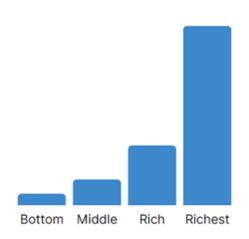


**May 2022** 

# **Clean Mobility Position Paper**



# **Our Vision of Clean Mobility**





**Carbon Inequality** 

**Reliance on Fossil Fuels** 

# PROBLEMS & **SOLUTIONS**



**Carbon Footprint** Indication





**Zero Emission Vehicles** 



**Cleaner Cities** 



**Connections to Rural Areas** 



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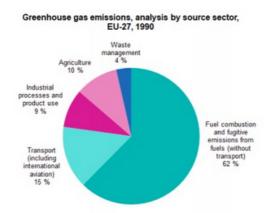
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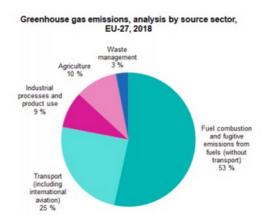
### Introduction

#### The climate impact of mobility

The European Union (EU) aims to achieve climate neutrality by 2050. To reach this target, greenhouse gas (GHG) emissions in all sectors need to be cut quickly and robustly. Overall EU territorial GHG emissions have been cut by more than 24% between 1990 and 2019. Meanwhile during the same period GHG emissions in the EU transport sector (including international aviation and shipping) rose by 33% (1), derailing our climate targets. While transport accounted for 15% of transport emissions for EU27 in 1990, they now represent 25% of the EU's 27 GHG emissions (2). As mobility now accounts for a quarter of the EU-27's emissions, achieving our 2030 and 2050 climate targets is only possible if urgent and fundamental changes are made within the mobility sector.

GHG analysis by source sector, EU27, 1990 and 2018 (3)





#### The impact of mobility on air quality

While railway emissions have decreased since 1990, road transport, international maritime transport and aviation emissions have increased dramatically. Moreover, mobility's impact on the climate is not its only negative externality. Transport is the number one cause of air pollution in Europe (4). The 2020 EEA air quality report underlines that mobility is a major contributor to carbon monoxide (CO, 23%), and to black carbon (BC, 30%) and particulate matters (5). Transport's contribution to nitrogen oxides (NOx) emissions is also considerable, accounting for 47% of total Europe NOx emissions, which is responsible for 55,000 deaths annually in Europe (6).

#### GCE's vision for a green and fair transformation of European mobility

The European Commission has outlined its vision for the development of European mobility between today and 2050 in its Sustainable and Smart Mobility Strategy. Whilst we welcome its emphasis on greening mobility, important work still needs to be done in fleshing out the proposals.

Generation Climate Europe (GCE) has compiled a set of proposals which we deem to be crucial for the realisation of a green and fair transformation of European mobility. We adopted a problem-based methodology to constitute this position paper, creating our proposals depending on the observed problems EU mobility is facing. GCE is the largest coalition of youth-led NGOs at the European level, pushing for stronger action from the EU on climate and environmental issues. We bring together nine of the largest European youth organisations, representing over 460 national organisations in all Member States and over 20 million young Europeans.

Reducing the negative externalities of the transport sector is one of EU's most urgent and difficult challenges, but it is also an opportunity to create jobs, improve air quality, reduce our energy dependency, enhance Europe's climate ambition and help Europe retain its position as a leader in technical innovation. The mobility sector offers significant opportunities for a sustainable transformation, but the necessary changes can only be realised if ambitious proposals are made and put into practice quickly with sufficient legislative support. In this document, we encompassed our vision for a fair transition to carbon-free mobility in Europe.

### The Challenges

### 1. Carbon Inequality in EU Mobility

#### What is carbon inequality and why do we need to address it?

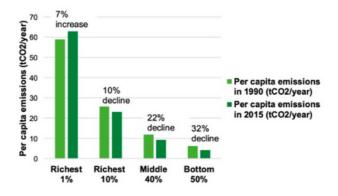
One important consideration for GCE when it comes to GHG emission reduction, is that the world's citizens are far from having all the same impact on the planet. Indeed, from 1990 to 2015:

- The richest 10% of the world's population were responsible for 52% of the cumulative carbon emissions

   depleting the global carbon budget by nearly a third (31%);
- The poorest 50% were responsible for only 7% of cumulative emissions, and used a mere 4% of the available carbon budget;
- The richest 1% alone were responsible for 15% of cumulative emissions, and 9% of the carbon budget twice as much as the poorest half of the world's population (8).

The situation in the EU is equally worrying, as indicated by the graph below.

Per capita consumption emissions (tCO2/Year) by EU income group in 1990 and 2015 (9)



Only policies aimed at decreasing the emissions of the richest 10% could protect the two groups that unjustly suffer the most from its impact: poorer people, and future generations.

#### What are the causes of carbon inequality?

Transport, and especially aviation, are found to be the most unequal and carbon intensive of all categories of household consumption (10). Transport is responsible for around a quarter of global carbon emissions today and was found to be the most unequal consumption category, with an income elasticity of demand much higher than 1 (i.e. if income increases 100%, spending on transport increases by more than 100%) (11). Understanding these differences is critical to identifying policy measures to reduce consumption emissions footprints equitably.

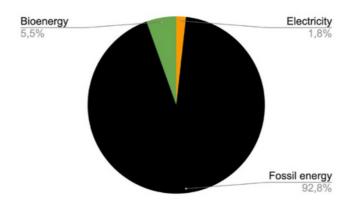
#### What needs to be done to design a fair climate policy?

Tackling carbon inequality in transport is essential, yet it remains mostly absent from the public debate and from political discourse. Therefore, to reduce emissions from EU transport fairly, progressive carbon pricing measures must be adopted as well as restrictions for the most energy-intensive mobility patterns. Our taxation system exacerbates the climate crisis by not sufficiently pricing carbon which causes extreme carbon inequalities.

### 2. Energy & EU Mobility

Mobility in the European Union (EU) remains powered almost exclusively by oil-derived fuels (91.7% in 2017 (12)). For Europe to become carbon neutral by 2050, we must greatly accelerate the energy transition towards renewables while ensuring that our biofuel policy doesn't drive up emissions, and drastically reduce the use of energy-intensive mobility.

Energy source used in the transport sector in 2018 in EU27 (13)



#### The problem with biofuels

In some cases, biofuels lead to higher GHG emissions than the fossil fuel they replace when taking into account the whole life-cycle emissions (14). Biodiesel from soy oil is twice as bad in terms of emissions than regular diesel, while biodiesel from palm oil is three times worse (15). The EU is the second largest importer of crude palm oil in the world, and the majority of those imports (53%) are currently subsidised to make 'green' fuel for cars and trucks.

The EU biomass policy (another bioenergy source) is a further example of destructive renewable energy policy. Biomass energy is considered by the EU as "carbon neutral" despite its several negative impacts on nature such as the problem of "carbon debt" due to deforestation (trees take decades to regrow, thus leaving CO2 in the atmosphere once burnt).

#### **Decarbonising energy production**

Decarbonising energy production is essential but it goes hand-in-hand with reducing energy consumption given the slow speed at which renewable energy is replacing fossil fuels to power European mobility. On the production side, it is vital that the renewable electricity production is increased rapidly, given that the entire decarbonisation of the power sector is a prerequisite for a zero-emission transport system. European governments need to stop building fossil fuels infrastructure and power stations, while ramping up investment for alternative energy sources. This includes nuclear fusion projects and ocean energy (floating windmills, tidal energy, wave energy and ocean thermal energy conversion).

#### **Reducing energy consumption**

The European Green Deal will not be achievable if we do not radically and quickly decrease our dependence on fossil fuels and change our consumption patterns to drastically reduce energy-intensive mobility. A rapid mass reduction in the use of energy-intensive modes of transport (planes, cruise ships, trucks, SUVs) needs to occur if we are to cover our energy needs sustainably in the near future. The European Green Deal cannot only rely on technological change it must also lead to "changes in consumption and social practices" (16).

Moreover, we need to anticipate the econ economic and social consequences for workers. The transition to cleaner mobility is expected to have a positive impact on jobs until 2030 in Europe (i.e. 206,000 net additional jobs) (17). Public authorities must ensure a fair transition for workers, notably by providing training to learn new skills needed for a decarbonised economy's jobs.

# **Solutions in Different Modes of Transport**

#### 1. Road

In 2018, within the transport sector, road transport's share was equivalent to 71.7% (18). Estimates predict a sharp increase in road mobility (19). The International Energy Agency calculated that the luxury car market for Sports Utility Vehicles (SUVs) was the biggest driver of carbon emissions growth from 2010 to 2018 after the power sector (20).

#### GCE proposes yearly periodic reviews of CO2 standards, which includes the perspectives from civil society.

These reviews should be supported by best practices, these should be gathered and shared from its implementation in different EU cities. Furthermore, civil society must be involved throughout the process.

#### Public transport services should be exclusively fuelled with renewable energy

We support the joint call for revision of the Directive to give priority to zero-emission vehicles and phase out natural gas vehicles (21). The EU should help small cities procure electric buses.

# The EU should incentivise MS to promote measures that enable efficient and qualitative teleworking, as often as possible and for as many people as possible.

Increasing the share of EU citizens working from home, even occasionally, has considerable environmental advantages: substantial reduction in GHG emissions, less congestion, better air quality.

#### GCE demands an end to diesel tax advantages.

Europe, unlike other industrialized countries, gives tax breaks to NOx rich diesel. EU countries lost €24bn for under-taxed diesel in 2019 (22).

#### GCE asks for the introduction of road users charging for lorries and the end of their tax breaks.

Lorries, while accounting for only 2% of the vehicles on EU roads, emit 22% of road transport CO2 (23).

# GCE demands that public authorities promote walking and cycling over the purchase of vehicles whilst helping Small and Medium Enterprises (SMEs) and families transition to zero emission vehicles (ZEVs).

Actors who depend on the use of vehicles (small businesses, sole traders, charities and low income families in peri-urban and rural areas) should be given targeted financial support to transition to zero-emission alternatives.

## GCE calls for a ban on ICE sales, including hybrids, by 2028, and for an increase in the fleet and funding of Zero-Emission Vehicles (ZEVs).

The increase in ZEVs should be paralleled by policies such as a minimum number of traffic-free areas in urban city centres and standards enabling cross-border recognition of vehicle characteristics (i.e. size, weight, CO2 emissions and Euro standards), as well as a detailed chart regarding ZEV performances, polluting rates. In addition, the European Investment Fund and the European Investment Bank should support Small and Medium Enterprises (SMEs) in their acquisition of ZEVs.

# GCE demands that the EU ensures a faster and homogenous development of charging points all across Europe.

Estimates suggest that we need 1.3 million charging points by 2025, and 3 million by 2030 to meet our targets (24). Only  $\leq$ 2 billion in investment are needed per year to deploy public charging infrastructure for electric vehicles until 2030 in the EU (25).

### GCE believes the EU should ensure that imported materials respect high sustainability and social standards.

In order to reduce pollution in third countries, Europe should aim to extract more materials from European soil when possible, while improving extraction conditions overseas.

#### 2. Rail

Rail is the cleanest and most energy-efficient mode of transport (26). EU rail makes up less than 1% of the EU's total transport emissions (27) as a result of its high degree of electrification, enabling low-carbon energy to play a central role (28). With further electrification and decarbonisation of power generation, the climate impact of rail could be reduced to close to zero. Despite rail being the cleanest mode of transport, its low-carbon potential is structurally untapped for both passengers and goods. Only 7% of passengers and 11% of goods travel by rail (29).

Further legislative and promotional activities in combination with the slump in the airline industry caused by the global pandemic, could prove to be the final push to achieving an efficient Single European Railway Area. Beyond connectivity, costs are also an important barrier to the development of rail and to the modal shift from road and air to rail, for both passengers and goods. Nevertheless, considerable work remains to be done, specifically regarding further reduction of emissions, reducing costs for passengers, goods and railway companies, and regarding the enhancement of connectivity.

#### **Reducing emissions**

GCE calls for the continuation of the electrification of railway infrastructure, as well as the development of a modern zero-emission and energy-efficient fleet.

Electrification remains an efficient solution for most railway lines to eliminate fossil fuels in the rail sector.

#### Shifting travel from aviation to rail

#### GCE calls on improving High Speed Rail (HSR) connections between all European capitals.

GCE firmly believes in shifting the majority of consumer's preferences from air-travel to train travel. Firstly, GCE urges the European Union to better enforce cross-border cooperation among Member States to improve existing HSR connections between Europe's biggest cities and construct new ones (30). Additionally, the technical standards used in evaluating the compliance rates and efficiency of TEN-T network need to be specified and developed to capture the real progress of the project, as a recent report shows that current standards might be hindering an objective evaluation of the network (31).

#### The price of train tickets for the consumer need to be reduced.

This can be done by subsidising the purchase of train tickets and reducing track access charges. Night trains should be more clearly categorised as a distinct market segment, by amending Directive 2012/34/EU.

#### Night trains should be revitalised, stimulated by new mechanisms to purchase sleeper cars.

The EU should incentivise operators to buy new night trains or retrofitting the existing fleet, create a mechanism to overcome the lack of rolling stock, and consider establishing a publicly managed rolling stock pool.

#### Improving connectivity and making rail more appealing

#### GCE believes that EU funding shouldn't only prioritise high-speed lines.

Connecting Europe Facility (CEF) funding and other EU funds should only go into projects that are key to cross-border connectivity (e.g. for key corridors) and their electrification, and should focus more on low-hanging fruits than on new mega-projects.

The EU needs to require rail operators to share all necessary data for easy booking of international rail trips.

Our demand is to create a system to make rail travel as easy and attractive as possible and that timetables and ticketing of all trains are available to third parties in an open data format.

#### The realisation of a single European transportation card is crucial.

The purpose is to make the multimodal transport more attractive for users and to promote a more efficient use of existing infrastructure and services (32). Consumers should be able to book rail tickets for any connection in the EU via one-stop shops.

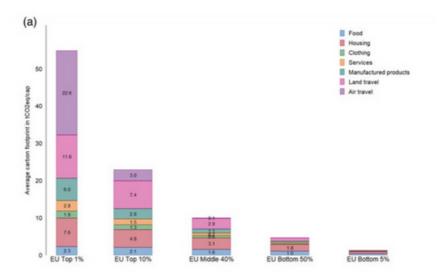
#### VAT on rail tickets should be reduced.

GCE supports the Commission's proposal to reform the VAT rate structure which has the aim to introduce more flexibility for Member States to change the VAT rates they apply to different products. This would leave enough leeway for Member States to suppress VAT on rail fares.

#### 3. Aviation

Direct emissions from aviation now account for 3.6% of the EU's total GHG emissions (compared to 1.5% in 1990) (33) and aviation pollution is responsible for a large part of the carbon footprint of a small group of high-income households. Air transport is the major driver of carbon inequality within EU countries, as shown in the graph below.

Carbon footprints in the EU per income group (34)



Moreover, despite being the most carbon intensive mode of transport, air transport enjoys competitive and fiscal advantages, enabling it to outcompete much more climate-friendly alternatives, even for short distances (35).

#### **Reducing emissions**

GCE calls for an introduction of alternative fuels blending quotas at EU airports, although it should not delay an urgently needed reduction of air traffic.

The deployment of alternative aviation fuels should be sped up through mandatory quotas.

GCE calls for the removal from the Emission Trading System of free allowances allocated to airlines, and for the inclusion of inbound and outbound extra-EU flights.

Airlines have been benefiting from an inefficient EU carbon market that does not reflect the damage and harms caused by air travel. At the moment, airlines currently pay for only 53% of their emissions, solely for their emissions caused by flights within Europe.

GCE calls on the inclusion of aircraft NOx emissions under the EU ETS, on avoiding climate sensitive flight-paths and reducing short-lived climate pollutants.

The major non-CO2 contribution of flying to climate change (nitrogen oxide, soot particles, oxidised sulphur and water vapor) triple the climate impact of aviation but are not currently considered (36).

#### GCE calls on air freight to be restricted to essential goods.

In 2018, air freight was responsible for 19% of all global aviation emissions (37). Carbon pricing dirty mobility is crucial to incentivise a modal shift for freight.

#### GCE calls on Member States to accept the creation of the Single European Sky.

Since 2015, Member States have been blocking the European Commission's proposal for a Single European Sky whose objective is to modernise the management of European airspace and to establish more sustainable and efficient flight paths. Completing the Single European Sky would enable planes to fly straight and no longer zig- zag between different blocks of airspace which in turn increases delays and fuel consumption (38).

#### Changing the rules & consumer behaviour

### Carbon Footprint should be indicated on air tickets and a label should be introduced for products transported by plane.

The climate impact of air transport is often poorly known or underestimated by its users. It is crucial to increase transparency of the environmental impacts of flying for the public.

#### The EU must ban short haul flights, as well as private jets and private helicopters.

62% of the EU population supports this proposal (39). GCE supports prohibiting airline connections covering distances that could be travelled within 5 hours by train. Open slots from banned short-haulflights must be cancelled and not taken over by long-haul flights. Private jets carry an average of just over four people per flight,40 and they fly empty 40% of the time (41) Private jets are a prime reason why the richest 1% have a carbon footprint of 175 times someone in the bottom 10 percent (42 & 43).

There should be no state aid for air transport and no public bailout for airlines without strong environmental conditions and guarantees for workers.

#### Tax justice

Air travel benefits from unfair tax advantages. Airlines still pay no fuel tax and international air tickets are VAT free. Only 6 EU countries tax international aviation (through ticket taxes which usually exempt transfer passengers) (44). A weak and cheap carbon market (ETS) is not enough to apply the polluter pays principle.

#### The aviation fuel tax exemption should be ended at EU level.

We demand to end the aviation fuel tax exemption at EU level, equivalent to €27bn during the upcoming revision of the Energy Taxation Directive, or between participating countries (€8bn) (45).

GCE calls on ending the VAT exemption on international air tickets (€11bn).

GCE demands that Frequent Flyer Programmes (FFP) are banned and a frequent flyer levy is introduced.

### 4. Shipping

Shipping remains the only sector to have escaped any regulatory measure for reducing emissions. CO2 emissions from maritime transport represent 13% of Europe's annual transport greenhouse gas emissions, having increased by 48% between 1990 and 2008 (46).

#### Reducing the climate impact of shipping

GCE calls on the enactment of CO2 levy on EU shipping by extending EU ETS to cover international and domestic EU maritime GHG.

This will ensure that shipping starts paying for its CO2 emissions and would generate over €3.6 billion/year in revenues.

#### GCE calls on the EU and its Member States to use their influence at IMO to introduce slow streaming.

Slow steaming refers to the practice whereby the (operational) speed of the ship is reduced. It means that the ship's engine is not used at full power, thus saving fuel, reducing CO2 and air pollutant emissions. Reducing the fleet's speed by 10% would lead to overall CO2 savings of 19% (47).

#### Air pollution and shipping

Shipping contributes to 13% of global sulphur oxide (SO2) emissions and 15% of global nitrous oxide (NOx) emissions (48).

GCE calls on the EU to develop a short sea shipping strategy to transition to zero emission vessels. Starting with converting ferries, Ro-Ros (ships for wheeled cargo), and cruise ships to battery-electric propulsion.

GCE demands that the EU transposes the international IMO standards for NOx emissions into EU law and includes ships NOx emissions under the EU ETS.

## **Solutions in Different Areas of Mobility**

### 1. Rural Mobility

While sustainable urban mobility is already very high on the European agenda, rural mobility is a forgotten part of European mobility policies. Indeed, rural areas tend to have a higher carbon footprint because of a greater use of private cars. Given that rural areas face multiple and deeper challenges in their transition to clean mobility, it is of paramount importance for the EU to help rural communities transition to a carbon-free mobility.

# The development of car sharing services across Europe should be facilitated to help citizens move beyond car dependency.

The development of car sharing services should be facilitated to ensure that these services are available to most citizens living in rural areas. When private companies do not offer these services, local authorities should consider offering these services themselves, or through a Private Public Partnership (PPP).

#### GCE calls to develop Demand-Responsive Transport in most isolated rural areas.

Demand-Responsive Transport corresponds to shared transport with routes and frequency according to specific demands from users.

#### GCE calls for lower speed limits on motorways to at least 110 km/h.

Fuel savings can be achieved by restricting vehicles' speed (eco-driving).

#### GCE calls for the improvement of intermodality.

The use of Information and Communication Technology (ICT) (centralised information on a single platform) is important for users for journey planning and anticipation. An efficient planned intermodal system is necessary to improve rural-urban linkages and discourage users to use private transport to decrease carbon emissions (49).

When train connections are not possible, bus connections must be enhanced between rural and urban areas and in peri-urban and rural areas.

### 2. Urban Mobility

Improving mobility while reducing congestion and pollution is a challenge shared by all European cities. Urban mobility accounts for 40% of all CO2 emissions of road transport and up to 70% of other pollutants from transport (50). Transport is indeed the first cause of air pollution in Europe (51). Unequal access to clean air is a major problem. Many poor households, by lack of alternative, are forced to live in the most polluted parts of cities and therefore exposed to higher levels of urban pollutants (52). Noise pollution also causes physical and mental health issues. It is the second most important cause of ill health in Western Europe, behind air pollution (53).

#### Measures at EU level

#### GCE calls on the European Commission to properly enforce EU air quality standards.

About 130 cities across Europe do not meet EU air quality standards (54).

# GCE calls on the EU to introduce a grand scheme to support the development of active mobility and active delivery.

This can include the development of new bike lanes or for subsidising the purchase of new e-bicycles.

GCE calls on the EU to introduce a grant scheme to support cities developing adequate public transport, with special attention to least connected and poor neighbourhoods.

GCE calls on the EU to introduce a grant scheme to support cities developing adequate public transport, with special attention to least connected and poor neighbourhoods.

GCE calls on the EU to establish a grant scheme to support cities purchasing zero-emission vehicles.

#### Measures at a local level

#### GCE calls for major cities to considerably expand Low Emission Zones (LEZ).

Limiting car speed to 30 km/h presents various benefits to cities and their inhabitants (cleaner air, less noise and emissions and safer roads) (55).

#### GCE calls on cities to adopt bold measures to take back cities from private vehicles.

Cities should: introduce smart kilometre charge urban tolls for major cities; introduce a monthly car free-day; expand car-free areas in city centres; forbid access of some dangerous and/or underused roads to private vehicles and expand one-way streets, leaving both ways for bikes; and make cycling safer by considerably expanding bike lanes and advantage bikes over cars at intersections.

#### GCE calls on major EU cities to ban diesel cars and lorries by 2025.

NOx in cities mainly originates from the emissions of diesel vehicles (56).

#### GCE calls on EU cities to gradually reduce the number of parking lots in the city centres.

In cities, availability of parking lots is strongly correlated with car ownership and has proven to reinforce car dependency (57).

#### GCE calls on cities to give the advantage to electric vehicles (EVs).

Beyond promoting public transport, cities should quickly adopt temporary regulations that benefit 100% electrified car-sharing companies and EVs owners, for example with free parking and free access to the inner city.

GCE calls on anti-car policies to be furthered and accompanied with reductions of public transport ticket prices and the development of public transport options.

#### 3. Ecotourism

Europe is the world's most visited tourist destination. Tourism generates many economic benefits to touristic areas and can lead to further positive developments. However, tourism impacts the environment tremendously: losses of biodiversity, increased pollution (noise, air, waste) and several adverse effects of having a hundredfold population a few months per year. Given the nature of tourism, tourism policies are intrinsically linked to mobility policies. Currently, 32% of world travellers feel guilty about their impact on the environment while the same percentage of travellers would like to travel sustainably but lack information on how to do this (58). Raising awareness on the environmental impact of traveling is therefore essential. Moreover, tourism plays a big role in the discrepancy of individuals' mobility-related carbon footprint.

#### The EU should develop an ecotourism approach

GCE is strongly recommending the EU to modify its growth-centric tourism policies to develop an ecotourism approach. Ecotourism aims at keeping the impact of tourism at bay, seeking to conserve the environment, sustaining the well-being of the local population as well as promoting awareness and education.

#### GCE asks for EuroVelo to be recognised as part of Trans-European Transport Network (TEN-T)

EuroVelo is a network of 19 long-distance cycling routes criss-crossing Europe in various stages of completion. By recognising Eurovelo routes, Europe-wide cycling networks will be easier and cheaper to be completed (28% of the routes are currently dedicated bicycle lanes or paths), and develop more cross-Europe bicycle tourism routes in the future.

#### Existing EuroVelo Routes (59)



#### GCE calls for a cleaner cruise tourism.

GCE proposes a ban on cruise travel ads, enhanced protection of cities and their local environment, more stringent air pollution and CO2 operational standards, and the inclusion of cruise NOx and Sox emissions in the EU ETS.

### Financing the Transition to Sustainable Mobility

The current funding of the European Green Deal is to say the least, worryingly low, and falls very short from filling the massive green investment gap. The additional investment needed to complete the European rail network (TEN-T) and to clean mobility are massive (60). Infrastructure represents the largest investment needs in the transport sector towards the green transformation although powering EU mobility without oil will also require massive investments in renewable electricity production.

Despite growing massive investment needs to green mobility, the Connection Europe Facility for Transport (CEF-Transport) programme was reduced by €1 billion for the 2021–27 period (61). The €750bn of the EU Recovery Plan NextGenerationEU must be invested wisely and give absolute priority to clean mobility projects: public transport, bike lanes and EV charging points.

#### Stop fuelling the climate crisis with public money

#### GCE calls on Member States to immediately stop all fossil fuel subsidies

European countries spend more than €112 billion per year subsidising oil, gas and coal production or consumption despite pledges to phase out fossil fuels completely by 2020. The transport sector is the main beneficiary of fossil fuels subsidies, with more than €49bn (44%) used to support the use of fossil fuels including tax breaks on highly-polluting diesel (62).

GCE calls for the application of the user-pays and polluter-pays principles.

## GCE calls for a profound reorientation of EU funds and for the TEN-T as well as the EU Taxonomy to be aligned with the Paris Agreement.

In Central and Eastern Europe, the share of investments in rail infrastructure is decreasing while that for road is rising exponentially (63). And only 5% of the EU Regional Development Fund in low-density and depopulating areas go to rail (64).

#### Spend smart, spend more

#### GCE states that tax justice and fair carbon pricing is crucial.

Not all sources of pollution are equally carbon-priced with only 52% of all EU emissions are covered. All sources of pollution must be subject to carbon pricing to disincentive their use.

#### GCE calls on the creation of new EU own resources to fill the green investment gap.

New fiscal tools must be created at EU level if the EU is to help finance the enormous green investment gap. Besides the plastic tax, Member States should revert all the auction revenues from the sale of emissions allowances and the revenues of new environmental fiscal tools set up at EU level should be reverted to EU green funds such as the European Maritime Climate Fund. New EU own resources should include, among others, a tax on aviation fuel.

## GCE calls on the European Investment Bank to update its transport lending policy to align it with the Paris Agreement.

Despite transport being the sector in which it invests the most, the current EIB transport policy allows for lending to fossil-fuel vehicles, airports, and biofuels and will therefore need to be urgently updated (65). The EIB continues to sign loan agreements with airports. In the upcoming review of the EIB's Transport Strategy, it must decide to stop funding any road network expansion or airport infrastructure. The EIB should increase its funding for electric cross-border rail projects and rolling stock instead.

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