



The Briefing for BT4 Europe

March 2024 – Edition 22

MAIN EU STRATEGIC DEVELOPMENTS

- **6 February : 2040 Target** The European Commission has <u>proposed</u> a recommendation for a 90% reduction in net greenhouse gas emissions by 2040 compared to 1990 levels, aligning with the EU's goal of climate neutrality by 2050. The proposal outlines pathways to achieve this target, emphasizing policy conditions and the importance of implementing the 2030 framework. The proposal emphasizes the need for the Green Deal to evolve into an industrial decarbonization initiative, focusing on sectors like wind power, electric vehicles, and the circular economy.
- 20 February: Ursula von der Leyen faces political challenges as she seeks re-election for EU Commission Presidency Ursula von der Leyen's decision to seek re-election as EU Commission president has received positive responses from several EU capitals, especially those with center-right governments such as Croatia, Lithuania, Latvia, and Finland. Von der Leyen's nomination by Greek Prime Minister Kyriakos Mitsotakis and Polish Prime Minister Donald Tusk has also been announced. However, challenges may arise as she navigates support from various political forces, including those frustrated with the Green Deal and increased bureaucracy. The liberal faction within Renew Europe, ALDE, emphasizes the need for the EU to be led from the center and urges von der Leyen to consider their proposals. Larger member states generally support her, but concerns remain about unilateral decision-making and coordination with member states. Von der Leyen will need to address various concerns and build a coalition to secure a second term.

MAIN EU DEVELOPMENTS RELEVANT TO BUSINESS TRAVEL

- **1. Recovery** Monitor developments relevant to the recovery of business travel.
 - 21 February: The Recovery and Resilience Facility propels ambitious reforms and investments across the EU The European Commission has presented the mid-term evaluation of the Recovery and Resilience Facility (RRF), a key element of the €800 billion NextGenerationEU plan. Established in February 2021, the RRF aims to aid Member States in recovering from the COVID-19 pandemic while enhancing their resilience and fostering greener, more digital, and competitive economies. The mid-term assessment, marking the halfway point of the RRF, indicates substantial achievements, with over 1,150 milestones met and nearly €225 billion disbursed to Member States. Notable results include energy savings, expanded internet access, and measures against climate-related disasters. The RRF is credited with increasing public investment and driving structural reforms, notably in the green transition. The mid-term evaluation emphasizes the RRF's performance-based approach and highlights areas for improvement, emphasizing flexibility and administrative capacity.





- **2. Sustainability** Monitor developments relevant to the sustainability of business travel.
 - 15 February: Deal on Maritime safety to stop shipping pollution EU Parliament and Council negotiators have <u>reached</u> an informal agreement to extend the ban on discharges of oil spills by ships to include sewage, garbage, and residues from scrubbers. Under the deal, substances like oil and noxious liquids already prohibited will now encompass a broader range. Additionally, MEPs secured an obligation for the EU to review the rules five years after implementation into national law to consider penalties for marine plastic litter, container loss, and plastic pellet spills from ships. The agreement emphasizes more robust verification of pollution incidents, increased communication on best practices, and digital checks of Clean Sea Net alerts. EU countries are required to introduce effective fines for rule breaches, with criminal sanctions addressed in separate legislation agreed upon last November. The preliminary deal awaits approval from the Council and Parliament, with EU countries given 30 months to transpose the new rules into national law.
 - 29 February: New data reveals that train can be greener for business routes New data from the rail industry in Britain reveals that train travel is almost nine times more environmentally friendly than using a petrol or diesel car on the top 100 business routes. The comprehensive carbon emission data, considering factors like train occupancy and fuel type, emphasizes the environmental benefits of rail travel. On average, these routes produce nine times fewer carbon emissions than driving a petrol or diesel car alone, with some routes showing even greater advantages. The initiative, supported by various sectors, aims to promote sustainable practices in business travel by providing transparent and accurate data. The rail industry has made the league table of the 100 greenest business routes accessible to the public to encourage a shift towards greener travel choices and contribute to climate change mitigation efforts.
- **3. Digital transformation** Monitor developments relevant to the digital transformation of business travel.
- **4. Future Funding** Monitor developments relevant to broadening the financial resources for BT4Europe.
 - 29 February: 1 billion euros available: EU launches call for proposals in alternative fuels infrastructure projects The European Union has launched a call for proposals under the Connecting Europe Facility (CEF) for Transport Programme Alternative Fuels Infrastructure Facility (AFIF), providing EUR 1 billion to support the deployment of alternative fuels supply infrastructure across the Trans-European Network of Transport (TEN-T). This initiative, spanning 2024-2025, aligns with the new Regulation for the deployment of alternative fuels infrastructure (AFIR) and aims to establish publicly accessible electric recharging pools and hydrogen refueling stations along key transport corridors and hubs. Eligible projects cover alternative fuels infrastructure for road, maritime, inland waterway, and air transport, including support for Megawatt recharging stations for Heavy Duty Vehicles, electricity and hydrogen supply at airports, and electricity supply and ammonia and methanol bunkering facilities in ports.





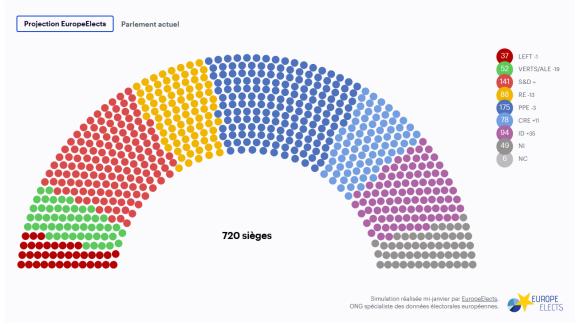
5. Other

5.a Elections

According to Europe Elects and EUMatrix, these are the trends in the political arena of the European Parliament:

- We are likely to see a high number of newcomers in the next European Parliament (at least 55% new MEPs).
- The EPP is set to remain the largest group.
- The next EP is likely to be (even) more fragmented, with the bigger groups, the EPP and S&D, losing further ground to the benefit of the smaller factions.
- Polarization: the size of the political center (S&D, Renew, EPP) is set to become smaller, thus further complicating coalition-building in the EP.
- On regulatory topics such as energy, data, and pharmaceuticals, we expect the balance of power to shift towards pro-market forces.

According to Europe Elects, this is how the Parliament would look like today:



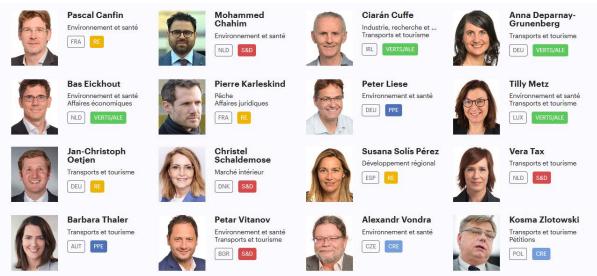
The projections from Europe Elects give a hemicycle that would lean a little more to the right than today. The European People's Party (EPP, LR in France) would remain the leading political force in Parliament with 175 seats compared to 179 currently. The Social Democrats (S&D) would come second with 141 seats, the same number as today. The liberals and centrists of Renew – today the third political force in the chamber considered central to the formation of majorities – would go from 101 to 88 seats. The biggest drop would affect the Greens, who would return to their level before their breakthrough in 2019 with 52 seats (compared to 71 today).

In its overview of MEPs who matter to the transport sector, we can see those who hope to be reelected in 2024, those who want to leave and those for whom it is still unclear.

MEPs that will run again for elections.









MEPs that will not run again for the elections.



6. Upcoming initiatives

- Digitalisation of travel documents and facilitation of travel (legislative, incl. impact assessment, Articles 77(2)(b) and (d) TFEU, Q3 2023). Delayed.
- The Multimodal Digital Services initiative. This initiative aims to address challenges for the multimodal digital mobility services (MDMS) to better integrate public transport and rail services and achieve seamless multimodal passenger transport. After several delays, the MDMS proposal does not appear on the Commission agenda for publication any longer and could be postponed and become the responsibility of the next Commission, after the EU elections this year.





Notes:

- (i) This is the 22th Briefing Report for BT4Europe, it will be updated regularly
- (ii) Further information on request.





Glossary of Terms

<u>Trilogue</u> - Negotiations between the institutions on legislative proposals generally take the form of tripartite meetings ('trilogues') between Parliament, the Council and the Commission. For a given file, each institution designates its negotiators and defines its negotiating mandate. Trilogues may be organised at any stage of the legislative procedure (first, second or third reading). Any provisional agreement reached in trilogues is informal and has therefore to be approved by the formal procedures applicable within each of the two institutions. In Parliament, the text of the provisional agreement must be approved by a vote in committee after which it is confirmed in plenary.

The **European Committee of the Regions** is an EU advisory body composed of locally and regionally elected representatives coming from all 27 Member States. Through the CoR they are able to share their opinion on EU legislation that directly impacts regions and cities. CoR members are elected representatives serving in local or regional authorities. The CoR appoints a rapporteur (one of its members) who consults stakeholders and prepares the opinion. The opinion is then presented to all members in plenary session who vote to amend and adopt it. Finally, the opinion is shared and communicated to all relevant EU institutions.

The <u>acquis communautaire</u> is the body of common rights and obligations that are binding on all EU countries, as EU Members. It is constantly evolving and comprises:

- the content, principles and political objectives of the Treaties;
- legislation adopted in application of the treaties and the case law of the Court of Justice of the EU;
- declarations and resolutions adopted by the EU;
- measures relating to the common foreign and security policy;
- measures relating to justice and home affairs;
- international agreements concluded by the EU and those concluded by the EU countries between themselves in the field of the EU's activities.

Applicant countries are required to accept the acquis before they can join the EU.

The EU Commission is the institution which represents EU's interests and is known in that respect as the 'Guardian of the Treaties'. The powers and functions of the Commission are set out in the treaties, in particular under Article 17(1) TEU. The Commission is composed of a College of Commissioners from 27 Member States, who are assigned responsibility for specific policy areas by the President.

More information on the steps towards **joining the EU** can be found using this <u>link</u>. The conditions for membership are known as the 'Copenhagen criteria' and include a functioning market economy, a stable democracy and the rule of law, and the acceptance of all EU legislation, including the euro. For more information about Ukraine's potential accession please see <u>EU Law Live's podcast</u> with Ukrainian academic Roman Petrov.

A **Directive** is a legal instrument which is binding as to the result to be achieved, but the choice of form and methods to achieve this is up to the Member States. An example of this is the Renewable Energy Directive which imposes an obligation on Member States to achieve 32% by 2030. Given the various forms of renewable energies and taking account of specific circumstances of Member States (some will prefer solar others wind depending on geographic location) the Directive leaves it up to Member States to achieve that 32%.

A **Regulation**, on the other hand, has general application, is binding in its entirety and is directly applicable in all Member States. An example of an EU Regulation is the non-commercial movement of pet animals which sets out identical rules for all Member States on transporting pets around the EU.





EU's Covid recovery funds, formerly known as the EU's **NextGenerationEU**, is the largest stimulus package ever financed in Europe. A total of 2.018 trillion Euros in grants and loans was announced to help rebuild a post-COVID-19 Europe. The fund hopes to build a greener, more digital and more resilient Europe. The centerpiece is the Recovery and Resilience Facility which required Member States to come up with a plan and submit this to the Commission for approval. More information is available at this <u>link</u>.

The Council of the European Union. The Council is one of three legislative bodies and together with the European Parliament serves to amend and approve or veto the proposals of the European Commission. The Council of the European Union (National level Ministers eg. Ireland's Minister for Finance Paschal Donohoe is President of the Eurogroup) and the European Council (Heads of State) are intergovernmental institutions. The presidency of the Council rotates among the EU member states every 6 months with the presidency chairing meets at every level in the Council, helping to ensure the continuity of the EU's work in the Council.