3rd Automotive Regions Alliance Annual Conference on 29 November 2024 in Monza

'Monza Declaration' of the Automotive Regions Alliance

At the third political conference of the Automotive Regions Alliance (ARA) that took place on 29 November 2024 at the invitation of the Lombardy Region and the European Committee of the Regions in Monza, the participating regions confirmed their commitment to the positions expressed in the founding declaration of the ARA[1] as well as in the Leipzig Declaration[2] and the Navarre Declaration[3], and engaged to further advocate for the following objectives:

The Automotive Regions Alliance:

Reaching the climate objectives while remaining competitive

1. Subscribes to the EU climate ambition and stresses the need for a clear and stable roadmap for the transition of automotive regions which provides certainty for the automotive and supply industry and empowers consumers to be an active part of this clean energy transition while taking into account the current situation with the closure of automotive sites in the EU and technological progress;

2. Welcomes the European Commission President's[4] emphasis on technology neutrality regarding how to achieve the zero-emission road mobility objective and supports the efforts and significant investments of the automotive industry towards electrification of passenger cars while underlining the importance of electrification of the automotive industry in terms of innovation, climate ambitions and global competitiveness;

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1 Adopted at the 150th plenary session of the CoR on 30 June 2023 https://cor.europa.eu/en/our-work/cooperations-and-networks/automotive-regions-alliance#toc-our-goals.

2 https://webapi2016.cor.europa.eu/v1/documents/cor-2022-05422-00-01-tcd-tra-en.docx/content.

3 https://cor.europa.eu/sites/default/files/2024-07/ara_navarra_declaration_en-tl.pdf.

4 https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf.

3. Recalls the vital importance of the automotive industry for Europe's prosperity and competitiveness, as well as for economic, social and territorial cohesion;

4. Underlines that the transition of the automotive and supply industry and the automotive service sector in Europe is in full swing and is suffering competition from third countries. As highlighted in the Draghi report[5], there are multiple factors that are driving the loss of EU competitiveness in the automotive sector and that need to be addressed;

5. Underlines the need to pay close attention to the wide diversity in the size and transformation capacity of companies across the automotive value chain and to the major impact of current industrial change on the relationships between these companies;

6. Welcomes the European Commission's commitment to hold regular dialogues with stakeholders to reduce red tape for SMEs and small Mid-Caps and achieve sustainable competitiveness;

7. Welcomes the Commission President's announcement to make the participation in Important Projects of Common European Interest (IPCEIs) simpler and faster, building on existing IPCEIs in the areas of batteries, hydrogen and microelectronics;

Regional and social dimensions with a need for further funding

8. Emphasises that mitigating this transition impact will require place-based solutions and anticipation of change based on genuine social dialogue and strong partnerships of social partners with public authorities at all levels of governance;

9. Highlights the efforts of automotive regions in Europe to find place-based solutions to support the transition of the automotive sector in Europe;

10. Welcomes the announcements of the European Commission President to increase the funding for a Just Transition across the next long-term budget of the EU and to strengthen cohesion and growth policy with regions and the partnership principle at its core, as well as the statement from the incoming Commissioner for the Clean, Just and Competitive Transition on the need to support the automotive regions with this funding[6]; the funding for the just transition should provide targeted support for regions facing the transformation of the most energy-intensive industries, including the automotive and component supply industries;

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5 Report on the future of European competitiveness – Part B, section 1, chapter 6.

6 https://hearings.elections.europa.eu/documents/ribera/ribera_writtenquestionsandanswers_en.pdf.

11. Stresses the importance of regions in implementing cohesion policy and opposes the single National Plan that would undermine the planning and implementation competences of the European regions in all sectors, including automotive and competitiveness;

12. Calls for a strong territorial dimension in a future Just Transition framework that leaves no one and no region behind;

13. Underlines the importance of maintaining a strong Just Transition strand in a reinforced future European cohesion policy and recalls that additional priority areas should lead to additional funding within a comprehensive Cohesion Policy framework;

14. Demands that the European Commission set up an effective monitoring system collecting granular regional data and upscaling it to an EU wide monitoring approach, which will assess the state and impact of the transition in a coherent manner, taking into account the experiences with the Regional Just Transition Observatories that were established as part of the implementation of the Just Transition Fund, together with other regional observatories on the automotive sector;

15. Suggests close collaboration of all relevant Commission services in finding solutions to manage a just and fair transition of automotive regions with the gathering of the necessary data as a starting point. The Automotive Regions Alliance stands ready to continue facilitating the collaboration between local and regional authorities, automotive cluster organisations and skills providers;

16. Appreciates the strong commitment in the Commission President's guidelines to promote education and vocational training based on the analysis and anticipation of skills, together with the common recognition and validation of qualifications, and stands ready to continue the close collaboration between the Automotive Regions and the Automotive Skills Alliance;

A need for a clear action plan and a swift review of current rules

17. Reaffirms the necessity to provide European industry with a clear and stable route to meet emission targets and in particular the 2035 zero-emission targets for new passenger cars to mitigate the significant impacts of the transition on employment as well as on social and territorial cohesion, which is now tangible;

18. Takes note of the objective in the Mission letter to the incoming Commissioner for Climate, Net-Zero and Clean Growth to 'ensure a technology-neutral approach in which

e-fuels have a role to play through a targeted amendment of the regulation setting CO2 emission performance standards for cars and vans planned, as a part of the foreseen review' and requests that the Automotive Regions Alliance takes part in this work with special attention given to reducing vehicle emissions in the current fleet more quickly;

19. Welcomes the introduction of a Strategic Dialogue on the Future of the Car Industry in Europe[7] under the leadership of the President of the European Commission to ensure the continuation of a multi-level and multi-stakeholder dialogue for the transition of the automotive regions and calls upon the European Commission to take into account the recommendations of the Route 35 working group in the preparation of the upcoming work with in particular the announced EU industrial action plan for the automotive sector;

20. Calls for the establishment of a working group in view of the progress report linked to the review of the Regulation setting CO2 emission performance standards for cars and vans and urges the European Commission to adopt a more gradual approach and consider an earlier review of that Regulation, still in 2025, to provide European automakers with sufficient time to adjust to the transition;

21. Calls for an effective roadmap from all relevant Commission services in early 2025 with regard to preparing the progress report based on effective monitoring and assessment of the need for possible additional financial measures to facilitate a just transition;

22. Stresses the need to respect the wide variety of mobility situations and the need to complement electrification with alternative, climate-neutral technologies from their production to their use, when they exist, in line with the declaration from the 2024 Milan G7 Transport Summit[8];

A need for coherent EU legislation

23. Requests equitable access to mobility for all European citizens, supporting and protecting them in the environmental transition of mobility;

24. Calls for a strong successor to the Horizon Europe programme that values the importance of technology-open research and the innovation of each individual territory in order to achieve environmental goals, promote new employment and European competitiveness and reduce the significant risks of the transition's impact on employment and social and territorial cohesion. Encouraging and financially supporting

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7 https://ec.europa.eu/commission/presscorner/detail/en/speech_24_6084

8 G7 Transport Ministerial Meeting 'The Future of Mobility: Ensuring Global Connectivity in an Uncertain World'.

collaborative processes in the field of research and innovation between European automotive territories is crucial (collaborations between research centres operating in developed and disadvantaged territories);

25. Reaffirms the need to use the Life Cycle Assessment (LCA) methodology to evaluate the technologies to be used in achieving climate goals;

26. Emphasises the need to better control the environmental impact of the materials used in vehicles and to strengthen the circularity of the automotive industry, as a lever for achieving the EU's environmental and growth objectives, through the development of biomaterials and the use of natural fibres;

27. Calls for further funding and the introduction of scrapping schemes to support the purchase of carbon neutral vehicles as well as additional investments in relation to the deployment of charging points required under the AFIR and the promotion of interoperability among all charging points to facilitate charging by the end user;

28. Calls for the swift publication of the sector specific regulation for the access to vehicle data. Resulting from the Data Act, this regulation must guarantee European sovereignty in the control of vehicle data and ensure good conditions for the future development of the supply and aftermarket industry;

29. Underlines that the EU legal framework setting climate objectives in road transport does not apply to historic cars which play a key role to preserve the historical and cultural heritage of the automotive regions of Europe, as mentioned in the Historic Vehicle Manifesto[9];

30. Points out that the CoR Intergroup on the 'Future of the Automotive Industry' (CoRAI) and the ARA will continue to work hand in hand to support the regional transformation and that the CoRAI explicitly supports this declaration.

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9 With the support of FIA's International Historical Commission, FIVA and FIM.