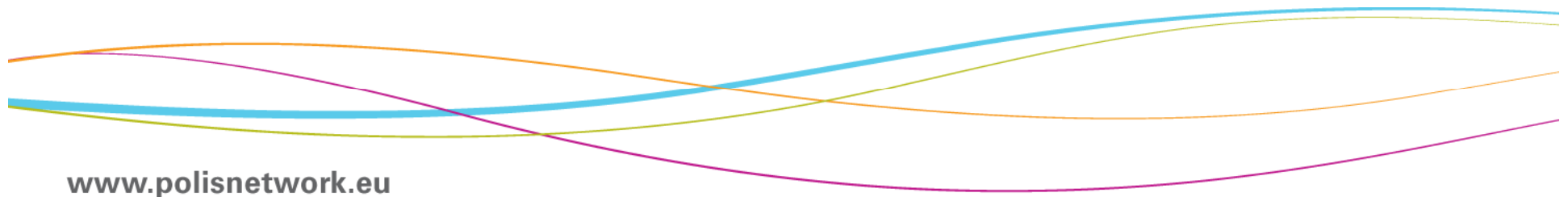




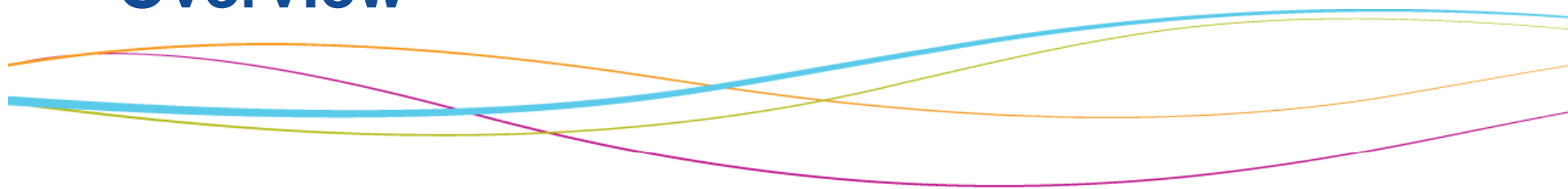
EUROPEAN CITIES AND REGIONS NETWORKING
FOR INNOVATIVE TRANSPORT SOLUTIONS

Overcoming barriers to mainstreaming urban transport innovation

Ivo Cré, Polis, 20 September, Brussels



Overview



- **Why is innovation important?**
- **Recalibrating the term innovation**
- **Addressing the issue of transferability**

- **Specific examples:**
 - Cooperative systems
 - Procuring innovation

- **Conclusions**

Why is innovation important

Cities and the fall-out of the economic crisis

- **Pressure on transport budgets:**
 - Cascade effect of budget cuts at national level
 - Decreased national funding schemes
 - Pressure coming from other policy fields (e.g. social issues)
 - Decreased user revenue (?)
 - Preparing the economy for when the crisis is over, including a paradigm shift (e.g. Electrification)?
- **Role of public authorities is double: victim and problem solver**
- **Implementation paths need to be shortened: not all cities have time or resources to go through a full innovation cycle**

Why is innovation important?

Cities and the fall-out of the economic crisis

(2)

▪ PWC findings (global survey) (2010)

- just over **two thirds** (67%) of the local government leaders believe that the global financial crisis has had a **significant or very significant impact** on their organisations, particularly in the Developed economies;
- almost **two thirds** (63%) of respondents have already **seen a revenue shortfall** for 2008 or 2008/09 of up to **20%**, with another 13% seeing revenues impacted by 20% to 40% and a remarkable one in twenty (5%) already seeing an impact of over **40%**; and
- over **half** (55%) believe there has been a slight or highly adverse impact of the crisis on their city's/local government's brand/perceived **image**.

Why is innovation important?

Cities and the fall-out of the economic crisis (innovation)

- **PWC findings – relation between crisis and innovation (2010)**
 - frequent use is already being made of a variety of **collaborative partnerships**, such as public-private partnerships, public-voluntary partnerships, outsourcing and shared services with opportunities both to reduce costs but also increase revenues;
 - almost all (96%) local government leaders believe that **nurturing innovation is important** or very important to their city/town's future growth and development, which in turn requires a supportive leadership and culture as well as talented staff; and
 - about 80% believe that **service re-design** and service rationalisation are the most effective responses to financial

Recalibrating the term « innovation »

- **At concept level**
- **Processes, not products**
- **Dependent on the context**
- **Technology as part of a cluster of innovations:**
 - Institutional innovation
 - business models
 - Marketing
 - customer care strategies
 - Financial engineering
- **New jargon:**
 - Proven concepts – Best Available Technology
 - Up-scaling
 - Transferability

NICHES+ transferability analysis



- **Self assessment tool**
- **To start local innovation processes**
- **Based up on the transfer of successful urban innovation concepts elsewhere**
- **Practical approach in 6 steps**
- **Goes ahead of technical planning, traffic modeling and financial forecasting.**

NICHES+ six step approach to assess transferability

- 1. Impacts, indicators of the success of the Innovative Concept**
- 2. Up-scaling?**
- 3. Components of the Innovative Concept and its context**
- 4. Identify the main characteristics of each component**
- 5. Assess the likely ease or difficulty in achieving the necessary level of the characteristic in a receiving city**
- 6. Consider the set of values across the characteristics and assess the likely potential for transferability**

General conclusions of the NICHEs+ transferability assessment across 12 innovative concepts

- **Financing**
- **Organisational and institutional aspects.**
- **For Innovative Concepts involving significant infrastructure and technological developments some major constraints upon transferability were identified.**
- **The greater the costs and impacts associated with the intervention the greater the likelihood of barriers to transferability being identified.**
- **The more radical the intervention the greater the likelihood of barriers to transferability being identified.**

Specific example 1: advancing the uptake of cooperative systems

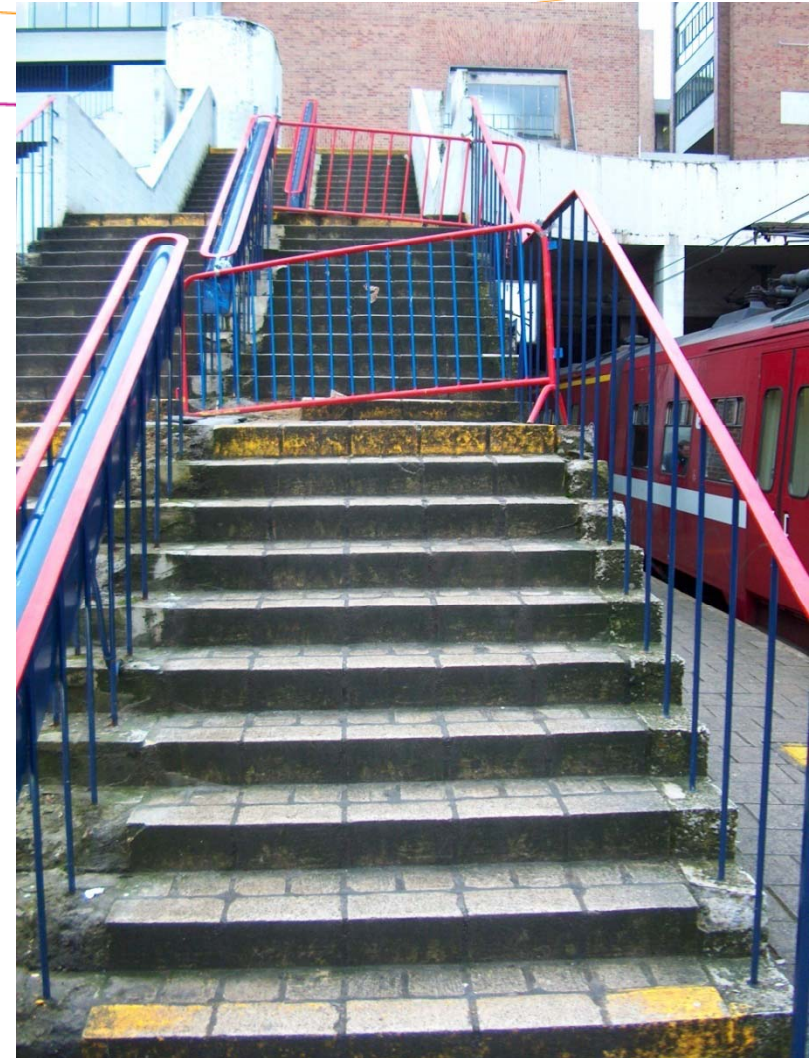
What do cities worry about when talking about cooperative systems

- More efficient road network use will induce more car trips
- More comfortable driving for cars will induce more ...
- What happens in case of system failures? Who is liable?
- Drivers will rely on systems and pay less attention to driving
- High investment costs
- Unclear benefits
- Market penetration rate and consequences for system effects

Specific example 1: cooperative systems

Barriers to deployment

- Benefits unclear or not quantified
- Costs unclear – big investments needed
- Legal framework and liability issues
- Lack of cooperation among stakeholders creates uncertainty
- **...The nature of the innovative concept causes barriers to uptake...**



Specific example 1: cooperative systems

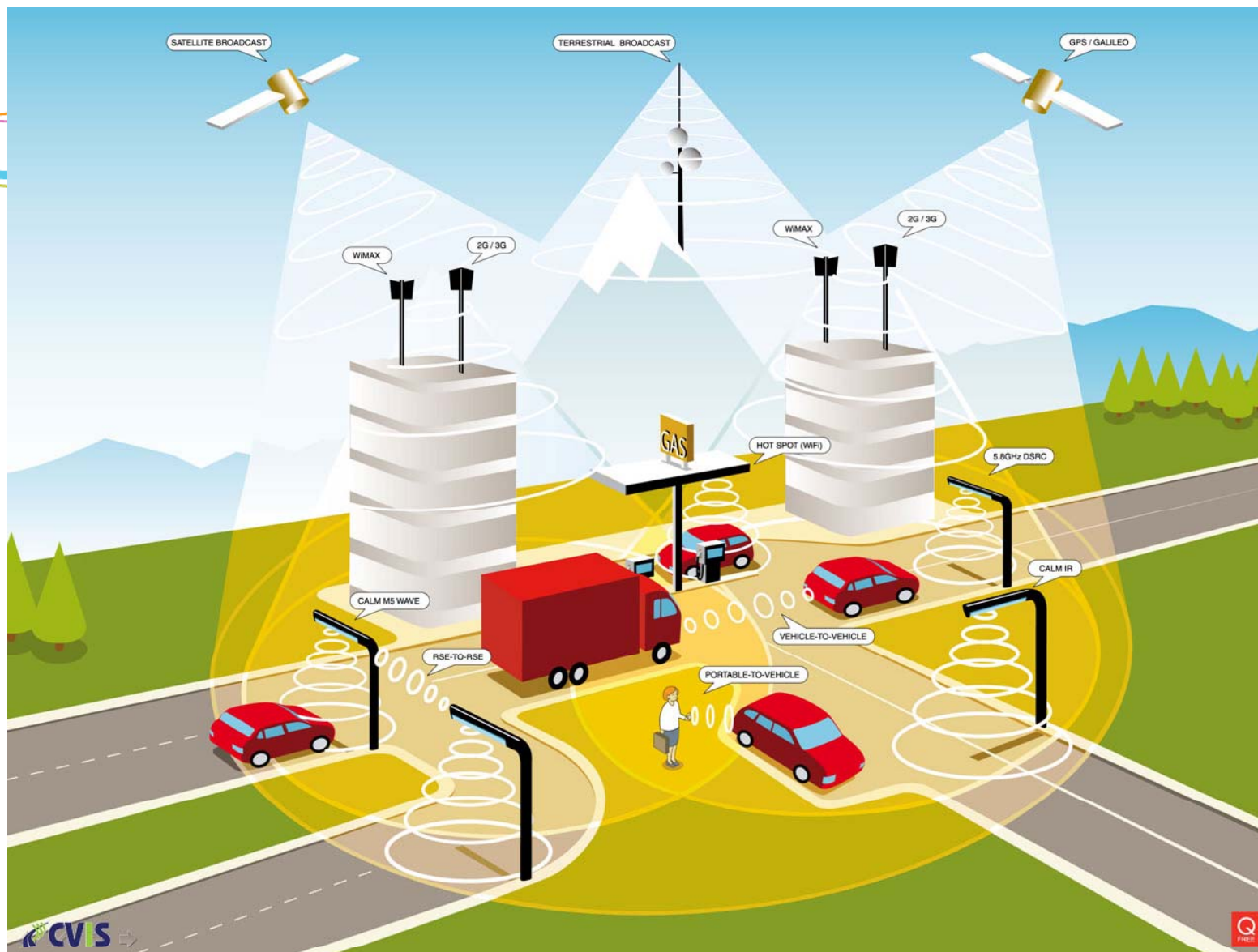
Conclusions

- **Cities have no direct interest in cooperative systems – interest is only with reference to how cooperative systems can satisfy policy objectives**
- **Cities aim at efficient movement of people and goods at systemic level, not of private individuals**
- **Starters for deployment could be:**
 - Cooperative applications for PT and freight management
 - Using cooperative technologies and applications to replace current data collection systems

Specific examples 1: cooperative systems

Recommendations for deployment at city level

- **Quantify the benefits (better information, improved safety, improved traffic flow, reduced environmental impact, etc.)**
- **Disseminate the benefits broadly**
- **Solve liability and legal issues**
- **Develop more PT applications – PT stakeholders should be involved**
- **When ‘selling’ cooperative systems to cities, be aware that there are always alternative measures that – at least in the short term – might appear more promising with regard to policy objectives and less expensive and complicated**





Specific example 2: Procuring innovation

- **How can authorities engage in R&D processes within the boundaries of EU procurement and state aid legislation?**
- **How can you tender services, technology (hardware and software) that does currently not exist?**
- **Good practice developed in the iCars Network (competitive dialogue)**
- **Handbook developed in the P3ITS handbook (pre-commercial procurement)**

Specific example 2: Pre-commercial Procurement

Pre-Commercial Procurement is a method:

- for the public purchasers to finance the development of ground-breaking solutions to a problem, it is a another way to fund research,
 - in the view of a future commercial procurement of large volumes of end products,
 - when they have identified that the problem cannot be effectively and efficiently solved by a state-of-the-art solution.
-
- PCP is a method which should ensure equal treatment, non-discrimination and transparency, based on a competitive development in phases, ensuring maximum competition, openness, fairness and pricing at market conditions.

Specific example 2: Procuring innovation

P3ITS

- **P3ITS is a coordination action funded by the European Commission, DG Information Society and Media under the 7th Framework Programme for Research and Technological Development.**
- **P3ITS started a dialogue between procurement experts, innovation agencies and industrial experts from the Intelligent Transport Systems and Services (ITS) sector to understand how the wider use of Pre-Commercial Procurement could help enhance the market take-up of ITS innovations.**
- **More information on: www.P3ITS.eu**

Conclusions

- **Local authorities face challenges to finance innovation.**
 - Shortening of the implementation path
 - Innovative financing strategies
- **There are no standard solutions to overcome barriers to mainstreaming urban transport innovation.**
- **The way forward includes a process approach that enables cities and citizens to start a qualitative dialogue about which type of innovations would fit in the specific urban context (e.g. transferability analysis)**
- **Uptake of innovation is sometimes hindered by the concepts themselves, which are not designed for or adapted to the urban policy context and / or capacity of local authorities. Involvement of LAs in innovation processes, is key.**
- **Tools to overcome legal barriers to the uptake and initiation of innovation by local authorities are available.**



Thank you for your attention!

icre@polisnetwork.eu
www.polisnetwork.org



POLIS
EUROPEAN CITIES AND REGIONS NETWORKING
FOR INNOVATIVE TRANSPORT SOLUTIONS

www.polisnetwork.eu