



## HOW CAN EUROPE REDUCE CARBON EMISSIONS FROM TRANSPORT?

Summary of the conference of Tuesday 26 November 2019

In her first speech to the European Parliament on 16 July 2019, the President of the European Commission, Ursula von der Leyen, pledged to launch a “Green deal for Europe”. She specifically made the commitment to cut the carbon footprint of transport to aim for neutrality by 2050. The task appears to be particularly challenging.

- ? What has the EU done so far to tackle the problem of greenhouse gas emissions?
- ? Do member states really have the will to invest more to tackle climate issues?
- ? Is it realistic to aim for carbon neutrality in the European Union by 2050?
- ? What could be the impact of the such an ambitious goal on employment and the quality of life of European citizens?

We have tried to answer these questions with the help of:

**Bas Eickhout** - He sits in the European Parliament since 2009. A member of the Dutch GreenLeft, he is currently Vice-Chair of the Committee on the Environment, Public Health and Food Safety (ENVI) and deputy chairman of the Greens-European Free Alliance (Greens/EFA) group.

**Peter Liese** - He is an MEP since 1994. A member of the German Christian Democratic Union, he sits in the Committee on the Environment, Public Health and Food Safety (ENVI), where he serves as the European People’s Party (EPP) Group’s coordinator.





**F**ighting climate change is clearly a European issue. “On the one side, a member state alone cannot convince China or India to follow the path of climate neutrality. On the other side, common action on climate is also good for the economy”, **Peter Liese** argued at the beginning of his intervention, “Companies have smaller problems with ambitious climate targets when these are applied in the whole common market, because the common market allows them to sell new climate-friendly technologies to a wider public. This means that they can produce new technologies at a lower cost”.

So far, the European Union has introduced two main pieces of legislation to reduce carbon emissions from transport.

Firstly, at the end of the last parliamentary term, EU institutions adopted a regulation that sets new limits for cars’ and vans’ greenhouse gas emissions, by cutting emissions from cars by 37.5 percent and vans by 31 percent by 2030, compared to the emission limits valid in 2021.

Secondly, since 2012 emissions produced by the aviation sector were included in the EU emissions trading system (ETS), covering all flights to and from EU airports. However, following significant international and industry pressure, the scope was reduced to cover intra-EU flights only.

“Unfortunately, by introducing this measure the Council of Ministers and the Commission did not follow the advice of the European Parliament and this resulted in the fact that aviation is covered by the ETS scheme only in a very small percentage”, noted Peter Liese, “When you go by train you pay for the ETS, because the train uses electricity and, unfortunately, driving by train is more expensive than going by plane, because under ETS aviation is not covered by the same ambition, i.e. aviation companies need to pay only 15 per cent of their emissions. This is one of the problems of European climate policies, that made an environmental mode of transport – railway – more expensive than aviation. That is something that needs to change and I am very happy that Ursula von der Leyen addressed this problem”.



## **For a long time, vested interests have been blocking major reforms**



Continuing to talk about aviation, Peter Liese added “I believe that the ETS scheme should also cover flights from Europe to the rest of the world, not only intra-European flights, because of course there are more emissions when you go from Paris to New York than from Paris to Milan. On this we had a hell of a fight with our partners in the world, who insist that emissions from aviation should be regulated at international level, through an UN body, the international civil aviation organisation. Unfortunately, this body is not really performing. We need action”.

Why things are not moving on? “The simplest answer? For a long time, vested interests have been blocking major reforms”, claimed **Bas Eickhout**, “Volkswagen has been investing for many years into the diesel engine: that was a very clear strategic direction that Europe took already many years ago, in order to counter Japanese cars and the Toyota model, which went in a different direction”.

Will we be able to meet our climate targets if we continue to produce cars equipped with a diesel engine? “No, diesel engines produce a lot of carbon and they are incompatible with a zero-carbon economy”, claimed Bas Eickhout, who underlined the role of tough regulations in fostering the ecological transition.

“Tough regulation on CO2 emissions helps to change the debate in the boardrooms of European companies. For decades, EU automobile manufacturers continued to make their diesel engines more efficient in order to meet increasingly ambitious CO2 standards. Now, we reached a tipping point, where making diesel engines more efficient is no longer enough to meet our climate targets and to eventually achieve a zero-carbon economy. That is why European carmakers are increasing investment in innovation and are now wondering whether they should move completely to electromobility”, said the Green MEP.



Nevertheless, electric vehicles are not the only solution. According to Peter Liese, “Also hydrogen can be a solution, especially for heavy-duty vehicles and lorries”.

**E**ickhout lamented that, “what happened is that a country like China has much more forthcoming policies against combustion engines than Europe and this led to the very strange result that in China European carmakers invest seven times more in electric mobility than in Europe. This was until recently the strategy of European carmakers: they sold diesel combustion engines in Europe and invested in innovation outside of Europe. Now the debate has changed but Europe was late”.

So, how to foster investments in climate-neutral technologies?

Talking about the situation in Germany, **Peter Liese** affirmed, “Climate change is an emergency and we need to invest more money. But I don’t think that we have to make debt for this. We have rather to reshape the budget. In Germany, we found the money by introducing a CO2 price for transport and for the building sector. If we increase this price, we will have more money to invest in carbon-neutral technology and at the same time we will not need to make debt”.

In general terms, legislation on climate change should not increase the overall burden for European citizens, but instead generate more money from those who produce CO2 (by increasing the price of carbon) and give it to those whose activities are good for the climate (by reducing fees and taxes upon them).



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“The increasing attention on climate, the diesel scandal – with consumers being annoyed because they bought a car that they cannot use in the cities’ environmental zones – and tougher CO2 standards made car producers realise that they cannot simply try to make their cars as efficient as possible without changing technology”, added **Bas Eickhout**, “In the boardrooms of European carmakers people are starting to think to put more money on innovation in Europe rather than in China. Good and tough regulation will in the end stimulate innovation and investments within the EU, creating jobs here instead that outside of the EU”.

So far, Europe has reduced its emissions faster than expected and that’s the reason why the carbon price is so low. However, von der Leyen’s engagement for a Green Deal raised the bar significantly and took the scope of EU action in this field to another level.

“We are entering in a more difficult discussion. Countries become more nervous, even Germany. We have to really go in an industrial transition. Will it always be positive? It very much depends on the policies that will be put in place”, said Bas Eickhout, “Going carbon neutral will require also a revision of our agricultural model. For years, we have been promoting large scale farming and monocultures, which are bad from a climate adaptation point of view. In this regard, now the only way to keep up productivity in monocultures is to use more pesticides. But for the moment this topic is a political taboo”.

Stakes are high. The ecological transition will succeed only if it proves to be economically viable. “This process will ultimately bring more jobs and growth only if we work together with the industry. We need indeed to ease the transition in the industry to convince the rest of the world to follow us on the path to carbon neutrality. Otherwise, nobody in China or India will follow us if we are ultimately carbon neutral but we have no industry anymore”, concluded **Peter Liese**.



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