



Electromobility Platform - Joint Position Paper on the Multiannual Financial Framework

The EU is on track to miss its climate targets unless the next budget boosts spending on transport electrification.

In May 2018, the European Commission presented its proposal for the 2021-2027 Multiannual Financial Framework (i.e. the EU budget), which was accompanied by several legislative proposals that outline how the budget shall be spent. A large portion of this budget will go towards building and upgrading transport infrastructure.

In 2017, transport represented 27% of the EU's greenhouse gas emissions¹. It is imperative that European investment is aligned with climate targets. Therefore, **the EU should earmark sufficient funds to ensure a smart and sustainable transition to zero-emission mobility.** Investing in the right infrastructure today will largely determine how these emissions evolve as infrastructure is usually maintained for several decades once built².

The EU budget co-finances transport and energy infrastructure, as well as research in these fields. **The fact that EU money only provides partial funding means that it influences national spending, as well as private investment.** The EU must choose wisely what they invest in as this multiplying factor means that their spending has a bigger investment impact beyond what the EU provides for. Furthermore, the EU spending priorities are seen as a sign of what the EU wants. A transport budget that prioritises zero-emission mobility will send a signal to private investors and EU Member States that this is where the EU encourages investment.

The Electromobility Platform calls on EU policymakers to make the following areas of investment top priorities for the EU budget:

- 1. Electromobility:** Moving to zero-emission transport will help to meet Europe's climate targets. EU investment made in the transport sector should help to achieve this objective.
- 2. Synergy Projects:** Investment in infrastructure should better link the transport sector with the digital grid, electricity generation and use. To maximise the efficiency and climate benefit of electromobility, projects that improve the interrelation and efficiency of transport energy demands with the electricity sector should become a clear priority for the EU budget. Likewise, the potential of digitalization to reach efficiency gains in different modes of transport needs to be further promoted via EU funding.
- 3. E-Research and Innovation:** Electromobility should be promoted in the Horizon Europe Work Programme. The ongoing work in the European Green Vehicle Initiative and

¹ <https://www.eea.europa.eu/publications/approximated-eu-greenhouse-gas-inventory-2016>

² http://www3.weforum.org/docs/WEF_IU_StrategicInfrastructureSteps_Report_2014.pdf



Shift2Rail should be continued. A Joint Undertaking should be developed that prioritises research in European battery development. This can include topics like integration with transport, as well as the renewable sourcing of materials used in battery production.

4. **Flexibility technologies and electric interconnection:** Ambitious support should be targeted to investment in flexibility solutions, notably in innovative technologies like storage or smart grids, as well as increasing the electric interconnectivity of Europe. The development of the flexibility and interconnectivity of the electricity system will be key to ensure the integration of renewables and EVs to the grid, with economic and societal benefits for European consumers.
5. **Clean electricity for zero-emission transport:** Investment in the energy sector should focus on low-carbon, including renewable electricity such as solar and wind energy to strengthen the EU's leadership in the renewables industry and in the fight against climate change.
6. **More funding for zero-emission cities:** EU funding schemes such as the European Regional Development Fund and, where this creates EU-added value and improves cross-border zero-emissions connectivity, also the Connecting Europe Facility should both earmark more money for cities (or so-called "urban nodes"). Almost three-quarters of EU citizens live in urban areas. Urban movement accounts for 40% of all CO₂ emissions from road transport and up to 70% of other pollutants. The EU should invest more in helping cities in their efforts to move towards electromobility.

The above recommendations apply to all of the following EU legislative files and spending schemes: the Connecting Europe Facility, the Cohesion Fund, the European Regional Development Fund, InvestEU, and Horizon Europe. In the appraisal of project applications, **zero-emission projects should be prioritised when selecting which projects are to receive EU funding.** Moreover the financial resources dedicated to these type of technologies in each of the above mentioned funding programmes should be carefully and adequately allocated.

Investment should prioritise areas where there is a clear need for public support. This should focus on technologies and geographical areas where there is less of a potential return today for private investments. Moreover, this should target investments that meet at least one (preferably both) of the following criteria: show high GHG abatement potential and promote the deployment of zero emission technologies. In such investment gaps, public money can have the biggest impact in helping to meet climate targets and achieve the complete decarbonisation of transport. A few examples of where there could be such gaps are zero-emission public transport, recharging stations in rural or low-income areas, decarbonization of road freight, smart charging to connect grids with vehicles (and vice-versa), and grid interconnectors between national electricity grids.



EU investment must be future-proof and be a gateway to a resilient European industry. Investing in zero-emission mobility will help the EU industry to become the leader in electromobility, battery development, and renewable electricity deployment. This will also help to meet climate targets that are set out in the Paris Agreement and in the United Nations Sustainable Development Goals framework. The EU budget is more than €1 trillion in investment, it is a sign for investors of what the EU priorities and what EU leaders and citizens consider to be the future. It is a symbol and a step towards the Europe we want to build.