

Europe's gameplan to make transport sustainable by 2050

At the end of 2020, the European Commission published a communication setting out their strategy for a smart and sustainable mobility system in Europe.

This communication shares a clear framework on how a more sustainable transport system across all transport modes should contribute to a carbon-neutral economy in Europe by 2050. The strategy therein also provides a clear timetable on the deliverables the Commission expects from different transport modes beginning in 2030.

It is positive to see how this strategy carries forward the Commission's ambitions for a more sustainable and digital Europe, providing a concrete picture as to what this means for Europe's mobility ecosystem.

The Commission's vision is threefold:

1. Greening mobility must become the new license for the transport sector to grow (which is why all transport modes will need to accelerate their transition to zero emissions)
2. Digitalization has been identified as a key driver for modernization of the entire transport system.
3. Throughout the transition, mobility should remain affordable and available to all.

In this first contribution, I will examine the **sustainable mobility strategy**; I will come back with another article providing perspective on Europe's smart mobility strategy.

In terms of deadlines, the strategy outlines the following milestones:

- **By 2030:** at least 30 million zero-emission vehicles should be on the market, zero-emission marine vessels should be market-ready, high-speed rail traffic should be doubled across Europe, 100 European cities should be climate neutral, and automated mobility should already be deployed at a large scale.
- **By 2035,** zero-emission large aircraft should be market-ready.
- **By 2050,** nearly all cars, vans, buses, as well as new heavy-duty vehicles should be zero-emission; rail traffic should be doubled and there should be a fully operational multi-modal Trans-European Transport Network (TEN-T) in place for sustainable and smart transport with high-speed connectivity.

The European Commission has identified three focus areas for driving sustainable mobility, with an objective to cut greenhouse gas emissions from transport by 90%, to become climate neutral by 2050.

1. Making all transport modes more sustainable

While one of the most significant contributors to greenhouse gas emissions is road transport, the Commission intends to focus on all modes of transportation. Road transport will make the biggest contribution by focusing on introducing low & zero-emission vehicles; in parallel, there will be a focus on renewable & low carbon fuels for road, waterborne, rail and air transport.

For road, this means that the recently agreed **CO2 reduction targets for passenger cars and commercial vehicles** will be revised again; proposals are already expected by June of this year. There is also a plan to further strengthen air pollutant emissions standards for fuel combustion engine vehicles which means the **introduction of a new Euro 7 standard**. Fuels should become more carbon-neutral, which will trigger a **revision of the Renewable Energy directive**, to support low carbon fuels.

Given that battery-powered electric vehicles currently still depend primarily on batteries imported from outside the EU, the Commission plans to use the **European Battery Alliance** created a few years ago to stimulate both research and production of next-generation batteries in the EU. A proposal for a **new Battery Regulation** was presented by the Commission in December 2020, defining mandatory sustainable and energy efficiency standards for production and use of batteries in the EU. This proposal is already expected to be adopted in 2022 for implementation in 2023.

Also, hydrogen gets its fair share of Commission attention through the **European Clean Hydrogen Alliance** and the **Clean Hydrogen partnership**. Both exploring ways to make green hydrogen more accessible for all modes of transport.

The Commission also intends to come up with binding targets for member states to invest in recharging infrastructure. This will be done through the upcoming **revision of the Alternative Fuels Infrastructure Directive**, which will be key to accelerating transition, and through facilitating market uptake of electrified vehicles.

For Air and Waterborne transport, the Commission prioritizes ensuring access to renewable and low carbon fuels; there is a plan to establish a **Renewable and Low Carbon Fuels Value Chain Alliance** to boost the supply and deployment of alternative fuels.

In the coming months, the Commission will present the **ReFuelEU initiative**, which will lay out a framework for decarbonizing the aviation industry, including setting requirements for the use of sustainable aviation fuels.

For waterborne transport, the Commission will introduce the **FuelEU Maritime initiative** to increase the use of sustainable alternative fuels in European shipping and ports. Separately, the Commission called out that airports and ports should become clean, through smarter traffic management and by focusing on renewable power instead of fossil energy.

2. Making sustainable alternatives widely available

The strategy also re-confirms the Commission's earlier intentions to set up a **fully integrated multimodal mobility system**. The idea of making a single multi-modal ticket available to consumers to help them move around using different modes of transport is again on the agenda.

Rail transportation remains a strong priority with the declaration that 2021 will be the **European year of Rail**, with a focus on boosting cross European connections and realizing the idea of a Single European Rail. In this light, the Commission is calling for a harmonized EU-wide vehicle approval system to reduce costs for cross-border trains and for completing the TEN-T by including high-speed train connections.

Greening freight transport should be realized through a shift to rail and inland waterways: the ambition is to increase rail freight traffic by 50% by 2030 and double this figure by 2050. It also includes increasing transportation by inland waterways and short sea shipping by 25% in 2030 and by 50% in 2050.

Cities are expected to continue playing a key role in the transition towards more sustainable mobility: The Commission plans to engage with those cities who are on the TEN-T network to put in place their own sustainable mobility plans in place by 2030. New digital mobility solutions will be promoted to foster seamless multimodal solutions.

3. Putting in place the right incentives

The “polluter pays” principle needs to be applied by internalizing the environmental external costs of transport, which are currently estimated at 388 billion euro per year.

This will trigger new Commission initiatives for all transport modes including the **revision of the Eurovignette Directive** for road transport, which covers road charging.

The **revision and extension of the EU Emission Trading System** or ETS across all transport modes have become another priority; currently, only aviation has been in scope. Now, however, the European Commission wants to explore how to include maritime and road transport in the scope of ETS, while revising ETS for aviation. DG Clima is expected to come up with a proposal in June this year.

While several of the initiatives mentioned here are already under preparation: most will be presented by the European Commission before Summer this year. The Commission’s strategy will be discussed in the Transport Council only on June 2.

The different initiatives announced by the Commission in the framework of their Sustainable Mobility Strategy will obviously have a deep impact on many economic operators across the value chain and this across all transport modes: the deadlines which have been set or will be proposed remain very ambitious, especially looking at where we are today.

It will be key for all companies affected by these proposals to better understand what it means for them and how best to provide perspective as part of the planned consultation process with the EU institutions.

While this strategy for a sustainable mobility ecosystem is focusing on what Europe will do, let’s not forget that in November 2021 the next UN Climate Change Conference, COP26, will take place in Glasgow, hosted by the UK. Sustainable mobility will likewise be one of the priorities on the political agenda there.

Now is the time to get prepared to anticipate what will be required to accelerate the transition to a carbon-neutral mobility ecosystem.

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