

## **GLOBSEC Initiative for Sustainable Mobility (GISM)**

### **Driving CEE Clean Mobility onto the EU agenda**

Saturday, 12 October 2019, 8:30-10:00  
Grand Hotel Kempinski High Tatras

#### Introduction

Tatra Summit 2019 marks a year since the first session of regional stakeholders and experts was convened to address the deepening West-East clean air and innovation gap and launch the GLOBSEC Initiative for Sustainable Mobility (GISM). Over this time GISM has catalysed discourse and action on this topic, with subsequent takeaways from the June GLOBSEC Forum GISM roundtable reaching the V4+ Summit and coordination meeting agenda in advance of the ENVI Council Summit, when Bulgaria formally submitted a clean air fund proposal that received full V4 support (with Romania expected to join). This idea of a dedicated regional clean air fund and its fit within the current and proposed EU financing landscape was examined in the subsequent GISM research paper *Financing Social and Technological Innovation in CEE Sustainable Mobility*.

Continuing the mission of this initiative, the Tatra Summit 2019 platform will be used to send a message to incoming European Commissioners and MEPs, demanding more equitable geographical distribution of EU financing for clean transport innovation and production to ultimately elevate Europe's global competitiveness vis-à-vis China and the US. This connects the transformation of entire industries across sectors, from automotive to energy storage (battery and hydrogen), from transport to grid and urban development.

#### Background

With the deadline for Europe's next Multiannual Financial Framework (MFF) nearing and a Commissioner-elect that has pledged to raise the bloc's 2030 emissions reduction target to 55% within her first 100 days of office, incoming Members of European Parliament (MEPs) and Commissioners will be scrambling to conclude a budget that delivers more ambitious EU climate goals. At the same time, Member States are finalizing national energy and climate plans (NECPs) setting the course for legally binding 2030 objectives.

This is a critical juncture for Central and Eastern Europe (CEE) Member States to determine how they fit into Europe's increasingly ambitious climate agenda and, by extension, what policies can deliver socially and environmentally equitable outcomes to their citizens in the most cost-efficient manner. While decarbonisation is disruptive to fossil-fuel based communities and industrial segments, emerging electric, digital and hydrogen sector coupling technologies present opportunities for new innovations and business models that can spark economic growth. Rather than denying the trend or hoping for delay, it is critical for CEE's future economic prosperity to prepare now for this inevitable technology driven transition to the future low carbon economy.

In what has become a zero-sum game, Western European policies to rapidly electrify transport fleets and develop battery, storage and hydrogen technologies are dumping dirtier cars into Eastern secondary markets while most of the innovative EU funding instruments are channelled to established national promotional banks and R&D centres in the West, further exacerbating the underlying systemic challenges facing CEE clean mobility transition that include:

- Older vehicle stocks and increasing sales of second-hand combustion vehicles adversely affecting air quality and congestion
- Transition away from conventional car ownership (to electric mobility as a service and integrated multimodal transport) signals a fundamental shift in Europe's automotive manufacturing and supply chain
- A deficit of EU innovation funding and e-charging chicken and egg dilemma
- Insufficient public administrative expertise and capacity leads to slow policy implementation and project pipeline bottlenecks

Our task is to connect the region's common interests and formulate specific actionable demands that can be translated into the MFF and long-term climate and industrial strategy of the new Commission. With such a distinguished and representative group of participants – from the European Investment Bank (EIB), European Commission and Parliament, national government, private lending institutions, energy utility and distribution companies, and industry – the message will carry weight and reach its targeted audience. <sup>1</sup>

### Key questions

- With developing consensus over stricter midterm 2030 emissions reductions, do CEE national energy and climate policies (NECPs) embody EU priorities for clean transport and mobility? What mixture of biofuels, e-mobility and hydrogen can meet the short- and long-term national climate objectives while stimulating innovative and competitive industries? How can investment and development of digitalisation and integrated multimodal mobility be unlocked?
- It is abundantly clear that the next EU budget will need to do more with less, and since financial instruments are more efficient, effective and market oriented than grants why are they not encouraged more by the European Commission, especially to promote transparency and accountability in CEE? How can planning, implementation and monitoring of EU funded projects be improved without becoming overly burdensome to resource constrained public authorities?
- How can the uneven distribution of EU climate and innovation financing be rebalanced in the next MFF? Should the European Commission have greater say in the selection of co-financed national transport projects that contribute to EU and regional value added?

### Kick-off speakers

**Normunds Popenis**, Deputy Director General for Regions, European Commission, Brussels

**Ivan Lesay**, CEO Slovak Investment Holding, Bratislava

**Martin Hojsik**, Member of European Parliament, Slovakia, Brussels

**Wilhelm Molterer**, Managing Director, European Fund for Strategic Investments, European Investment Bank, Luxembourg

**Razvan Nicolescu**, Partner, Sector Leader for Energy and Resources in Central and Eastern Europe, Deloitte, Bucharest

**Kamil Cermak**, Chairman of the board and CEO, CEZ ESCO, Prague

*Led by:* **Julian Popov**, Chairman, Buildings Performance Institute Europe, London

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<sup>1</sup> The scope of GISM will be broadened to form a pillar of the interdisciplinary and cross-sectoral 2020 GLOBSEC Lighthouse initiative (see print out)