## Phase-out of new diesel and petrol cars and vans in the European Union no later than 2035

## An open call to the European Commission, member states of the European Union, and the European Parliament

Europe's lawmakers must agree ambitious new climate legislation this year as this is the decade when we have to halve global warming. The "Fit for 55" package will determine whether Europe is on track to reach net zero emissions by 2050 and fulfil the EU's obligations under the Paris Agreement. It will also determine the future of one of the largest sources of greenhouse gases in Europe: cars and vans.

Together, passenger cars and light commercial vehicles are responsible for 15% of all Europe's carbon dioxide emissions and are the single largest source (26%) of toxic nitrogen oxide emissions which cut short the lives of 54,000 Europeans every year and cost Europeans over €200 billion a year in oil imports.

But there is a solution. Electric vehicles now offer the opportunity to cost-effectively replace the polluting internal combustion engine and usher in a new era of zero emissions mobility. Today, every major automotive manufacturer is racing to invest and produce new electric models. Demand is rapidly growing despite the pandemic, with electric cars accounting for more than 1 in 10 cars sold in Europe in 2020.

With the review of the EU car and van CO<sub>2</sub> emissions standard, you have the power to decide when and how fast the journey to emissions-free revolution will happen in Europe. Along with fewer private car journeys and a more efficient and shared mobility system, this is one of the key solutions to zero emission road transport.

We call on you to set an **EU-wide phase-out date for sales of new internal combustion engine passenger cars and vans (including hybrids) no later than 2035.** This could be enshrined into legislation by setting the 2035 fleet-wide CO<sub>2</sub> target at 0g CO<sub>2</sub>/km for vehicle manufacturers.

Not only will this put Europe on a pathway to deliver reductions in line with what is needed to meet the ambitions of the Paris Agreement. This will also set in motion an urgently needed systemic transformation and make Europe a global leader in a key industry for a net zero future. It will provide a clear signal to automotive manufacturers and suppliers, charging infrastructure providers, the power sector, and financial institutions to make timely investments into the transition required by 2035.

Coupled with more ambitious CO<sub>2</sub> standards up to 2030, this can increase the supply of affordable electric vehicles, making zero emission mobility a reality for a broad range of Europe's companies and citizens, including low- and middle-income earners.

A successful transformation will also require an all-encompassing supportive framework beyond vehicle emission standards, which may include:

- A charging masterplan: European, national and local tools particularly the EU Alternative Fuels Infrastructure law should ramp up a seamless and ubiquitous charging infrastructure network across Europe's main roads and cities, in line with accelerating electric vehicle sales and meeting the demand for private charging in buildings and needs of commercial users.
- A European automotive transformation fund: Policy makers should ensure automotive manufacturers and supply chain industries invest in the transition to zero emission vehicles, making sure that no one is left behind by implementing new skills training and regional transformation plans without delay.
- **Smart incentives:** Introducing changes to taxation and other supportive policies to help both private and fleet vehicle buyers to switch to electric vehicles. In particular, corporate fleets should be supported in their efforts to transition to fully electric vehicles by 2030.
- Green finance and investment: Recognising the climate-related transition risks that exist
  from continued support for the internal combustion engine and related assets, as well as
  supporting the green opportunities in accelerating investment into and uptake of zero
  emission vehicles, infrastructure, supply chains and wider sustainable mobility options.

We call on you to show leadership on climate change and industrial vision, by leading the transition to electric vehicles and supporting the phase-out of new diesel and petrol cars and vans (including hybrids) in the European Union no later than 2035.