



transport planning

fuel-efficient

green vehicles

car sharing

Estonia: Transport

Position paper on Estonia national programming of EU funds 2014-2020 in the transport sector

Recommendations

Of the total transport investments from EU funds in Estonia for 2007-2013, 64% are road investments, and just 22.7% are railway investments⁶⁹. Both the EU's and Estonia's transport development goal is to increase the share of rail transport and reduce the burden of road traffic, therefore it is vital to consider options for correcting the investment ratio between roads and railways for the next programme period 2014-2020. The division of transport investments between road and rail transport should take into account a comparison of their perspective, sustainability, economic efficiency, external costs and actual public transport needs. Only after this is done will it be possible to determine the optimal structure of the investments and the priority level for the construction of the projects. There is currently a lack of these kind of comparative calculations and figures in the present transport development and investment plans. In the next period there should also be firm measures included to support sustainable transport means and public transport development across Estonia.

Description of the problem

Estonia's economic growth has been very transport-intensive. If this growth continues at the same rate Estonia's transport system will soon be one of the most energy-consuming among EU countries⁷⁰. Uneconomic new cars and rapid price increases in sustainable transport modes (when compared to car-related costs) are also evidence of unsustainable attitudes and an unsustainable transport policy. The current transport policy will not contribute to the implementation of international commitments, in particular management of transport energy consumption and decreases in greenhouse gas emissions by 2020.

According to the transport report by the Commission for Sustainable Development a quarter of Estonia's final energy demand comes from the transport sector (of which 94% are cars and trucks). The period showing the fastest growth in fuel consumption and GHG emissions was that of 2004-2007, and the EU's 11% GHG emission 'growth limit' until 2020 has already been exceeded⁷¹. The potential for energy savings in transport is not widely recognised or debated. Measures for better planning and the influencing of consumers' choices towards sustainable modes of transport or even just more fuel-efficient cars are generally absent.

During the planning of transport investments (2007-2013), not enough analysis has been carried out (including external costs estimates, environmental impact evaluations, motor fuel prices and other aspects) to determine the optimal structure of the transport modes. Out of the total transport investments, almost two-thirds is going to road investments, and only 22.7% to railway investment. There is no financing being made available for public transport regulation. In different regions the public transport network is managed by different institutions, but financial assistance to the public transport system is modest and due to the recession there have been several cutbacks. As a result, the transport network does not meet the real needs of inhabitants and there is no nationwide awareness of the current need for public transport.

69 If not noted otherwise, all financial data is originated from European Union Structural Assistance to Estonia (<http://www.strukturifondid.ee/mis-on-tehtud/>)

70 Säätstva transpordi raport 2010. Säätstva Arengu Komisjon <http://www.seit.ee/failid/782.pdf>

71 Ibid



Although both national and local government strategies claim to give priority to public transport, cycling and pedestrian traffic and promise to support alternative modes of transport, financing priorities often do not match these goals. E.g. according to the Operational Programme 'Development of Economic Environment'⁷² (OP) the use of public transport should have been increased from 207.5 million journeys in 2006 to 224 million in 2010. Statistics show, however, that journeys made by public transport have actually decreased from 207.5 million in 2006 to 165.2 million in 2010⁷³.

In the OP it is noted several times that there are plenty of ways to reduce the negative impacts caused by transport infrastructure development projects, such as: developing public transport, selecting safer and more environment friendly solutions, following environmental requirements, making safe transport corridors for animals, etc. But in fact the goals and indicators in the operational programme provide almost no proof as to how and to what extent these means are implemented or measured – the indicators just reflect road building as such. The OP also completely fails to identify current or planned levels of CO₂ emissions.

The National Transport Development Plan for 2014-2020 is still in the very early stages of compilation. Allegedly the compilation of the development plan and OP are going to be carried out in parallel by the end of 2012. Therefore there are serious concerns that the development plan (and OP) will consist mostly of projects listed in the Estonian government's programme⁷⁴, like the continuous widening of the Tartu-Tallinn highway (from 2-lanes to 4-lanes) and building the bridge/tunnel between Saaremaa island and the mainland. There is also strong opposition to the "polluter pays" principle in these documents. However, on the other hand there seems to be a will to support the development of the public transport system (development of small ports and railways).

Opportunities

Investments made with the support of EU funds should follow the long term goal of increasing the share of rail transport and decreasing the transport sector's environmental impacts. Therefore the projects financed should contribute to the European Parliament's decision to limit non-ETS sector GHG levels in the EU. That is, a maximum of 11% growth compared to 2005 levels and a decrease in GHG emissions by 0.484 million tonnes by the year 2020.

Specific measures

It is necessary to support the following measures:⁷⁵

- Strong implementation of CO₂ emissions based vehicle taxes, incentives and other fiscal measures, which directly influence the choice of consumers. Measures can also be regulatory, such as limiting car parking options for cars with high fuel consumption.
- Giving clear priority to public transport and integrated transport schemes. Currently, earmarking 75% of fuel excise duty revenue for national road construction relegates public transport and integrated urban mobility solutions to a minor position. E.g. one important project should be the modernisation of the Tallinn tram system and extension of lines (including to Tallinn Airport).
- Specifying indicators in the transport sector that would really enable monitoring of the level of change brought about by EU funds (modal shift, decrease of transport related emissions). Sustainable transport targets should be taken into account when new transport development strategies are drafted (both national and local strategies). The implementation of such targets – energy efficiency, an increase in the use of public transport and cycling and improvements in air quality – should be monitored. Strategic choices should be analysed when resolving transport problems and determining financing priorities. The full impact of such decisions on sustainable transport targets should be measured.
- Funding must be secured for public transport and cycling to support the advantages of sustainable modes of transport and to decrease transport externalities. At the national level, priorities could be set through increased financing for EU projects for public transport and cycling and introducing vehicle taxation based on CO₂ emissions (there is currently no vehicle taxation in Estonia). In larger urban areas financing could be improved by implementing more efficient parking management and with congestion charges in Tallinn.
- The development of rail connections should focus on the reconstruction of existing rail infrastructure and increasing the frequency of trains between larger Estonian towns and cities (Tallinn, Tartu, Pärnu and Narva) and to larger metropolitan areas like St. Petersburg, Riga and Moscow. Buying new trains and renovating tracks is, however, not enough to increase the competitive advantage of rail transport. Improvements in rail transport quality should be implemented along with other measures, such as planning new developments close to railway stations, internalising road transport externalities (mileage-based road charges for road freight and congestion charges in Tallinn) and improving intermodality (public transport interchange stops and 'Park & Ride' systems).

72 Majanduskeskkonna arendamise rakenduskaava CCI 2007EE161PO001, http://www.struktuurifondid.ee/public/suunised/MARK_muudetud_juuni2011.pdf

73 If not noted otherwise, all statistical numbers are from Statistics Estonia, (<http://pub.stat.ee/px-web.2001/Database/Majandus/22TRANSPORT/22TRANSPORT.asp>)

74 Source: <https://valitsus.ee/UserFiles/valitsus/et/valitsus/tegevusprogramm/valitsuse-tegevusprogramm/Valitsusliidu%20, programm%202011-2015.pdf>

75 Measures noted here are in compliance with the Sustainable Transport Report. Available: Säästva transpordi raport 2010. Säästva Arengu Komisjon <http://www.seit.ee/failid/782.pdf>



What to promote

As the national transport development plan for 2014-2020 is still in the very early stages of preparation, there is no information available about which projects and measures it will include. Therefore we would like to underline projects/ measures from the Estonian government's programme which, in our view, are worth implementing:

- Development of high-quality public transport in rural and urban areas (including interconnections between rail and bus transport, increasing the frequency of trains).
- Supporting public water transport between the mainland and small islands (Kihnu, Ruhnu, Abruca, Vormsi, Prangli) and between Hiiumaa island and the mainland – renewal of ferries, reconstruction of small ports.
- Creating opportunities for faster and better connections with Western Europe (e.g. Rail Baltica – part of TEN-T). Compile studies in cooperation with Poland, Latvia, Lithuania and the European Commission.

What not to finance

As the national transport development plan for 2014-2020 is still in the very early stages of preparation, there is no information available about which projects and measures it will include. Therefore we would like to underline the projects/ measures from the Estonian government's programme which, in our view, are not in compliance with sustainable development goals:

- Expansion of Tallinn-Tartu highway from 2-lane to 4-lane road. Construction of Tallinn bypass.
- Construction of bridge/tunnel between Saaremaa island and the mainland.
- Proposal not to implement CO₂ emissions-based vehicle taxes.
- Studying possibilities for decreasing weight restrictions of trucks on the main freight routes.

Indicators and goals

The proposals of the Regulations on the CF and on ERDF published by the Commission in October 2011 also contain a proposal of indicators. In the transport sector we propose to extend them so that they would really enable monitoring of the level of change that would be achieved by EU funds in the given sector.

The following indicators should be included:

1. Modal split of passenger transport	Unit: percentage share of each mode of transport, expressed in passenger-kilometres	Data can be found from Eurostat: http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdtr210&language=en and national statistics.
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Justification: We propose to introduce the outcome indicator "Modal split of passenger transport". Modal split is the key results indicator for support in the transport sector. The desired outcome is a decrease in the use of passenger cars and roads and an increase of public modes (trains, trams, buses) and railway transport.

2. Modal split of freight transport	Unit: percentage share of each mode of transport, expressed in tonne-kilometres	Data can be found from Eurostat: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tran_hv_frmod&lang=en and national statistics.
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Justification: We propose to introduce the outcome indicator "Modal split of freight transport". Modal split is the key results indicator for support in the transport sector. The desired outcome is a decrease in the use of road freight transport and increase of railway and water transport.

3. Contribution of newly built, reconstructed or upgraded railway lines to decrease of GHG emissions	Units: tonnes of CO ₂ eq.
4. Contribution of newly built, reconstructed or upgraded roads to decrease of GHG emissions	Units: tonnes of CO ₂ eq.

Justification: We propose to complement the indicators measuring the length of built or reconstructed infrastructure with measuring of the immediate effect of such support on greenhouse gases (GHG) emissions. The length of infrastructure as an indicator does not give information about its effects. There should be an indicator in the transport sector to describe



the positive immediate outcome of investments. One of the main goals of the Europe 2020 strategy is the reduction of GHG emissions by 20 per cent. The transport sector is, alongside energy, the key to achieving this. While in the energy sector there are indicators in place related to the consumption of fossil fuels and GHG emissions, in the transport sector such indicators are lacking. The issue cannot be addressed only in urban transport or inland waterways, but has to be covered on a more complex level. Railways have very detailed and precise information on the number of vehicles/tonne/km and therefore there are enough data available to calculate GHG emissions after the completion of projects. Concerning roads, similar data are available from electronic toll collection systems and transport intensity surveys performed by national authorities. Also other methodologies of the assessment of the emission impacts of the transport projects are in place or under preparation, e.g. exploration of a methodology for including climate impacts in project appraisal Delft, CE Delft, October 2011, the EIB carbon footprint methodology or the one from DG Climate Action.

5. Increase of passenger trips using supported public transport service

Unit: number of passenger journeys

Justification: Support in passenger transport should not be limited to urban areas but should cover rural areas as well. This is a very sensitive issue as in rural areas public transport is often the only affordable option especially for elderly or socially excluded people. We propose to widen this indicator to public transport. Concerning data availability this amendment means no change from the original Commission proposal as it is possible to obtain the data from regularly performed measurements of transport levels.