Ref. Ares(2025)6443130 - 07/08/2025

European Commission

CALL FOR EVIDENCE
FOR AN INITIATIVE (without an impact assessment)

This document aims to inform the public and stakeholders about the Commission's work, so they can provide feedback and participate effectively in consultation activities.

We ask these groups to provide views on the Commission's understanding of the problem and possible solutions, and to give us any relevant information they may have.

TITLE OF THE INITIATIVE	Sustainable transport investment plan (STIP)
LEAD DG – RESPONSIBLE UNIT	DG MOVE- Unit B4
LIKELY TYPE OF INITIATIVE	Communication from the Commission
INDICATIVE TIMING	Q3-2025
ADDITIONAL INFORMATION	-

This document is for information purposes only. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

In the Mission Letter to Commissioner Tziztikostas, President von der Leyen announced that the Commission plans to put forward a sustainable transport investment plan (STIP). The plan will take a strategic approach to scaling up and prioritising investments in solutions for the decarbonisation of all modes of transport.

STIP has been included in the Commission work programme for 2025 and was announced in the Industrial Action Plan for the European automotive sector. It is scheduled to be adopted by the third quarter of this year. The Commission's Competitiveness Compass initiative to restore Europe's dynamism and boost economic growth further states that STIP will focus on de-risking investment needed to swiftly ramp up the production and distribution of renewable and low-carbon transport fuels.

STIP will assess investment needs for the decarbonisation of all modes of transport. It will also contribute to: (i) the implementation of EU legislation and policy decarbonise transport sectors where reducing emissions is particularly challenging; and (ii) achieving the priorities of the European Commission for 2024-2029, which, among others, call for investments in clean energy and technologies. More specifically, STIP will contribute to several political objectives, including: 'Europe's sustainable prosperity and competitiveness', and 'A global Europe: Leveraging our power and partnerships'. In this context, the plan will aim to create a favourable investment environment needed to support the decarbonisation of transport, while boosting the competitiveness of European industry and helping strengthen energy independence.

Specific measures for sustainable road transport and for rail will be addressed will be rolled out as part of the implementation of EU industrial strategies such as the automotive action plan (including the Clean Transport Corridors), the High-Speed Rail Master Plan and the future EU industrial Maritime Strategy.

Problem the initiative aims to tackle

The transport sector accounts for approximately 29% of the EU's total greenhouse gas emissions[1]. It is the only sector where greenhouse gas emissions are still higher than their 1990 levels. The regulatory framework for reducing emissions put in place by the 'Fit for 55' package establishes an ambitious pathway for decarbonising transport. For each transport mode, STIP will assess the trajectory emissions reductions need to take, in line with the Commission's analysis for delivering on the 2040 climate target proposed in the European Climate Law. Particular attention will be given to: (i) the energy transition necessary to meet EU legal targets; and (ii) the

[1] Sustainability of Europe's mobility systems, EEA Agency, 2024. https://www.eea.europa.eu/en/analysis/publications/sustainability-of-europes-mobility-systems

measures already taken and the support available. Rail transport performs relatively well in this respect, with over 80% of traffic already electrified[2]. Significant progress is also being made in road transport: sales of electric cars and commercial light-duty vehicles are on the rise, and infrastructure is being rolled out, with over 1 million recharging points in the TEN-T network. However, the infrastructure is not evenly distributed, with further efforts needed, in particular for high-duty vehicles. Substantive support is also available from national support schemes and from EU funding programmes, notably through the current Connecting Europe Facility, cohesion policy funds, and from modernisation and recovery and resilience funds.

In contrast, reducing greenhouse gas emissions from aviation and waterborne transport remains particularly challenging[3]. The ReFuelEU Aviation Regulation and the FuelEU Maritime Regulation have set ambitious and binding targets to drive the decarbonisation of these sectors. A mixture of measures will be needed, including technological advancements, operational improvements, energy efficiency and sustainable alternative fuels. For the period until 2050, renewable and low-carbon fuels are key to decarbonisation efforts in these two sectors as they are technologically mature, available at scale and compatible with the existing fleets, which are slow to change due to their long lifespan. However, the EU's capacity to produce and supply these fuels to meet the EU binding targets remains quite limited, while international competition is increasing and the needed large-scale industrial developments to ensure sufficient domestic production are yet to occur.

Several advanced projects on renewable fuels of non-biological origin (also known as synthetic fuels or e-fuels) for aviation and maritime transport are currently located outside the EU. The market in the EU is also responding, with around 40 projects across Europe, but due to a range of risk factors and uncertainties these are still awaiting final investment decisions. If these projects do go ahead, they could put European industry at the forefront of global production and create a competitive sustainable fuel industry in Europe, thus also safeguarding the EU's energy security in this sector.

Renewable and low-carbon fuels are also significantly more costly – between two and ten times higher[4] – than fossil fuels. This price disparity deters business end users from purchasing these fuels, especially those of non-biological origin, and hinders investment in new fuel production facilities within the EU. This has repercussions on the wider industrial value chain, including in the manufacturing of vessels and aircrafts.

Despite the legislative and policy framework in place, promoters of EU-based alternative fuel production projects face financing hurdles that prevent them from making final investment decisions. These include: (i) concerns over the availability and cost of energy and materials; (ii) cost gaps in key production inputs (labour, green electricity); (iii) risks related to price and revenue stability; and (iv) the difficulty to sign long term take-off agreements with airlines and shipping operators. Current support mechanisms both at national and EU level have not yet been able to unlock sufficient investment within the EU.

Stimulating production of renewable and low-carbon fuels while strengthening the EU's technological and industrial base for transport is essential. Only in this way can we meet the binding decarbonisation targets set by the RefuelEU Aviation and FuelEU Maritime initiatives, strengthen Europe's resilience and strategic autonomy, reduce our energy dependency and increase competitiveness and innovation in the EU. Therefore, we urgently need to eliminate the barriers address the barriers that hinder investment in these key areas for decarbonising transport and boost domestic EU production.

Basis for EU action (legal basis and subsidiarity check)

Legal basis

The actions considered in the Sustainable Transport Investment Plan are intended to help implement the FuelEU Maritime and ReFuelEU Aviation Regulations. Those regulations were adopted on the basis of Title VI of the Treaty on the functioning of the European Union (TFEU), in particular Articles 100(2) and 91, which empowers the EU institutions to lay down appropriate provisions in the transport sector.

Practical need for EU action

The challenge of significantly increasing alternative fuels production is too large to be managed effectively at national level. So far, only a few final investment decisions to establish e-fuel production facilities in the EU have been made. An EU-wide approach is essential to mobilise support at the required scale, ensure equal access for all market players, and prevent market fragmentation. It is also important in the context of Europe's competitiveness, as it would reduce oil dependency and create market opportunities for clean tech investments in

[2] European Alternative Fuels Observatory, https://alternative-fuels-observatory.ec.europa.eu/transport-mode/rail.

[3] Sustainable alternative fuels will also contribute to reducing the emissions of fishing vessels and possible spacecraft.

[4] 2024 Aviation Fuels Reference Prices for ReFuelEU Aviation | EASA.

the EU. Finally, an EU-wide approach would also ensure that the energy transition plans for the transport sector fit the agreed targets and the corresponding regulatory requirements set at EU and international levels.

B. What does the initiative aim to achieve and how

The Sustainable Transport Investment Plan aims to put in place a strategic approach to scaling up and prioritising investments in solutions for the decarbonisation of all modes of transport. The plan will, in particular, aim to **de-**risk private investments in renewable and low-carbon fuels in order to scale up and boost their production in the EU. This will be in line with the decarbonisation targets in the EU regulatory framework. At the same time, it will strengthen the EU's strategic autonomy, reduce its oil dependency and increase its technological leadership.

The plan will announce solutions to help eliminate the current uncertainties and market obstacles fuel producers encounter in this nascent market. These issues are hampering investors and first movers[5], holding them back from taking investment decisions.

To mitigate these market uncertainties, the initiative will put in place a framework to guide investors, project promoters and public authorities. It will offer clarity by identifying investment gaps and industry needs and will provide roadmaps for each transport mode, highlighting essential technologies for development.

To overcome financial barriers and help project promoters reach final investment decisions and expand fuel production, STIP will identify targeted short-term actions within the current EU funding instruments and ways of mobilising contributions from EU Member States. The plan will also assess the need for possible new mechanisms to de-risk private investment in the medium term, such as 'contracts-for-difference' and 'double-sided auctions'. In addition, it will encourage investment contributions from individual Member States and the pooling of national funding in this strategic area.

STIP is also expected to outline measures on boosting collaboration with non-EU countries and with international organisations. Such collaboration would focus on promoting global adoption of renewable and low-carbon fuel standards to incentivise the production and use of such fuels.

Likely impacts

The Sustainable Transport Investment Plan will take the form of a non-legislative policy communication. As such, it will only set out policy objectives and key issues for which further initiatives/action may be needed.

This initiative will bring more certainty to the production of renewable and low-carbon fuels and address financing and market barriers that industry faces at present. In so doing, it will facilitate investment decisions and lead to a stronger role for EU production in meeting EU binding targets on the emission intensity of fuels used in n transport modes where reducing emissions is particularly challenging. Supporting first movers will likely accelerate the learning curve of both industrial players and the financial sector and mobilise additional private capital while boosting EU competitiveness.

This initiative is also likely to trigger significant industrial development in the EU. This will help strengthen the EU's strategic autonomy, reinforce its industrial leadership and increase its independence from oil energy imports.

The plan would also:

- help create a global market in fuel production that can (i) contribute to reducing the greenhouse gas intensity of fuels globally, (ii) provide sufficient production for EU end consumers, and (iii) provide the EU with access to critical feedstocks;
- improve the EU's position in influencing and shaping global regulations.

Future monitoring

The Sustainable Transport Investment Plan is expected to lead to an increase in the production of renewable and low-carbon fuels. Progress will be assessed against the targets set by the ReFuelEU Aviation and FuelEU Maritime Regulations.

As developing new fuel production projects takes a long time, the Commission will monitor final investment decisions through the Renewable and Low Carbon Fuels Alliance. The alliance, which brings together all of the supply chain, financial sector and users, carries out regular monitoring of the pipeline of new projects in this sector. In parallel, the Commission will monitor public announcements by industry, Member States, financial institutions, the European Union Aviation Safety Agency's annual sustainable aviation fuels ('SAF') market outlook report and other relevant statistical sources. the.

[5] A first mover is a company that is first to establish itself in a particular market segment, usually gaining a competitive advantage

C. Better regulation

Impact assessment

This is a non-legislative initiative that will provide clarity and an overview of existing and upcoming actions to help make the transport sector more sustainable. It will explore ways for the EU and Member States to make better use of existing support instruments to de-risk investments and will explore the need for possible future changes and new instruments in the medium and long term. It will not create any new legal obligation, so there is no need for an impact assessment. However, individual impact assessments will be carried out for specific initiatives that may be announced in the communication, and where justified in terms of policy choices or impacts.

Consultation strategy

The Commission will consult as widely as possible to gather key information and ensure that public interest in the European Union is well reflected in the initiative's design. The current call for evidence, which will remain open for four weeks, gives both the general public and affected stakeholders the opportunity to contribute views and to provide data and evidence.

The Commission will also hold targeted consultations with relevant stakeholders. An implementation dialogue on 'Ramping up renewable and low-carbon maritime and aviation fuels production in the EU' was organised on 17 July. This took stock of the implementation of the current regulatory framework, identified obstacles to implementation, and discussed potential avenues for overcoming the investment gap in renewable and low-carbon fuels.

A seminar/workshop to gather further information from strategic stakeholders has been organised in the context of the Renewable and Low Carbon Fuel Alliance. The event brought together 300 members of the fuel supply chain and the financial sector. Structured dialogues are also ongoing with public financing institutions relevant for this initiative, such as the European Investment Bank, the European Bank for Reconstruction and Development, and national promotion banks.

In addition, on 10 June the Commission's Directorate-General for Energy organised a public event in the context of the European Renewable Sustainable Week to gather views from relevant stakeholders, NGOs and the general public.