

Presidency Conclusions

High Level Conference “Energy in Motion; EU journey towards a clean and climate neutral road transport system”, 19 and 20 October 2004

Introduction

At the initiative of the Dutch Presidency, leading officials from 25 EU member states met on 19 and 20 October 2004 with representatives from industry, NGOs and the research community to discuss the question: “*How can Europe bring about a clean and climate-neutral road transport system in such a way as to secure our future energy supply and boost the innovativeness of our economy?*” The aim was to help reach a better understanding in Europe of the implications of these challenges, their urgency, the role that the transport sector can and must play in this and the prospects for solutions. In addition, the discussions identified concrete next steps that would lead to visible results for European citizens within the short term.

The discussions focussed on the potential contributions that innovations in fuels and power trains could make, a key precondition for meeting these challenges in the longer term. Eco-efficient innovations of this kind offer European industry the opportunity to strengthen its global competitiveness and thereby make a major contribution towards realising the Lisbon objectives as endorsed in the report of the Kok Commission.

On the basis of the discussions, the Presidency concludes that there is broad consensus on the following.

- There is an urgent need for short-term action on regulated emissions of PM₁₀ and NO_x, in particular for reasons of people’s health in urban areas. Improvement of current technology offers the prospect of the introduction of near-zero emission passenger vehicles by 2015. The Euro-standards have proven particularly effective in reducing air-polluting emissions. The Environment Council's call to the Commission on 14 October 2004 to come up with proposals in the short term for further tightening of emission standards enjoys wide support. For standards to be effective, it is important that test methods adequately represent emissions in practice. The Commission is invited to investigate the options, in particular for the new member states, for a retrofit programme to equip old buses and heavy duty vehicles with particle filters, or to take them off the road and replace them with new (clean) ones more quickly.
- Reducing CO₂ emissions is considered to be the most persistent and most urgent long-term problem for the transport sector, not to be solved by existing policies. Society’s long-term goal should be to eliminate transport as a major source of CO₂ emissions. The transport sector should take a fair share in solving the problem. The Commission’s post-Kyoto strategy must offer a clear and inspirational long-term perspective to promote innovation and provide industry with a stable framework in which to develop their products. This must also incorporate details of the role to be played by the transport sector and of the most effective steering mechanisms to secure this goal. The post-Kyoto strategy should also attempt to mobilise energy supply concerns as a supporting driver for CO₂ reduction, since both challenges largely demand measures of a similar type.
- There is no single solution to solving the CO₂ problem; all routes under discussion will be needed to achieve the goals. There is support for the car industry’s call for an integrated approach, providing there is a guarantee that the industry can be expected to make maximum efforts to reduce CO₂ emissions and promote energy efficiency. A maximum effort is required

to market more energy-efficient power trains, climate neutral (bio-)fuels, further reduce vehicles' air, road and transmission resistance and weight, promote a more energy-efficient driving style (supported by in-car devices), traffic management to improve traffic flow, and innovations in logistics and freight demand management.

- The most effective EU-instruments to reduce CO₂ emissions from passenger cars are the voluntary agreements with the car industry. This approach deserves to be continued, but must become more ambitious if emissions are to be reduced to a sustainable level.
- The following key conditions may serve as a guide for the EU portfolio of promising fuel and power train options, the basis for which was laid in the Communication on Alternative Fuels (COM, 2001, 547) :
 - selection criteria include: potential contribution to CO₂ reduction (based on well-to-wheels analysis), availability of resources and contribution to security of supply, cost-effectiveness, technical feasibility, customer acceptance and acceptable time to market;
 - governments should define technology neutral goals and standards, create incentives for experimenting with promising options, and support their market introduction, leaving the selection of technology and fuels to industry and consumers;
 - the Commission should develop indicators for certification of CO₂ emissions on WTW basis which allows objective comparison of fuels and vehicles and monitoring of progress in innovation thereof;
 - governments and the Commission should provide a framework of support and information which allows industry and consumers to make best and cost-efficient use of government incentives;
 - the need for a differentiated approach, based on the different circumstances in EU regions, should be balanced with the need to create economies of scale.
- There is a preference for indicative EU targets under the boundary conditions of environmental performance (reduction of emissions), without indicating a fuel of choice. EU member states are invited to include criteria for CO₂ reduction in the elaboration of the biofuels directive.
- The potential of renewable energy sources calls for a realistic approach. Fossil fuels will continue to dominate the market over the next two decades. Optimising conventional petrol and (clean) diesel engines will have to make the biggest contribution to reducing CO₂ emissions, securing energy supply and improving air quality. Hydrogen, preferably derived from renewable sources, will only start making a sizeable contribution after 2020. Advanced (synthetic) biofuels and hybrid power trains receive little attention in the current EU-portfolio of promising options. The Commission is invited to take the initiative for long-running and strongly funded R&D and demonstration programmes for advanced biofuels and hybrids at a European level, similar to the efforts made for hydrogen. In addition, the Commission is invited to take up a Europe-wide study of the availability, logistics and the most resource-efficient use of biomass (transport sector and other sectors) for the next 20 years, to guide decisions about its optimal allocation.
- Governments, industry and consumer organisations should shoulder their responsibilities to support market uptake of clean low carbon fuels and vehicles, and close the loop between product development, policies to encourage take up, and consumer demand. Industry should adopt an offensive strategy, produce clean low carbon vehicles that consumers want to buy, and use their marketing experience to influence consumer choice. Although market mechanisms should have the lead, governments could play a key role in kick-starting markets by supporting entrepreneurship and taking leadership in shifting cultural and social attitudes. This could be done by:
 - developing information policies (including CO₂/energy efficiency labelling);

- developing fiscal incentives and/or subsidies, and working on convergence and EU harmonisation of fiscal incentives and policies (including minimum tax floors for fuels and promoting the introduction of carbon fuel taxes);
 - adopting the policy of green purchasing and taking the lead in developing initiatives to create sufficient early market volume by taking part in buyers consortiums, introducing clean low carbon vehicles in urban public fleets and company fleets, and taking an exemplary role by ensuring that government fleets will be leading in this.
- Cities are the best places to kick-start markets for clean low carbon vehicles. Cities are invited to follow the good example of the CIVITAS cities by:
 - starting joint procurements for clean buses or other fleet vehicles;
 - using the possibilities for controlled competitive tendering of public transport and fleets to incorporate environmental and social requirements;
 - converging privileges for clean low carbon vehicles in cities, such as free access to low-emission zones and exemption from road charging. These should be consistent with fiscal incentives and subsidies;
 - promoting an efficient organisation of the urban transport system, including demand management, integrated land use planning and promoting energy-efficient transport modes.

The EU should support this process with a coherent policy framework, the continuation of the CIVITAS initiative, and a swift adoption of common definitions and standards for clean low carbon vehicles across the EU, providing a basis for more uniform pricing incentives and privileges.

- There is a strong need for new kinds of partnerships at a strategic level, in which governments, industry and other stakeholders take the lead in making the EU's transport sector more sustainable, attractive, innovative and competitive. The positive change of mood between industry and government is welcomed and offers a springboard for farther-reaching constructive dialogue and cooperation. The Mobility 2030 report by the World Business Council for Sustainable Development is a particularly good example of this changing mood and represents a positive opportunity to achieve a fruitful partnership. An appeal is made to the Commission to initiate a process at the start of 2005 to translate the analysis of the Mobility 2030 report into policy packages (or "write the missing chapter"). The Commission is urged to consider inviting individual member states to work with industry partners on the substance of this. The Netherlands indicates its willingness to play an active role in this.

Concluding remarks

The Presidency expresses its appreciation of the fact that the pursuit of sustainable transport in Europe has been at the heart of European policy-making for several years, reflected in e.g. the Commission's White Paper on a common transport policy for 2010, and the Cardiff Strategy on Integration of environment and sustainable development in transport policy. The Presidency welcomes the statements made by the new Transport Commissioner that sustainable development will be amongst the five priorities for European transport policy making in the next 5 years.

The Presidency calls on the Commission to take special note of the conclusions drawn at "Energy in Motion" as it develops its proposals in the coming years, and in particular in its mid-term review of the White Paper in 2005. The Presidency calls on member states and stakeholders to mobilise their specific competencies in order to provide concrete contributions towards realising a more sustainable transport sector in Europe. It especially calls on future presidencies to work actively with the Commission to continue this process.