Institutional Barriers to PPPs:
- A Case Study of a Road User Charging Development Project

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Nationwide road user charging systems for lorries

- Länder som har km-avgifter
  - Schweiz
  - Tyskland
  - Österrike
  - Tjeckien

- Länder som planerar införande
  - Slovenien
  - Ungern
  - Nederländerna
  - Frankrike
  - Belgien (Flandern)
  - Sverige
  - Storbritannien
  - Slovakien
  - Finland
RUC, nothing really new, but new opportunities

- Amendment of European directive* opens up for:
  - Charging on entire network (or parts of it)
  - Variation of fee after time of the day
  - All vehicles above 3.5 ton (obligation after 2012)
  - Technology enables distance and/or time based schemes
  - Increased acceptance from stakeholders

* 2006/38/EC
The Swedish development on Road user charging for heavy goods vehicles

2002 - 2004
Governmental investigation on road taxation proposes RUC for HGV

Spring 2006
Governmental transport policy document recommends RUC for HGV

May 2006
Parliament decision in favour of RUC for HGV

Dec 2007
SIKA and ITPS Investigations Impact on regions and business

March 2008
A Swedish climate committee suggest kilometre taxation

2008
Political Proposition?
ARENA – A integrated approach for cooperation between authorities, users and industry

Swedish and European agencies / authorities

Infrastructure operators

Suppliers

Users
Efficient innovation systems

Sustainable growth requires interaction between business, university and government/public sector

The interaction results in new products, services, and processes.

**Triple Helix Interaction**
- Business
- University
- Government/Public Sector
ARENA – starting point

THE ARENA

Industry Advisory group

Acceptance best practice

System concept proposal

Users Advisory group

Requirements expertise

Limitations

Technical prerequisites
ARENA – 2 industry partner make a move

THE ARENA

Industry Advisory group

Users Advisory group

Requirements expertise

Limitations

Acceptance best practice

System concept proposal

Technical prerequisites
Not a sustainable model

• Other industry actors questioned the special status of the two industry project partners.

• The Swedish Road Administration (SRA) feared that the partnership with the two industry partners would cause problems in a future procurement process.

• The closely involved industry partners realised that their involvement put their chances at risk in a future procurement of a Swedish road user charging system.
Plan B – establish a strong industry forum
Activities of the industry forum

- Consultation during the concept development
- Three internationally workshops
- Challenge the concept development and supports a robust solution
- Provides a platform for keeping the discussion alive
Example of delegates

- Satellic Traffic Management GmbH, DE
- Siemens Electronic Tolling, DE
- Siemens AB, SE
- TollCollect, DE
- IBM, SE
- Kapsch TrafficCom AG, AU
- CS Systèmes d'Information, FR
- Blaupunkt GmbH, DE
- Dornier Consulting GmbH, DE
- EFKON Mobility, DE
- Robot Visual Systems, DE
- Sund & Bælt Holding A/S, DK
- TÜV Rheinland InterTraffic GmbH, DE
- PA Consulting Group, UK
- The Telematics Partnership Ltd, UK
- TRL, UK
- University of Newcastle, UK
- Prime Consulting Services, AU
- Booz Allen Hamilton, UK
- ERTICO, BE
- BAE Systems Bofors, SE
- Ericsson AB, SE
- FlexToll AB, SE
- omp computer GmbH, DE
- Q-Free, NO
- Rapp Trans AG. CH
- Skanska Infrastructure Development, SE
- VDI Innovation AB
- Transport Technology Consultants, UK
- Transport Telematics, NO
- Volvo Technology, SE
Conclusions (1/3)

• We defined PPPs as a formal relationship between public and private actors on equal terms, principal-principal type but had to move to a more classical procurement style of buyer-supplier than a collaborative model for concept development and procurement
Conclusions (2/3)

• The perfect PPP model for this is yet to be found, especially with partners who could become future system suppliers.
• The partnership between the authorities, the academia and the consultants has not met these kinds of obstacles.
• Based on experiences from the ARENA project, we conclude that institutional frameworks in general and procurement policy in particular have a barrier effect to the successful formation and implementation of PPPs.
Conclusions (3/3)

• This is a problem
• To create new and robust knowledge we need to combine the best competence from different areas
• We need an enabling framework based on the philosophy of the Lisbon agenda
Arena reports at www.arena-ruc.com
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Innovation system

• An innovation system is the network and interplay of public and private institutions in which production, distribution and use of new knowledge and technology take place.

• Most innovations from interplay, up to 9 of 10!
HOW? Triple Helix Process

• How to get the three main actors to collaborate?

• There are no easy recipes….start small!
• Challenges in the Triple Helix Process

• Confidence in co-evolution

• trust
• relevance
• context sensitive
• robust knowledge
• appropriate technology
• quadruple helix (Intermediary actor)

Slide from Lena Trojer
The presentation will focus on:

• Partnerships aiming at policy and concept development rather than implementation.
• The relationship between public and private actors on a principal-principal basis
• Results gained through close involvement in the ARENA project, both during the preparation work and as key partners in the ongoing project work
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ARENA

2008
ARENA 2.0
Mission for VI NNOVA

- Promote sustainable growth by financing needs-driven R&D and developing effective innovation systems
The nature of economic accumulation is not based on material assets but on relations

• New products and business ideas are seen as the result of many complicated patterns of cooperation and interaction with external actors, subcontractors, customers, researchers etc. Successful innovation processes are due to how different actors interact rather than to how big or how many they are”

• Brulin, G., Ellström, P-E. and Svensson, L. (2003), Interactive Knowledge Formation, a Challenge for Swedish Research and Higher Education,