**The Automotive Regions Alliance**

**EN**

**Declaration for a just, fair and successful transition**

The Automotive Regions Alliance, an alliance of regions with strong automotive sectors, including the supply industry, fully acknowledges the need for decisive action to reach the EU's climate goals. All modes of transport must become more sustainable, and road transport must substantially lower emissions. We are aware that this will lead to changes in our regions.

We want to ensure that this transformation in road transport and the automotive sector will be fair and successfully implemented for our regions and the public, as well as for the companies along the entire value chain, guaranteeing that no region is left behind.

The alliance calls for action from the EU to achieve the following.

1. Urgently establish a **European mechanism supporting a just, fair and successful transition for the European automotive and supply industry regions**, including by streamlining **dedicated additional budget headings** in the various European funds and programmes.
2. Undertake a detailed **territorial impact assessment** (at regional level) **of the consequences of the transformation in the automotive sector** as a starting point for the just transition framework, including **granular mapping of the impact** on regional growth and jobs.
3. Address common challenges and opportunities for regions and SMEs in respect of the **automotive supply chain industry**, which will be particularly affected by the drive-train transition.
4. Support **reskilling and upskilling** **the (regional) workforce** in order to avoid job losses in our regions. We need to monitor the supply and demand of relevant skills and anticipate future demands in close cooperation with the EU-wide framework of the *Pact for Skills,* andespecially with the **Automotive Skills Alliance**.
5. Further develop a strong research framework for **industrial transformation and innovation** in the European automotive industry, increasing the resilience of the supply chain for strategic and critical raw materials.
6. Provide for flexibility **in State aid guidelines** (including the block exemption regulation) to enable automotive regions to guide and manage this transformation and avoid its negative effects. Supporting measures for local and regional authorities to accelerate the uptake of **innovative technologies** through public procurement should also be provided for.
7. Support regions to deploy **publicly accessible refuelling and recharging stations** to promote the uptake of electric vehicles and vehicles that use zero- and low-carbon alternative fuels. It is imperative for territorial and social cohesion that these stations be available in all regions and interoperable across borders.
8. **Concentrate available public and private investment funds** on the various technological solutions (e.g. electrification, hydrogen technologies and synthetic fuels) to ensure the European automotive industry's competitiveness and innovation.
9. Establish a **multi-level governance and partnership approach** to this transition for appropriate and effective policy planning, budgetary action, and dialogue with all stakeholders and public authorities at all levels, including the European Commission, Council and European Parliament.
10. Support this alliance as the main **open** **platform for coordination** of the automotive and supply regions, so that they can work togetherat regional, national and European level, and in close cooperation with existing initiatives in order to make the transition a success.

**BACKGROUND**

In order to implement the EU's 2030 Climate Target Plan and achieve the objectives of improving mobility conditions for people and companies, accessibility, and climate and environmental protection with a social balance, it will be necessary to drastically reduce greenhouse gas emissions by at least 55% by 2030, and reach full climate neutrality by 2050. Along with other sectors, efforts must be made to ensure transport emissions are reduced.

One of the industry sectors that will be most affected by this necessary change is the automotive industry. In addition to the transition to drive-train technology, embedded and connected digitalisation will be a major change in value creation processes. The vehicles of the future will be part of the cloud-connected internet of things. This will have a profound effect on the automotive ecosystem.

A fundamental cross-cutting transformation process in the European automotive ecosystems will be needed to reach these objectives, and will have huge impacts on regional economic growth, jobs and further innovation. The automotive industry has cross-border supply chains (with strong regional anchorage). This calls for a European-level approach. The need for the transition is urgent, however it also needs to be carried out gradually and at a pace that allows for the industry and the labour market to adapt.

In addition, this transformation will affect regions accordingly to the size, volume and structure of their automotive value chains. Therefore, regions will face different challenges and need different adaptation strategies. Yet these local and regional consequences for the economy and employment and possible trends in a new, climate-neutral automotive industry have not been properly assessed or addressed.

This transition will need to be accompanied by appropriate assessments, effective policy planning and budgetary action. The European Globalisation Adjustment Fund is a key instrument in this respect. The starting point needs to be a detailed impact assessment at regional level.

The Automotive Regions Alliance will work hard towards fulfilling the climate targets in the European automotive sector, while at the same time strengthening regional industrial ecosystems and value creation.