

# **FIT FOR 55 SOCIAL CLIMATE FUND**

Ensuring a fair and inclusive energy transition towards public transport



The Fit For 55 package stands as a key opportunity for the EU to reduce its emissions and reach climate goals. Accounting for 30% of GHG emissions in Europe, the transition of the transport sector is a prerequisite for achieving environmental and energy transitions. However, such a transition has direct and indirect consequences for the economy and for consumers. As mobility is at the centre of challenges of equity and social inclusion, it is essential to ensure that the energy transition will not be at the expense of vulnerable households.

In that context, **Transdev strongly supports the proposal of financing a Social Climate Fund to reduce the social impact of the introduction of a carbon market for the transport and building sectors.** In view of the EU's ambitious objectives and the commitments facing the transport sector, Transdev considers that one of the priorities should be to massively invest in public transport to ensure a real modal shift and support vulnerable households in the transition.

## **THE SOCIAL CLIMATE FUND IS ESSENTIAL TO MITIGATE THE ECONOMIC AND SOCIAL CONSEQUENCES OF THE ENERGY TRANSITION**

The implementation of measures aimed at a genuine and coherent internalization of the environmental costs of transport modes is necessary to encourage a true modal shift towards more sustainable mobility solutions. However, the introduction of constraints and additional costs can have impacts on the citizens, and particularly on the most vulnerable households. At a time when European citizens are directly affected in their daily lives by the impact of climate change, the burden of the energy transition should not be carried by the most vulnerable and mid-class households. As such, the introduction of the transport sector in the EU carbon market must be mitigated to ensure they can pursue their daily-live activities, such as simply commuting for work.

The initiative to set up a Social Climate Fund is an essential tool to mitigate the unexpected consequences of the internalization of environmental costs. For it to be useful and impactful, investments need to be targeted towards transition sectors that can offer sustainable alternative solutions to citizens and improve their purchasing power at a time where they can be rapidly exposed to financial insecurity.

In its proposal for a Social Climate Fund, the European Commission already foresees that the revenues generated should finance the improvement of access to low or zero emission mobility. As such,

***Transdev considers that public transport should be a priority of the funding in order to offer a variety of sustainable mobility options to support transport users in the environmental and energy transition. This priority should be reflected in the national investment plans in order to highlight the key role of public transport in the transition and to mobilise greater funds at all levels (local, regional and national).***

***Transdev strongly supports the creation of a Social Climate Fund to mitigate the economic and social consequences of the transition. In this context, funding for public transport is necessary to ensure a fair, inclusive and integrated energy transition and encourage citizens to use public transport in the long term.***

## **INVESTMENTS IN LOW AND ZERO EMISSION PUBLIC TRANSPORT SOLUTIONS ARE ESSENTIAL FOR A JUST TRANSITION**

Public transport is one of the most environmentally friendly solutions to ensure mobility of citizens as it provides an affordable mass transit solution using renewable energy and generating zero or low emission. The modal shift from private cars to public transport has positive consequences for the environment and for the quality of life of citizens as mass transit reduces congestion, generates less pollution and carries a larger number of passengers than individual cars. **Access to an affordable and inclusive mobility is also one of the main factors in absorbing economic and territorial disparities, thus contributing to the integration of citizens in the society.** It is essential for users located in rural and low-density areas, but also for workers who must reach the centre from the periphery. As such, a well-functioning public transport network offers a more affordable mobility solution for households still dependent on private cars and subject to energy price fluctuations.

Furthermore, **public transport solutions must not only be deployed in urban areas, as they also represent a comprehensive solution for citizens living in rural, insular, mountainous and low-density areas by providing mobility solutions adapted to the territories.** Through the development of new forms of sustainable mobility, using alternative energy sources (electricity, hydrogen, natural gas, etc.),



new technologies make it possible to absorb and distribute flows of passengers, while being tailored to the constraints imposed by the territories. These solutions are offered at an affordable price and are accessible to vulnerable households. To this, rail services should not be forgotten in the transition of the transport sector, in terms of infrastructure and access to the market. Supporting regional and suburban railway lines is key as these modes of transport account for 90% of the total number of passengers in the rail mode.

As such, **public transport and rail solutions represent concrete answers to the clean transition equation as they can be adapted to the territory, to the demand and to the number of passengers to be carried, making them a key part of the energy transition.** As zero emission technological solutions for long-distance passenger road transport are still underdeveloped, particularly in rural areas, other low-polluting innovations need to be developed to offer sustainable alternatives and avoid territorial divisions.

***Transdev considers that investments in the renewal of public transport fleets and their infrastructure are essential. In order to ensure vulnerable households have access to affordable, sustainable and adapted mobility solutions, both low emission and zero emission transport solutions should be granted.***

## **PUBLIC TRANSPORT AUTHORITIES AND OPERATORS ARE KEY PLAYERS IN THE TRANSPORT TRANSITION**

The origin of any strategic and political action must be based on a rigorous diagnosis allowing to start from needs and uses. As climate change accentuates economic and social disparities between Member States and within regions, local and regional authorities have a responsibility to support the transformation of citizens' way of life. In that context, local and regional authorities are the most competent institutions to determine the needs. This is particularly the case with regard to measures to make free access to public transport, which should be decided on the basis of a comprehensive assessment of the needs of the territory.

Therefore, **resources of public transport authorities should be strengthened to build and manage mobility policies adapted to the specificity of their territory. Financial support should especially be granted to public transport authorities and public transport operators in order to support investments efforts in fleet renewal and enable urban mobility policies, but also rural and low-density areas mobility strategies, to be implemented with sustainable mass transition solutions at the backbone.** These funds should be granted to support the purchase of clean vehicles and facilitate the ecological transition of their fleets while meeting the needs of vulnerable and mid-class households.

***Transdev considers that local authorities shall be able to choose the energy mix most suited to their territory and the types of services developed. Member States should allocate a significant part of the Social Climate Fund to the promotion of public transport through grants to public transport authorities and operators.***

## **ABOUT TRANSDEV**

As an operator and global integrator of mobility, **Transdev – The mobility company** – gives people the freedom to move whenever and however they choose. We are proud to provide 11 million passenger trips every day on average thanks to efficient, easy to use and environmentally friendly transportation services that connect people and communities. Our approach is rooted in long-term partnerships with businesses and public authorities, and in the relentless pursuit of the safest and most innovative mobility solutions. We are a team of people serving people, and mobility is what we do. Transdev is jointly held by **Caisse des Dépôts Group** (66%) and the **RETHMANN Group** (34%). In 2020, with 83,000 employees in 17 countries, the Group generated total revenues of 6.75 billion euros.

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