, while the agreement in Bergen was basically negotiated via media, which did not help the process.
Agreement for land-use, housing and traffic (MBT) in Finland

**Presentation**

The agreements, which to some extent resemble Norway’s *byekstavtal* and which have been concluded continuously since 2010, include significantly less funding to the applicant municipalities and regions. The agreements can be perceived as policy instruments without money, and money without agreements. The first, because the actual agreements include very little funding for concrete measures, and only when these relate to the regional/national road network outside the city cores. The second, because the agreements list all large national objects within the national transport plan (which is now being prepared for the first time) which relates to the region but is financed via other channels. National operating aid for public transport (available in all municipalities, but which contributes most in terms of percentage in smaller rural municipalities) is also raised, but this is also financed from other sources. Like in Norway, the “agreements” are viewed as declarations of intent, and they are made between regions and the government, where the regions consist of the four largest cities with neighbouring municipalities. Local public transport operators are also often included during the negotiations. As opposed to Norway, the Ministry of the Environment remains in charge, and also evaluates the agreements. Apart from MBT, there is also support for persuasive measures and a new pot for pedestrian and bicycle traffic (without any requirements regarding counterperformance). All of these support measures, which are distributed based on applications in the same way as in Sweden, have generated many good applications – by far exceeding the number for which funding is available.

**Questions and discussion**

The negotiations have taken place between regional, municipal, and government officials, while the political level focused on strategic issues and objectives and the final allocation of funding. Regional traffic centrals are responsible for the preparation of potential measures within the agreements. In Finland, the issue of housing at reasonable prices has been in focus in the context of the agreements, which has prevented criticism expressed in among others Stavanger that the housing exploitation included in their agreements has only led to the construction of “luxury homes”.

In terms of effect, mainly good results have been reported in relation to housing (for example that 25 percent should be available at a reasonable price), while no significant changes in the emissions effects have been confirmed. The government has no direct sanction possibilities to ensure compliance with the agreements, except that it is less probable that the affected region/municipality will be allocated funding in the next round.

**Denmark – Transport, Construction and Housing Authority’s grants**

**Presentation**

There is no agreement as in the Norwegian/Finnish model, but a number of grant systems (pots) for bicycle and public transport. In total, DKK 1,100 million has been allocated to the public transport infrastructure and DKK 1,600 million to bicycle measures since 2010. Additionally, DKK 100,000 million has been distributed as operating grants during the same period. In addition to these pot-based grants, individual municipalities have also concluded agreements with the government tied to individual large public transport projects (“the
interesting measures”) – such as light rail in Århus and Odense, BRT in Ålborg and tramway/light rail in Copenhagen. However, these are not based on a central framework but rather negotiated at the initiative of the respective municipalities, and they also differ a lot in relation to contract terms and financing. They have in common that the measures are aimed at major workplaces to maximise the number of public transport journeys, and that the initiatives were prepared locally or regionally. In Copenhagen, the so-called Fingerplan for localization of new developments along the S-railway lines applies since World War II. As of 1989, all workplaces with more than 100 employees must be located within 600 metres of stations (can also be metro stations). The trend in relation to traveling is that bicycle traffic increases at the expense of passenger car traffic in the central parts of Copenhagen (currently accounting for 60 percent of the number of journeys over the year), while it has remained unchanged in terms of volume, but has a decreasing proportion in other parts of the city. Nevertheless, most bicycle-improving measures continue to take place in the centre (at least the most spectacular, such as a number of bicycle bridges). A large proportion of people use bicycles to the S-train – around 30 percent of passengers arrive by bicycle. Many also take advantage of the possibility of taking the bicycle onboard the train, which obviously has led to congestion at times.

Questions and discussion

In relation to the pots for rural transport, it has been difficult to attract applications of sufficient quality, and the degree of innovation is also poor even though this has been a criterion when applying for funding from several of the pots. Both of these have been significant for the politicians who decided on the pots.

Sweden – The Swedish Transport Administration and urban environment agreements

Presentation

A decision was made to implement the urban environment agreements by the government in 2015. The approach of the urban environment agreements was inspired by the bymiljöavtal in Norway, and is based on an application procedure where municipalities and regions can participate and receive government funding of up to half of the cost of public transport and bicycle projects in exchange for committing to certain counterperformance. This can consist of planning for dense, functionally mixed buildings located with high accessibility to public transport, restrictive parking or speed strategies, persuasive measures, increased public transport offer, or pedestrian and bicycle measures. From an initial four-year trial period in 2015-2018, the approach from 2018 has been made permanent as an instrument in the long-term infrastructure planning since this is financed within the framework of the national infrastructure plan. The purpose is to increase the share of urban passenger transports by bicycle and public transport (energy efficient, low emissions of greenhouse gases, innovative and contributes to fulfilment of the national environmental quality objective God bebyggd miljö [good developed environment]). Overall, SEK 12 billion has been allocated to urban environment agreements in the national plan for infrastructure 2018-2029. Four application rounds were completed within the trial period before it was implemented in the national plan. Municipalities of various sizes applied for and were granted funding. Most of the funding was granted to municipalities with more than 50,000 inhabitants. Experiences from the trial period show that the measures would have been implemented later or not at all, or been less
ambitious without the support. However, many emphasise the considerable workload in connection with following up measures. In May 2019, a regulatory change came into force, which meant that going forward it will also be possible to apply for funding for sustainable goods transport solutions for joint loading of goods transports, coordinated city logistics or goods by bicycle for local or regional distribution. It is a knotty problem in relation to the urban environment agreement that the Swedish Transport Administration is unable to grant funding to private entities.

Questions and discussion

The quality of applications has gradually improved – initially many municipalities did not fully understand what the counterperformance entailed for them. In other respects, it is more up to the municipalities how targets, measures and counterperformance is designed – the government control is not as strict as in Norway. In Sweden, we do not have the same type of requirement in relation to target fulfilment as in Norway, namely the zero-growth objective. This also affects the content of the evaluation.

Some municipalities perceive the evaluation requirements as a barrier against applying, especially since it is impossible to get extra grants for preparation and planning. In this respect, the urban environment agreements are more similar to the so-called reward-structures which preceded and are currently part of the byvekstavtal in Norway. Additionally, like in Denmark, the measures and counterperformance are in some cases more widely distributed geographically as are the applying municipalities. Counterperformance is viewed as the major strength in the agreements, including compared with the Nordic equivalents.

Politically and internally, the urban environment agreements have a high status in the Swedish Transport Administration in the form of a commitment in relation to the applicants, as can be seen from the fact that the general requirement regarding streamlining (in the form of budget cuts) at the Swedish Transport Administration have not been allowed to chip away at the allocated funding. Instead, other projects have been affected. The Transport Administration has no direct ability to impose sanctions to ensure compliance with the agreements by the applicants, other than suspending or demanding repayment of funding. Oslo is following the issue regarding the design of guidelines on support of city logistics with great interest, as they are facing similar challenges.

Panel discussion between Karin Svensson Smith (Swedish Green Party) and Håkan Johansson (Swedish Transport Administration)

John Hulten moderated the discussion between Karin Svensson Smith (Swedish Green Party in Lund and previously Chair of the Transport Committee of the Swedish Parliament) and Håkan Johansson (National coordinator for climate issues at the Transport Administration). In his introductory statement, John emphasized the values that the current type of policy instruments can stand for, and that they can be both explicit, implicit and concealed to the parties involved.

Karin Svensson Smith first came into contact with an approach similar to the urban environment agreements on a study trip to the south of France and northern Spain which the Transport Committee completed in 2008 to study how a new system with high speed railway
can be designed and financed. They visited Bordeaux, among other places, and were inspired by how well the community planning around the new tramway had been achieved.

Håkan Johansson, executive secretary of the government commission for fossil-free roads (SOU 2013:84), heard from a Norwegian colleague in 2014 that Norway was working on something referred to as bymiljöavtal, which aimed to coordinate transport and development planning to address traffic emissions in large cities.

For Karin Svensson Smith, the long-term local political work on Lundalänken and Lundaspårvägen was a way of understanding the importance of the local context to achieve sustainable mobility while attracting the support of citizens and politicians. It was also important to encourage people to ask themselves what kind of city they wanted and to become aware that more green areas are needed to create preparedness for a more unpredictable future climate. Karin also pointed out that there are EU directives stipulating that cities should have a blue-green strategy to achieve sustainability. However, in order to make space for more green areas in a growing city, transport must be more efficient. In this context it is important to create a vision that people can be attracted to.

The negotiations with the Social Democrats following the change of power in the 2014 election led to the inclusion in urban environment agreements of requirements regarding housing development. As a remission, no central zero-growth target for passenger car traffic was agreed. Generally, there is a reasonable consensus in the Swedish Parliament that a fossil-free welfare society should be achieved by 2045, but not on the pathway to achieve this. Mainly, there is disagreement regarding mandatory policy instruments to reduce passenger car traffic. There is also disagreement between the national and the local level on the targets that should apply in this respect.

Restrictions in available funds, and in relation to time led to an application procedure for the urban environment agreements. Håkan Johansson’s original proposal was significantly more comprehensive, in the form of long-term agreements, like in Norway, and facilitating larger projects. The brief time horizon of the trial period meant, at least to date, that most projects involved less than SEK 100 million. Another important difference compared to Norway is that the byvekstavtal are based on transport packages, while urban environment agreements are significantly smaller and not as comprehensive.

New relationships between and within the affected organisations such as the regional public transport authorities and municipalities have been created. New forms of collaboration have emerged. By way of example, one region has been forced to have a dialogue with the municipalities to have its application approved.

Håkan Johansson’s wish list for the future includes:

- A zero-growth objective for passenger car traffic in Swedish cities (many municipalities already have this today).
- Negotiations on major measures, which should be preceded by measure selection studies regarding the measures required to achieve a zero growth target (and other targets) which is analysed in collaboration between affected parties from the Transport Administration, regions and municipalities.
A special support programme for small municipalities, which can continue to be based on applications.

Results from the workshop part

A workshop where the participants were divided into five groups was held after the introductory seminar part. See the list of participants at Annex 2. The workshop participants were tasked, in addition to discussing what they could learn from each other’s countries in relation to policy instruments for sustainable mobility, with noting and commenting on a poster how, on a scale between pairs of extreme features, they considered such policy instruments should be designed to be efficient (see Figure 1). Ten pairs of features were discussed, and the group was also asked to comment on their score (x) for each pair of features.

The figure below shows that the scores were widely spread, but for some of the features, the picture was somewhat clearer. In some cases, the group wanted to express that they perceived advantages with both aspects of the features and in some cases the assessment of a feature depended on how another feature had been assessed. For example, one group argued that where small measures are financed, this should be via agreements, whereas for large projects, negotiation was more suitable.

Figure 1. Picture based on the five groups' poster notes on how they considered that policy instruments should be designed on the basis of scales between extreme pairs. Some groups did not discuss all aspects and hence some scores are sometimes missing. In other cases, the group did not just want to score, but wanted to convey that it might depend on different circumstances. With arrows outside the figure, one group wanted to show that it might be appropriate to use different variants of policy instruments.

Group 1

Participants: Ann-Marie Boelt, DTU; Jofrid Burheim, Trondheim municipality; Ilkka Räisänen, Office for the Environment, Villmanstrand municipality; Bryndis Fridriksdottir, Icelandic Road Administration; Malena Möller, Swedish Transport Administration; Maria Brodde Makri, gatukontoret City of Malmö; Niklas Häkansson, K2 (Secretary)
Discussion on experiences of the respective policy instruments and lessons learned

Based on experiences from other countries, the conclusion is that the systems are similar. Financing for mobility management, as in Finland, is perceived as something positive, and the other group participants wish they could grant financing for mobility management measures without being tied to development projects. Decisions requiring behavioural changes are made at macro level, but individuals at micro level receive no help with how they should change their behaviour. The group believes education should be offered at micro level to offer individuals an opportunity to learn new behaviour and that it benefits health, for example.

The group believes the following is important:

- The name of the financing indicates what it will be used for, for example urban environment agreements is a good name as it indicates that the financing will go to the urban environment. More unclear names can create objections as it can create misunderstandings about what the money will be used for.
- Thinking about how climate and weather affects cities. Cities are affected in different ways by climate and weather since they are different. It is important to create humane environments.
- Agreements are developed with and adapted for the problems that cities encounter and that they are geared towards the city’s growth.
- Not to forget the areas that are too small and spread out to have public transport.
- Organize cooperation between municipalities to prevent that a large municipality (city) makes car users move to neighbouring municipalities, which are still planning for cars, and commute by car to the city instead of commuting by car within the city.

Comments on the poster

Infrastructure – support for things other than operation is important. Often different financing for infrastructure and traffic. Infrastructure is the underlying “backbone” (for a sustainable transport system). Both infrastructure and operation are important and should not compete with each other for money. In this case infrastructure will win because investing money in operation does not produce the same effect. From an Icelandic perspective, both operational and investment support are important since the system on Iceland is designed so that money is split between both, and they should not compete for money. From a Norwegian perspective, it is important to share between both, but infrastructure is more important. From a Swedish perspective, infrastructure is more important because it facilitates change. Everyone agrees that financing for infrastructure and operation should not be mixed but if it is, infrastructure is more important.

Carrot or stick – both are need, not only sticks. Sticks are needed to finance the carrots, but carrots help citizens want to create new habits (nudging). Sticks should only be used as a complement to carrots. An example is attempts lending of electric bicycles to create new habits. Testing something before investing in it increases the probability of a change in behaviour.

Specific v. general targets – Financing must be aimed at specific projects – otherwise nobody will ensure that the projects are implemented.
Project size – both large and small measures are needed since they benefit different groups. Different financing for different project sizes is needed and it is important to avoid competition because small projects tend to lose. Small lobbying projects are needed to remind people there is more than one mode of transport. The fact that public transport authorities are positioned at a regional level can cause problems because they are not as interested in reviewing the effects of large projects in municipalities.

Negotiation v. application procedure – This depends on the project size. An application procedure is suitable for small projects, and negotiations may be needed for large projects. Negotiations are generally better, as promises weigh heavier since politicians are more involved in the process. However, negotiations are very time-consuming and require a lot of effort. It can also be difficult to negotiate in relation to small measures.

Long or short agreements – depends on the size of the measure. Long agreements can be too detailed. Housing construction is a long-term process. Long agreements can be problematic since conditions change over time, and long agreements can also be more detailed and expensive. Accordingly, they should be “neither long nor short”.

One or several policy instruments – depends on the size (of the package/city) and the type of measure. Special tools are needed for urban planning. Several different policy instruments can strengthen each other but should be flexible as reality and planning are not always consistent.

Full financing or partial financing – local participation necessary for the involved actors to care about the result of the project.

Small or large cities – important to consider not only municipalities but urban districts. Smaller cities can benefit from for example the addition of regional bicycle lanes.

Many or few stakeholders – this depends on the project type. Participation is important, especially if the measure in the project connects municipalities. It is important to include more stakeholders while if it is within a municipality, no external stakeholders need to be included. A diversity of stakeholders is difficult to handle, however, and makes the process slower and perhaps messier.

Group 2

Participants: Jan Jørgensen, Trafikstyrelsen Denmark; Elisabeth Dahle, Norwegian Ministry of Local Government and Modernisation; Hilde Solli, Klimaetaten, Oslo municipality; Tytti Viinikainen, Finnish Transport and Communications Agency; Kajsa Lindström, Swedish Ministry for Infrastructure (observer); Rami Yones, Swedish Transport Administration; John Hulten, K2 (secretary)

The group did not comment on lessons learned in the respective countries.
Comments on the poster

**Infrastructure** – strategic infrastructure measures are important for the long-term development of the city, and to support long-term sustainable land-use. But operation is also important.

**Carrot or stick** – we need both, and carrots facilitate the introduction of sticks for the municipalities. Sticks, such as removal of parking places, are necessary to achieve a transition between modes of transport.

**Specific v. general targets** – the risk is that the targets become too general and impossible to aim towards. Specific targets, on the other hand, involve a risk of losing a grip of the whole and getting lost in detail.

**Project size** – large projects/measures require major resources and are therefore best suited for the largest cities. An emphasis on many small measures makes financing accessible to more people.

**Negotiation v. application procedure** – The problem with applications is that those who carry out the implementation are not involved in the process. Too much negotiation can make the process unclear and less transparent.

**Small or large cities** – Often, a large city is required to realise public transport projects that are socio-economically profitable.

**Group 3**
Participants: Erik Cockbain, County Governor of Rogaland; Pauliina Jalonen, Finnish Association of Local and Regional Authorities; Thorsteinn Hermannsson, transport- and planning director at the City of Reykjavik; Anne Sörensson, Östersund municipality; Elin Sandberg, Swedish Transport Administration; Anna Mellin, IVL (Secretary)

**Discussion around experiences of respective policy instruments and lessons learned**
The situation is similar in the different countries, but the urban development is denser in Sweden and Finland than in Norway (except Oslo) and Iceland. Sweden and Finland use an application procedure while Norway use negotiations in the nine largest urban regions. Reykjavik cannot obtain government support unless they include neighbouring municipalities, which individual municipalities in Sweden can. Agreements are breached/fail because small municipalities do not see any positive drivers/incentives in the agreements. In Iceland, the regions lobby the government regarding housing development. There is no national agreement, instead initiatives are regional. In Finland there is a law on environmental vehicles which was adopted centrally. The fact that the government controls the regional and local level in a certain way creates problems as different municipalities and regions have different tools and conditions.
Comments on the poster

**Infrastructure** – the main focus should be on building infrastructure. In the future, funding is needed for transport services, but this is also an important counterperformance. The cost of investment is lower than the operational cost in the long term. The group assumes that support for operation will be provided in the future, when the infrastructure is in place and the operation will be the major cost. This support can consist of another form of support, for example from the Energy Agency (Sweden) for electric buses. Also, support for persuasive measures connected to infrastructure financing may be needed, and Trondheim is a good example.

**Carrot or stick** – both are needed but zero-growth objectives are fundamental to achieve a new car standard. Sticks such as road tolls and parking restrictions are needed to encourage citizens to leave the car and use other modes of transport. The combination of sticks depends on the design of the city. City centre business etc. must be taken into consideration (for example Stavanger). Congestion charges are important, but do not function everywhere. Acceptance is linked to the citizens’ understanding of where the money goes. Sanctions for failure to comply with agreements are needed.

**Specific v. general targets** – both types are needed. Specific targets are important to follow up and measure. Norway is working on defining measures of land-use.

**Project size** – small projects can be symbolically important and for combining several modes of transport, for example pedestrian and bicycle measures. However, it is simpler to follow up a few large measures than many small ones.

**Negotiation v. application procedure** – Negotiations are better suited for large municipalities and applications for smaller. Both can also function; first an application followed by negotiation. It is important to encourage municipalities to make commitments. Application procedures are faster while negotiations can get stuck, in which case a “side exit” is needed.

**Long or short agreements** – long agreements must survive elections and be adjustable. The Norwegian agreements have a term of four years. In Sweden, they currently have a maximum term up to 2023, but future agreements may have a term ending in 2029. Long-term agreements of 10-15 years are needed due to political uncertainty. In Sweden, the Transport Administration has terminated agreements after one year where the municipality failed to comply with the agreement.

**One or several policy instruments** – this is linked with the size of municipalities and the type of measure etc. but they must be efficient. Major financial resources are needed in the agreements that include costly infrastructure projects, but having several forms of support is advantageous, however it must not become too bureaucratic (in relation to numbers and how they relate to each other). One solution is to have different forms of support for large and small municipalities, respectively. Complaints have been made by applicants in relation to the Swedish urban environment agreements stating that they require too much administration. Municipalities of different sizes have different capacity in relation to writing applications and reviewing measures and counterperformance.
**Full or partial financing** – important to include all stakeholders and that they make binding commitments. 50 percent is a good allocation. Co-financing creates an incentive for cooperation and participation by the involved actors.

**Small or large cities** – Most members of the group consider that the emphasis should be on large cities, but that the forms of support must produce an effect. In larger cities, all population groups need to feel that they have been included in order for the overall objectives to be fulfilled. The Swedish urban environment agreements function as a good incentive in relation to opportunities for smaller cities, but the design may need to be changed. Depending on overall objectives, large effects can be expected in larger cities, where the feature of sticks can also be more prominent while more carrots may be needed in agreements with smaller municipalities.

**Many or few stakeholders** – depends on the situation “on the ground” and what is required to achieve set targets. Some projects include one municipality while other larger projects affect several regions. If several [stakeholders] participate, it becomes a more complex task, but sometimes this is required to achieve the desired effects. It is important that the government coordinates the projects.

**Group 4**
Participants: Marie Pryn, Region Hovedstaden Denmark; Tore Leite, Ministry of Local Government and Modernisation of Norway; Anni Rimpiläinen, Icelandic Road Administration; Julie Rugh, DTU; Håkan Johansson, Swedish Transport Administration; Per Eneroth, technical administration, Lund municipality; Elias Isaksson, K2 (Secretary)

**Discussion around experiences of respective policy instruments and lessons learned**
One member of the group reflects over nullvekstmålet and its significance in relation to the design of bymiljöavtal and byvekstavtal in Norway. Finland’s forms of support for persuasive measures are interesting from a Swedish perspective, since there are often discussions in Sweden in projects where the four step principle is applied about who should bear the cost of step 1 and 2 measures. Stavanger has a structure where citizens are encouraged to work from home. Various political landscapes and administrative regulatory frameworks in the different countries are significant. The importance of taking into consideration regional trips, which are harder for an individual municipality to influence compared with trips within the municipality, is highlighted. It is a problem that persuasive measures have a low status – they should be upgraded. In Finland, a twelve-year transport plan will be devised – Nordic examples of measures will therefore come in useful. In Denmark, land-use planning and transport planning are separated and government policy instruments may be needed to improve coordination. The Norwegians reflect on whether the byvekstavtal are too time-consuming to negotiate, there is a continuous debate about this in Norway. It is very interesting to follow counterperformance in the Swedish urban environment agreements since the negotiation of byvekstavtal often triggers defensive responses from municipalities, while counterperformance activate them so that they show what they can achieve. In Norway, counterperformance involves removing plans for new development (zoning plans) with poor
public transport access. Expansion of public transport entails increasing operational costs, more support for these costs is needed.

**Comments on the poster**

**Infrastructure** – Finland has a target of doubling public transport. Once public transport is doubled, money will also be needed for transport services. The balance is complicated when working with transport service contracts that may need to be extended. In Denmark, Region Hovedstaden needs to reduce services to finance infrastructure.

**Carrot or stick** – both are required. Conceptualisation is important – how the instrument is presented (positively or negatively). It is important that it is perceived as fair for everyone, even car users. In Norway, sticks such as speed limits and parking measures are more efficient in impacting traffic. In Norway, parking and road tolls are used as well as land-use to control passenger car traffic – it must be more expensive to take the car than to travel by public transport. In Copenhagen, it is a problem that commuters from neighbouring municipalities create congestion in the city – those who create the problems are not the ones who experience the effects as problems. In central Copenhagen, most people bicycle to work, so much of the traffic is caused by residents of other municipalities. The idea from Bergen to involve neighbouring municipalities is worth considering.

**Specific v. general targets** – both are needed. It is unhelpful to have ambitious overall objectives such as “the world’s largest fossil-free welfare state”, without specifying what these mean, such as zero-growth target of traffic, as in Norway. The level of detail of the targets depends on the size of municipalities – larger projects are better able to handle general targets.

**Project size** – negotiations are needed for a small number of large projects, while a call procedure is suitable for many small measures. Small measures suit smaller municipalities best. Generally, many of the questions on the poster are related to each other. Many small municipalities do not even have the ability to start even small projects. Different application procedures may be needed for small and large municipalities, respectively.

**Long or short agreements** – long agreements facilitate long-term planning, but also entail a greater potential for conversion of the traffic system.

**One or several policy instruments** – in cases such as in Norway, where there is a joint overall objective, an overall instrument is required – byvekstavtal, which in turn comprises different forms of specific policy instruments depending on the municipality. Many policy instruments may be needed, but one really good one may be sufficient, provided there are different indicators/measures.

**Full or partial financing** – with partial financing it is easier to keep the costs within the framework. Municipalities also have a responsibility for knowing what measures are cost effective.

**Small or large cities** – negotiation is best suited for larger cities while smaller municipalities need a simpler system, with a smaller administrative burden.
**Group 5**

Participants: Elise Sangereid, Trondheim municipality; Caroline Schousboe, Copenhagen municipality; Anne Ogner, Norwegian Public Roads Administration; Mathias Lindgren, Karlstadbuss; Alberte Ruud, Norwegian Public Roads Administration och Kari-Jasmin Kosonen Finnish Network for Land use, Housing and Transportation (and Tammerfors municipality), Ulrik Berggren, K2 (Secretary)

**Discussion around experiences of respective policy instruments and lessons learned**

Karlstadbuss and Helsingborg municipality emphasise the significance of urban environment agreements for the realization of public transport measures. In Norway, Sweden and Finland, regions and large municipalities have assisted smaller municipalities with competence or, as in Norway and Finland, shared funding to facilitate local measures, in exchange for a commitment to implement measures to reduce passenger car traffic and/or plan for “low car usage”. An application procedure (as in Sweden) or preparation of the required documents for negotiations (as in Norway and Finland) is perceived to be adapted mainly to large organisations, such as regions or large municipalities, with resources specifically allocated to analyses and investigations, and large measures. In the case of Helsingborg, detailed descriptions of the measures were prepared only in connection with the execution of an agreement, since the application had already been granted. In Denmark, the support structure for rural measures has not been well used for similar reasons – lack of resources among the envisioned actors. In Denmark, local and regional parties must agree to seek funding from the government to achieve major public transport measures, such as Light Rail along Ring 3 in Copenhagen and the tramways in Odense and Århus. In the first case, the region was on the government’s case for around 10 years before an agreement could be concluded.

Several participants from the other Nordic countries were curious about *Sverigeförhandlingen* [the Sweden negotiation], and suspected that the agreements comprised in [the negotiation] had more in common with MBT agreements and *byvekstavtal* than the urban environment agreements have. Helsingborg, which participated in *Sverigeförhandlingen*, pointed out that the measures in the negotiation are very vaguely formulated compared with the measures pursuant to the urban environment agreements. Norway pointed out the importance of focusing on targets and target fulfilment primarily during the negotiations, without getting stuck in details around individual measures, and that it is important not to get stuck in discussions on “project lists”. It must also be possible to break down the targets on a suitable, relevant level. One experience is that physical measures are easier to evaluate than policy measures. The public’s acceptance varies over time and according to geographical location. It is important – but difficult – to establish the targets at a sufficiently broken down level. The participating municipalities agree that it is difficult to communicate these targets broadly among the public. Measures and targets must be labelled and profiled in a way that is perceived as attractive. Trondheim has been very successful in that the results of the agreement with the government have been well received by the population. This is explained partly by the fact that the negotiations themselves took place in relative silence, without public negotiation manoeuvres in various directions, at the same time as relatively cheap measures led to visible environmental improvements locally. The fact that road tolls did not need to be significantly increased also contributed to the success. In Bergen, the opposite happened – public protests because expensive measures, which do not benefit most of the
population (at least not in the short term), required significantly increased road tolls. Additionally, the agreement was preceded by a public debate and negotiation in the full glare of publicity with many turns. Acceptance can also be linked to the citizens’ experiences of how the municipality has handled these types of issues previously. In Finland, negotiations were rather discrete, and there were no major negative reactions from the population.

Comments on the poster

Infrastructure – Norway emphasises the importance of investing in long-term infrastructure investments that produce a measurable effect.

Carrot or stick – The group agreed that a mixture is required, but that sticks are needed to achieve real effects in a sustainable direction.

Specific v. general targets – good to start with general targets initially, which are then gradually broken down. In byvekstavtalen, different types of targets have been selected at different levels. However, it is important that the overall targets are measurable. Municipalities can set their own targets, based on broken down overall targets.

Project size – difficult to manage and review many small projects centrally, but both large and small are needed. In large projects it is a problem if the operation is to be financed locally – there is a risk that the costs of operation may displace other investments in, for example, increased traffic.

Negotiation v. application procedure – The group believes negotiation is a good procedure for large measures in large cities. It is a good process that can create cooperation – also in relation to targets – and should be a gradual process. For smaller municipalities, an application procedure may be more suitable, but with a simpler form of follow-up and reporting than is currently the case in Sweden for urban environment agreements. Negotiations are linked with long-term agreements while applications function for more short-term agreements.

Long or short agreements – Larger agreements require a longer term. Effects on traveling and development takes longer. Small measures should be followed up with a briefer time horizon.

One or several policy instruments – The group prefers a “module-based” way of treating policy instruments. This means that the framework with support for sustainability measures should be simplified and aim towards a system instead of the fragmented situation currently prevailing, where the possibility of negotiation solutions is included for larger packages.

Full or partial financing – partial financing is good for achieving favourable local involvement.

Small or large cities – small cities should be able to apply. Large cities should be able to negotiate larger measures. Smaller cities can cooperate with larger cities. Innovative ideas are often created in smaller municipalities.
Many or few stakeholders – apart from municipalities and the government, private operators are sometimes also included (for example in Finland and Denmark). However, this can be problematic in case of agreements with a longer term. In Denmark, stakeholder organisations participate actively. Discussions are ongoing in for example Norway regarding clearer involvement of universities in the processes relating to the agreements.

Individual considerations

Apart from the group work on the posters, participants also had an opportunity to share their own individual considerations on how effective policy instruments should be designed by indicating their shell placements digitally in the Mentimeter app, where the features on the posters have been uploaded. These individual answers differ somewhat from the group answers, as indicated in the results at Figure 2 and Figure 3.

Figure 2. Weighted answers from 25 of the workshop participants based on the same features regarding the desired design of policy instruments as on the poster (-pairs 1-5), but reformulated as statements.
Figure 3. Weighted answers from 25 of the workshop participants based on the same features regarding the desired design of policy instruments as on the poster (pairs 6-10), but reformulated as statements.

Recommendations

Based on input from the workshop part, K2 has tried to identify patterns and to interpret how this can be formulated as recommendations on how policy instruments should be designed to function efficiently. It was difficult to formulate joint recommendations, since the most efficient instrument can vary depending on location, purpose, objectives etc. However, below are some recommendations that can be given based on the participants’ reasoning.

- Infrastructure measures should be financed, in any case rather than [financing] only operational measures. However, measures can entail that operational costs increase/may need to increase and if so it is advantageous if there are other resources/other funding to support this. (For example, it is not sufficient to build tracks, there must be traffic on the tracks to produce an effect). It is also worth considering whether it should be possible to provide support at the planning stage.
- Both “sticks” and “carrots” are needed in the agreements, i.e., both measures restricting car traffic and supporting sustainable traveling are needed. Revenues from “sticks” can in some cases finance some of the “carrots”.
- Overall general targets are good for guidance, but broken down measurable targets are also needed for follow-up.
- Both small and large projects may need to be financed. Smaller projects may be more relevant for smaller cities, and if this type of project is to be included, there should be an application procedure rather than negotiation. If an application procedure is used, the projects should not be too complex or lengthy. This should also be linked to the size of the municipality.
- Negotiations increase the possibility of achieving a joint commitment and reduces the risk that measures may not be implemented or that they are watered down.
- Agreements should be long-term rather than short-term (this does not apply to small projects that were not created by negotiation), since there is a greater possibility of achieving a change in behaviour over a longer period of time.
- An overall policy instrument can be helpful, coordinated by an authority. Various parts within this policy instrument can be financed.
- It should be possible to apply for funding for some of the costs. Partial financing at 50% is reasonable.
- It is important to continue to learn lessons from each other and to review the effects of measures (potentially by involving academics).
ANNEX 1 – Programme

09:00  Assembly and light refreshments
09:30–09:45  Short welcome speech (K2)
09:45–10:00  Support and policy instruments for sustainable mobility
                   – a Nordic comparison (Ulfik Berggren, K2)
10:00–10:30  Urban growth agreements in Norway – Tools for zero growth
                   (Alberte Ruud, The Norwegian Public Roads Administration)
10:30–11:00  Policy instruments for sustainable mobility in Finland
                   (Tytty Viinikainen, Finnish Transport and Communications Agency)
11:00–11:15  Short break
11:15–11:45  Cooperation between national and local level in Denmark
                   – To achieve sustainable mobility (Susanne Krawack, City of Aarhus)
11:45–12:15  Urban environment agreements in Sweden
                   – Do they make a difference? (Malena Möller, Swedish Transport Administration)
12:15–13:15  Lunch
13:15–13:35  What is required and what is possible? Panel discussion with a politician
                   and a civil servant (Karin Svensson Smith, politician and Håkan Johansson,
                   Swedish Transport Administration)
13:35–15:15  Workshop: Support and policy instruments for sustainable mobility
                   – Opportunities and challenges
                   What can we learn from the different Nordic countries?
                   What joint recommendations do we want to give?
14:30  Coffee during the workshop
15:15–15:30  Summing-up and formulation of recommendations
15:30  End of the day
16:00–17:00  Study visit for those interested to the Lund Tramway

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Swedish Energy Agency  Nordic Co-operation  Trafikverket Swedish Transport Administration
## ANNEX 2 - Participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Surname</th>
<th>Organization</th>
<th>Country</th>
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<tbody>
<tr>
<td>Ann-Marie</td>
<td>Boelt</td>
<td>DTU</td>
<td>Denmark</td>
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<tr>
<td>Jan</td>
<td>Jørgensen</td>
<td>Trafik-, Bygge- og Boligstyrelsen</td>
<td>Denmark</td>
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<td>Marie</td>
<td>Pryn</td>
<td>Region Hovedstaden</td>
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<td>Julie</td>
<td>Rugh</td>
<td>DTU</td>
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<tr>
<td>Caroline</td>
<td>Schousboe</td>
<td>Capital Region of Denmark</td>
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<td>Pauliina</td>
<td>Jalonen</td>
<td>the Association of Finnish Local and Regional Authorities</td>
<td>Finland</td>
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<tr>
<td>Kati-Jasmin</td>
<td>Kosonen</td>
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<td>Rimpiläinen</td>
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<td>Ilkka</td>
<td>Räsämem</td>
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<td>Bryndis</td>
<td>Fridriksdottir</td>
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<td>Thorsteinn</td>
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<td>Jofrid</td>
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<td>Erik</td>
<td>Cockbain</td>
<td>County governor of Rogaland</td>
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<td>Elisabeth</td>
<td>Dahle</td>
<td>Kommunal- og moderniseringsdepartementet</td>
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<td>Tore</td>
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<td>Anne</td>
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