

FACT SHEET: Description and assessment of national support mechanisms for financing projects of urban transportation

GERMANY

Item	Year				
	1992	2002	2010	2022	2032
Population (millions) ^{1 3}	80.62	82.51	81.70	81.32	77.28
Share of population living in urban areas (%) ^{2 3}	73.4 (1990)	75.1 (2000)	73.8	75.3	78.6
Gross national income per capita (US\$) ³	N/A	22,850	43,980	N/A	N/A
Vehicle ownership per 1,000 residents ⁴	N/A	N/A	510	N/A	664
Administrative structure	Federal parliamentary republic, based on representative democracy				

1. NATIONAL POLICIES

Trends in transportation

Overall, urban modal split has experienced a shift from walking to private motorized transport, especially cars. Bicycle and public transport use has remained relatively stable in earlier years, however recently there has been a revival of cycling in most cities in Germany. The number of licensed private vehicles went up by 12% between 1996 and 2006. However, differences can be seen between urban and rural areas, with a fewer car usage in dense areas (in favor of public transport or non-motorized transport), and considerably lower car ownership in cities with excellent PT and NMT facilities. While the number of daily trips has not changed significantly over the past 30 years, the daily distance travelled increased from an average of 27km in 1976 to 37km in 2002, leading to more driven vehicle kilometers.

National Policies

There is no single “national urban transport policy” in Germany. Related laws and programs are split between national, and state/provincial and local level. Through different laws, the Federal Republic gives full responsibility for local transport to the federal states. The national government also provides money for urban transport investments and mass transit (regulated by national law) which is further distributed by the federal states to the urban and rural districts. In 2010 a total of approx. 7 Billion Euro has been paid to the federal states, who in turn supported urban transport development in their cities.

¹ Statistisches Bundesamt

² United Nations

³ The World Bank

⁴ Umweltbundesamt

Regarding public transport, the national government has laws regulating the requirements for public transport modes and sets a framework for the federal states.

Due to the division of responsibilities, this overview uses the example of one federal state to display transport policies and financing. The displayed state is North-Rhine Westphalia, due to its high population and size of urban agglomerations.

Institutional Framework

Level of Government	Institutions	Role
First	National Ministry for Transport	Development and funding of national policies / programs
Second	States, Ministry for Building, Living, Urban Development and Transport	Transport investments within their state. Development of road/railways/PT transport policies.
Third	Local governments or planning departments	Project identification and, development of locally-based urban transportation strategies. Execution of programs.

The role of the districts and boroughs regarding public transport mainly is comprised of planning, designing and organizing public transport within their region, which, as described above, is usually delegated by the district and boroughs to administrative units or Transit Associations in order to

- Introduce multi-operator and integrated ticket fare structures
- Coordinate the supply of public transport and have a common representation, including a common marketing and sales platform
- Eliminate economically inefficient parallel route operations
- Eliminate restrictions in the operation of routes between different carriers
- Provide attractive PT services to customers

2. PROJECT IDENTIFICATION AND DEVELOPMENT

Institutions in charge of the development of mass transit technical projects	The federal states hold full responsibility for mass transit projects (unless it affects national railway tracks). The planning, designing and organization of mass transit is usually given to administrative units in order to have a more efficient coordination.
Financial assistance at the national level	Yes; the money provided by PersonenbeförderungsG, RegionalisierungsG und GemeindeVG is channeled through the NRW Public Transport law to fund projects and operation. However from 21014 the constitution requires the Federal Government to a financing, which is required and adequate. A new Formula for regional and federal financing need to be agreed upon.
Technical assistance at the national level	N/A

Strengths	<ul style="list-style-type: none"> • Support from federal states ensures high responsiveness to requests from local level.
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	<ul style="list-style-type: none"> Local responsibility and ownership for projects leads to efficient integration of land-use and transportation planning; as well as appropriate consideration of local circumstances and needs. Less bureaucracy as states are directly responsible and national government will not be involved in decisions. A very high level of integration has been achieved during the last 50 years. First integrated Transit Association in Germany in the Seventies, since then all agglomerations achieved their full integrated
Weaknesses	<ul style="list-style-type: none"> No standardized approach to sustainable transport in Germany on national level (need for a Master Plan to reduce competitive subsidies). Lack of resources in less wealthier cities. Adequate long-term planning in the absence of secure funding options not possible. Lack of transparency of funding options.

3. FUNDING FOR INFRASTRUCTURE

Since urban transportation is rather in the hands of the federal states, the following text within this factsheet uses the federal state of North-Rhine Westphalia as an example overview.

Program	Nordrhein-Westfalen ÖPNV Gesetz
Administering entity	Federal State of North-Rhine Westphalia
Objectives	<ul style="list-style-type: none"> Law to regulate the supply of transport, including mass transit, for inhabitants in North-Rhine Westphalia Improving the transport situation in local communities in favor of sustainable, passenger-friendly solutions
Scope	Roads, light rail transit infrastructure, long distance bus stations and bus shelters, traffic management systems for public transport (operational control system, light signal installations) and for new vehicles (buses).
Eligible modes	No specification of eligible modes. It shall be used for general infrastructural measures which support the public transport system in the whole state equally
Eligibility	Each of the administration unions in North-Rhine Westphalia receives a certain proportion of the money
Authorization	Annual
Award types	Grants
Recipients	Administration unions

In addition the Federal Government has a dedicated program to support public transport (until 2019), however limited in scope.

Evaluation Process

The states only have to make available data regarding the appropriation of funds to the national government. Further evaluations are not regulated and thus might happen on individual initiative of the states only.

Key aspects in the evaluation process

N/A

Funding Shares

Maximum national funding share	75%
Minimum private participation required	No
Minimum local governments participation required	No

Strengths	<ul style="list-style-type: none"> Flexibility of states Easier allocation of money possible
Weaknesses	<ul style="list-style-type: none"> Investment in oversized projects due to high funding contribution, such as heavy rail links or Metros for corridors with economically insufficient ridership.

4. FUNDING FOR OPERATION

Since urban transportation is rather in the hands of the federal states, the following text within this factsheet uses the federal state of North-Rhine Westphalia as an example overview.

Program	Regulation of Public Local Transport in North-Rhine Westphalia
Administering entity	Federal State of North-Rhine Westphalia
Objectives	<ul style="list-style-type: none"> Law to regulate the supply of transport, including mass transit, for people in North-Rhine Westphalia Improving the transport situation in local communities in favor of sustainable, passenger-friendly solutions
Scope	Area of the federal state; the money goes both to the owners of the infrastructure (cities and communities) of mass transit and the mass transit associations itself.
Eligible modes	regional/suburban rail transport, LRT, buses, metro etc
Eligibility	Each of the administration unions in North-Rhine Westphalia
Authorization	Yearly
Award types	Grants
Recipients	Administration unions first

Evaluation Process

Due to the fact that the money is granted by law, there is no formal evaluation process for certain projects in place.

Funding Shares

Maximum national funding share	75%
Minimum private participation required	No
Minimum local governments participation required	No

5. SPECIAL COMPETITIONS FOR TRANSPORT FUNDS

The federal government launches different competitions on an irregular basis to support innovations in the transport area. After a successful bid, the regions receive money to invest it in the plans which were handed in with the bid.

“Windows of Electric Mobility”

Administering Entity: Federal Government

Objective: Support regions to invest in the development and usage of electric mobility

Scope: One or two federal states per granted project (Berlin & Brandenburg, Baden-Württemberg, Lower Saxony, Bavaria & Saxony)

Eligible Modes: Electric Vehicles and connected infrastructural needs

Eligibility: Application process was open for any region in Germany