T4SM's recommendations for the Multiannual Financial Framework 2028–2034

Introduction

The current context shaping the next Multiannual Financial Framework (MFF) is significantly different from when the previous EU budget was first agreed seven years ago. In 2025, the EU will present its proposal for the next MFF, outlining the priorities and structure of the Union's long-term budget. In this position paper, **Taxis 4 Smart Mobility (T4SM)** puts forward recommendations to ensure that the upcoming MFF supports the development and positive impact of the taxi sector across Europe.

As **the European voice of the taxi industry working for the development of sustainable and smart mobility**, T4SM believes that real change happens at the local level, and therefore **its members actively engage in the development of sustainable and smart mobility within cities, peri-urban and rural areas** in collaboration with local authorities, under local and national legislation. The change in European urban mobility patterns, caused by environmental, technological, socio-demographic, and cultural factors, affects citizens their immediate local surroundings, as well as their daily lives.

1. In the **Competitiveness Fund**, include a chapter on charging infrastructure to ensure a direct line of funding to support local and municipal authorities in their transition.

2. Include a specific policy objective for the **European Regional Development Fund (ERDF)** for greener and better connected rural areas through the expansion of fast charging infrastructure.

3. Include a dedicated funding line in the **Competitiveness Fund** for expansion and modernisation of the grid infrastructure throughout Europe, to support the electrification of the transport sector.

T4SM Recommendations: The need for public investment in charging infrastructure

Issue 1: Insufficient residential charging infrastructure

We welcome the steps taken to improve the availability and capacity of charging infrastructure during the last mandate, thanks to the **Energy Performance of Buildings Directive (EPBD)** and the **Alternative Fuels Infrastructure Regulation (AFIR)**. These initiatives mark an important shift towards the electrification of transport, offering a more structured and coordinated approach across Member States.

As highlighted in Recital 13 of the AFIR, "*the continued* ***uneven distribution of publicly accessible recharging infrastructure would jeopardise the uptake of light-duty electric vehicles****, thereby limiting connectivity across the Union.*" This concern is reflected in the latest data from the European Alternative Fuels Observatory which reports that as of the end of 2023, the EU had only 632,423 public charging points - far below the Commission's target of 3.5 million by 2030. What is more concerning, is the concentration of these resources: 61% are located in just three countries - France, Germany and the Netherlands. **This imbalance not only undermines equitable access but also impedes the pace of the EU's green transition.**

These disparities have real, everyday consequences. Independent taxi drivers and dispatch centres are acutely aware of how these discrepancies across the EU can limit services and create barriers to the uptake of more sustainable solutions. As taxis typically cover 400–500 km per day, in order to cover these distances with an electric vehicle **a dual approach is needed: a dramatic scale-up of publicly accessible fast-charging points including inside urban areas and improved access to private or semi-private charging**, particularly at home or depot locations.

The EPBD rightly paves the way for enhanced charging capacity in new residential buildings, improving future accessibility and enabling faster residential charging. However, **significant gaps remain in the retrofitting of existing buildings. Without dedicated investment and financial support mechanisms, large segments of the housing stock - and those who live and work within it - will continue to face barriers to EV adoption.**

Recommendation 1: As recognised by Professor Draghi in his Report The Future of European Competitiveness, electrification of transport is a competitive opportunity for the EU. This is why **Taxi 4 Smart Mobility advocates for a spending chapter on additional investments for charging infrastructure to be included into the upcoming Competitiveness Fund.** This would not only recognise the rightful place of electric charging infrastructure as a priority element for Europe's competitiveness but it would also ensure a direct line of funding to support local and municipal authorities in their transition.

Issue 2: Lack of infrastructure in rural or sparsely-populated areas

The lack of infrastructure is especially acute outside urban centres, **creating serious operational challenges for taxi drivers operating in rural areas**. In many of these regions, taxis often serve as an essential lifeline, often providing vital transport for elderly individuals and those with reduced mobility, especially where public transport is sparse or non-existent.

While rural areas generally benefit from a reasonable level of slow private charging - typically for individual household**s - the availability of public fast-charging points remains critically low**. According to the European Alternative Fuels Observatory, only 13.5% of charging points across the EU support fast charging, and the majority of infrastructure - approximately 78% - is concentrated in urban areas, mostly being slow-charging. **This leaves rural and interurban zones underserved, limiting the feasibility of EV-based taxi services that require frequent and rapid recharging to meet high daily mileage demands.**

This gap significantly hampers the ability of professional drivers to deliver reliable and flexible services, particularly those operating over long distances or on-demand schedules. **Without accessible fast-charging options, the deployment of electric taxis in these areas becomes unviable**, further widening the gap in sustainable mobility between urban and rural populations. In light of the long distances, drivers who cannot charge at home are unlikely to buy electric vehicles, creating a barrier to adoption.

This infrastructure gap not only restricts the operational range of electric taxis but also diminishes service availability for rural populations, undermining mobility and contributing to social exclusion. As highlighted in the Draghi Report on European competitiveness, "*public support for recharging infrastructure should be focused on areas of low demand (remote areas) and HDV charging, where the business case is still less mature*." **Bridging this infrastructure gap is essential not only for enabling the transition to electric fleets in rural areas but also for enhancing regional connectivity, supporting local economies, and fostering greater social cohesion across the EU.**

Moreover, the Draghi Report further underlines the **role of EU funding instruments** such as the **Connecting Europe Facility (CEF)**, as well as **structural and cohesion funds** in supporting strategic deployment of charging infrastructure in these underserved areas. This highlights how a targeted approach to infrastructure deployment that includes rural areas is essential for a fair distribution of the benefits of electrification - ensuring no part of the EU is left behind in the green transition.

Recommendation 2: Taxis 4 Smart Mobility supports the inclusion of a specific policy objective for the next period 2028-2034 for the European Regional Development Fund (ERDF) for greener and more connected rural areas through the expansion of fast charging infrastructure.

Issue 3: Insufficient grid capacity infrastructure to withstand increase in demand

The increase of charging infrastructure demand can only be supported by an increase in capacity of the electricity grid. To power Europe's transport electrification ambitions, **significant investments are required** not only in the deployment of charging stations but also in the expansion and reinforcement of the existing grid infrastructure. As highlighted in the Draghi Report, while regulatory obligations are growing and market momentum drives EV uptake, "*there is no parallel obligation for energy providers to supply stable and powerful grid access of sufficient capacity for charging*." This disconnect poses a serious risk to the success of the rollout of e-mobility solutions.

According to the European EV Charging Infrastructure Masterplan (ACEA, 2022) **grid reinforcement must precede the deployment of EV charging infrastructure (EVCI)**, particularly for high-capacity charging hubs. The report estimates that between 2021 and 2030, cumulative investments of approximately €41 billion - or €4.1 billion annually - will be necessary to upgrade the grid for e-mobility. This figure represents 11% of Europe's total projected annual energy investments and reflects the increasing pressure the grid will face as EV market share rises, with key thresholds expected in 2025, 2028, and 2030.

So far, Distribution System Operators (DSOs) have been able to deal with rising volumes of distributed generation even in the presence of an ageing grid and more frequent climate hazards (e.g., due to grid strengthening). With EVCI rollout, DSOs will be challenged further in order to keep the network running smoothly and to maintain and upgrade the infrastructure.

The consequences of underinvesting are already visible in frontrunner countries like the Netherlands, where taxi operators and dispatch centres report serious grid congestion. **These limitations not only hinder the operation of electric taxis but also block the installation of new charging infrastructure, creating a negative feedback loop that threatens progress toward sustainable mobility.**

In response to these constraints, some companies are beginning to explore hydrogen-powered taxi alternatives. Yet, while hydrogen offers potential in the long term, current technological, infrastructural and economic barriers render it an impractical substitute for EVs at scale - especially in the short to medium term.

To avoid a bottleneck effect, which could derail Europe's climate and transport objectives, **immediate and coordinated funding efforts are needed to strengthen grid capacity.** This includes leveraging EU instruments such as the **Connecting Europe Facility and structural funds, alongside national investment and regulatory alignment**, **to ensure that the power system can support a fast and fair electrification of transport across all regions.**

Recommendation 3: As the Competitiveness Fund will aim to support investments for the decarbonisation of strategic sectors, **Taxis 4 Smart Mobility calls on the Commission to include a dedicated funding line for the expansion and modernisation of the grid infrastructure throughout Europe, to support the electrification of the transport sector.**