



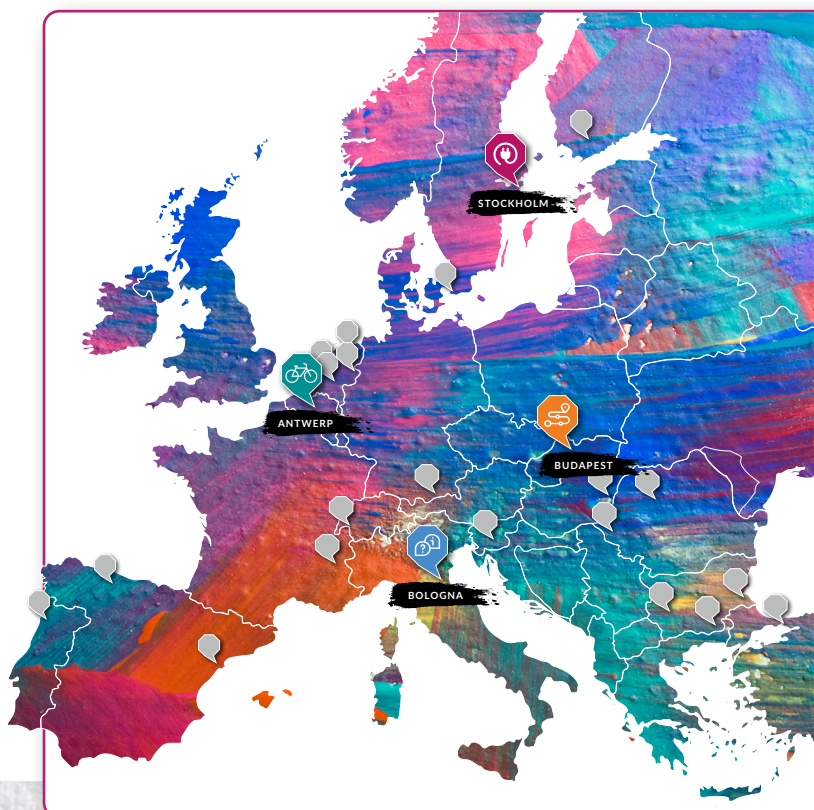
## *Funding, Financing & Business Models*



Image: Dreamstime / Joerg Hottenholscher

Using knowledge exchange and capacity building to speed-up the roll-out of sustainable mobility innovation: **that's what the CIVITAS FastTrack project was all about.**

To swiftly roll out sustainable mobility innovations, cities need appropriate **funding**. Without a clear approach to the funding, financing and business models behind mobility innovations, even the most ambitious and boundary-pushing local authorities will struggle with implementation. Plus, **new funding mechanisms, financing schemes, and business models** can themselves be innovations with far-reaching potential and impact. FastTrack, therefore, supported participating cities in finding the right funding, financing and business models to make their sustainable mobility futures a reality.





## *FastTrack's approach*

Early in the project, FastTrack cities identified three topics related to the financing of mobility innovations as particularly important: innovative ways to **combine funding sources**; **generating revenue** from different mobility schemes; and **public-private partnerships**. Over the course of the project, and especially during the 'FastTrack Funding Day' on 22 June 2022, FastTrack cities engaged with each other and with external experts to delve deeper.

### *Combining funding sources*

Ronald Kleverlaan (CrowdfundingHub) introduced alternative funding mechanisms, including those that allow cities to combine different financing sources. For example, he encouraged cities to consider offering matching funds to start-ups that have raised a certain amount of initial funding (including through crowdfunding, which indicates local support), and supporting citizen cooperatives.

### *Generating revenue*

In 2018, FastTrack city Brno (CZ) created a Mobility Fund, which uses residential parking payments to fund local mobility measures, described further below.

## *Public-private partnerships*

This was arguably the hottest topic for FastTrackers. Antwerp (BE) shared its experiences creating a marketplace with private mobility providers in 2016. Every provider with a promising business model can enter into a partnership with the city and then use the city's Smart Ways to Antwerp as a quality label. Furthermore, these partners receive temporary financial support from the city to use for cashback offers for end users.

Traditional business models focus on the economic value a firm can create. Joris Beckers from the University of Antwerp, however, suggested using private-public-people partnerships to create business models that focus on the value that a broader network – including involved NGOs, local authorities, etc. – can create. This value should span economic, as well as social and environmental value generated, through things like modal shifts, transport justice, or public space management.

Ronald Kleverlaan mapped how cities can leverage public-private partnerships with start-ups, including by offering them coaching, fund matching, or by carving-out space for start-ups in public procurement protocols.



FastTrack cities exchange knowledge on 'Funding Day', Image: Adrienne Kotler



## Results

FastTrack cities integrated newly acquired insights into funding, financing and business models into their concrete **innovation deployment plans**. Some examples include:

### **City of Stockholm:** **public-private partnerships**

The City of Stockholm (SE) is in the midst of deciding whether to ban heavy vehicles from the city centre, in favour of cargo bikes. Without a final decision, operators are hesitant to invest in charging infrastructure for heavy vehicles.

The city worked to address this challenge during FastTrack, with extensive discussions with stakeholders.

Their deployment plan maps a path forward. Given the municipal regulatory uncertainty, the city needs to create the framework conditions for charging

### **The FastTrack Activity Fund:**

*Kickstart funding is sometimes all cities need to get innovations off the ground. That's why FastTrack made start-up funds available to its cities via an Activity Fund. This was a highly effective way of giving cities small amounts of money to kickstart longer-term innovative schemes.*

investment. It is important to identify the objectives for the city (e.g. to reduce emissions) in order to set out clear incentives that are reflected in tenders going out to private companies. Private partners want to know what regulations will be, and need clarity regarding the future of electrification.

### **City of Gdynia: cost sharing**

Cargo bike rental and sharing are the future in Gdynia (PL). During FastTrack, the city pushed this forward, identifying cost and revenue sources, and who will be responsible for implementation costs, operational costs, and potential revenue streams.

Operators are expected to be responsible for all costs; questions remain regarding the role authorities can and should play. Offering free bike rental, and covering operational costs are both being explored; but, this could lead to the business model not being viable, operators not being aware of actual costs, or the city losing bargaining power.

### **City of Brno: generating revenue**

Brno (CZ) is implementing a multi-operator micro-depot for cargo bikes, funded by the aforementioned Mobility Fund. The city not only generated funding through, for example, residential parking fees, but is also providing the land and micro-depot modules. Hub operators will be selected through a tender, while delivery companies have already signed a Memorandum of Cooperation to use the micro-depot.



Image: Dreamstime / Sergio Delle Vedove



## Lessons learnt and recommendations

As the project's – and FastTrack cities' – search for appropriate funding progressed, it became clear that **finding long-term investment for sustainable mobility innovations is the greatest challenge.**

In some cities, political uncertainty and institutional disagreement between levels of government added to this, as did decreased government revenue in the wake of the COVID-19 pandemic.

FastTrack results were clear. Based on extensive knowledge-exchange, expert insights, and testing, cities were able to validate their early hypotheses regarding particularly important topics. They ultimately found that the best solutions to overcome these barriers are:

- Partner with private stakeholders,
- Combine funding from different sources, and
- Make use of direct European funding.

## Partners:



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