

## **Global Fuel Economy Initiative Partners meeting**

Scribe Hotel, Paris 19 Sep 2016

Attending: Sheila Watson (SW), Richard Clarke (RC); Drew Kojak (DK), Fanta Kamakaté (FK) – ICCT; Pierpaolo Cazzola (PP); Philippe Crist (PC) – ITF; Rob de Jong (RJ); Lew Fulton (LF) – via telephone

### **1. GFEI positions**

DK suggested we start with discussion of political context. Last year was dominated by COP21 and commitments there, whereas this year is different.

PP said that he and LF have recently been in Manila at the ADB Transport Forum. Have been discussing with Cornie (SLoCaT) about COP and Habitat III about the SDGs and transport role. There will be a Transport Ministerial on Friday of COP. SW said Morocco will be different – with different expectations etc. There is a question of what it means for transport to go well below 2 degrees. SW said we should bear this in mind for our targets.

There was a brief discussion about the different global sustainable transport events and conferences– with the World Bank and its Sustainable Mobility for All initiative and the UN’s Sustainable Transport panel and Turkmenistan conference, and SLoCaT also playing a role. SLoCaT and World Bank will be holding retreats in near succession (WB at WEF). These are ongoing processes, and the outcomes are still unclear.

SW said key issue is how does GFEI ‘keep on North star’ and deliver things without being side-tracked? This includes HDVs, EVs and fuel subsidies, and delivering countries to showcase – including African countries for the COP. **SW and RJ to co-ordinate to find a really good African Country ‘Ambassador’ for COP.**

SW said we also need to report on what we are doing. It is vital to have an answer about how much carbon will be saved – carbon saved to date. What are delivering?

#### **a) HDVs**

DK introduced the ICCT paper on a GFEI HDV target. This proposes a target of ‘35 by 35’ against a 2015 baseline – 35% reduction by 2035. This is an absolute reduction – an energy intensity measure. The results show that Europe is more efficient than the US – but will be overtaken if don’t have standards. Japan is missing from the analysis, but is very different – and so it didn’t make sense to include it. The aim was to keep as parallel to LDV target as possible – but completely independent.

PP confirmed this order of magnitude is aligned with what IEA have in their scenarios.

SW asked how robust is this analysis and how wide a statement can we make about HDV fuel economy from this? Is this the type of information that will stand up to scrutiny? Is it robust enough to have targets that are legitimate? Is it as good as the GFEI target?

DK confirmed that Rachel had said that they were confident to around 10%. However, these numbers will adjust over time. This is just based on the vehicle – tractor/trailer. In many markets, this is the major consumer, but not all markets.

PP said he thought that it is ambitious but feasible, and DK agreed.

SW asked how relevant is the target to the problem? Would it be strong and relevant?

DK: In terms of numbers of vehicles (20%), relatively small – but in terms of fuel consumption larger (40-50%). It is in line with improvements that the US is seeking to make. For countries like India, further improvements would be possible if road quality improves and allows for further improvements above the 35%. The timing of such a target is perfect.

SW: What would the industry say?

DK: Different views, but generally HDV industry is more willing to engage with efficiency improvements. It is a highly relevant area for them.

There was a discussion about the extent to which the HDV approach could be generalizable to the whole HDV sector. There was general agreement that there was a logical case that this was broadly representative, and could be explained in that context. It was proposed that the draft be circulated for comments to a group to ‘test the water’.

PP said that they are hosting a workshop at the end of October when ICCT could present (possible date 3 November) - this could form the basis of a group of experts.

RJ asked about the implementation implications of the target. He questioned the need for the GFEI to develop formal positions on issues such as HDV, EVs and Fuel Subsidies. If we take a formal position on HDVs (and the other issues) does this mean we will also be developing and supporting a portfolio of activities on these? Does it mean doubling the focus of our work? The HDV space is very complicated. How much would GFEI need to raise to support this, or is it just a promotional thing?

PP said that developing a baseline for HDVs is more complicated – will need to build capacity. Will need to fundraise and scale up.

PC proposed targeting certain countries – and start by focusing on those that matter. DK said that China has standards, but it could be timely to have a target for countries like Mexico, Korea.

**It was agreed that DK needs to both circulate the target proposal to a set of experts (possibly at IEA workshop) and develop a parallel implementation plan which sets out what GFEI needs to do in response. DK to circulate list of experts.**

**b) EVs**

LF introduced his paper on proposed targets for Electric vehicles. He said that a 100 million stock target for 2030 seems reasonable. Requires 30-40 million sales in that year. 35% increase in sales every year between now and then. This would require both technology improvements and policy improvements. He also highlighted additional suggests for a CO g/km target of 50 or lower, and a corresponding target for electric vehicle stocks of perhaps 1 billion by that year (i.e. half the world’s LDVs in a 2 billion LDV world)

PP said that he was in favour in principle of having a target, but highlighted that organisationally it may be tricky as there are already existing targets with other networks – such as EVI and ZEV alliance. EVI has a target for 2020 of 20 million and the Paris Declaration has a target of 100 million by 2030.

He set out the IEA’s latest thinking about EV numbers in both the New Policy Scenario (2DS) and 2 degrees.

	2020	2025	2030	2035	2040	2045	2050
NPS	10	30	60	110	160	220	285
2DS	17	60	150	300	500	725	970

SW asked whether this is this a target we need?

DK said that HDV fuel economy was completely within GFEI's world, as no one else has said this. On EVs- it is a crowded field (ICCT, IEA and UC Davis all working on it); just coming up with a number doesn't add to the debate. GFEI can add things on the EV regulatory space – how get integrated, transition etc.

It would be interesting to know a complete set of who has fuel subsidies for electric vehicles. How many countries have policies in place.

RJ said that UNEP is working on developing a new electric mobility initiative, working on busses, cars and 2&3 wheelers, with a focus on low and middle income countries and that some of these projects are combined with national GFEI projects.

SW said that all partners have signed up to COP declaration, apart from ICCT. There was a general agreement that it was important that GFEI has an agreed narrative and can make a contribution to the debate.

LF said the 50g by 2050 would provide an additional step, and would add something new – both for GFEI and on EVs. It would say that fuel economy must continue to improve and beat the 50by50 target.

It was agreed that GFEI partners should try to agree among themselves the best targets.

#### **DK and PP to speak to agree common ground on EVs.**

At COP22, the French are keen to have a fleet declaration. French are calling for commitments for governments to buy a quota of vehicles.

#### **c) Fuel subsidies**

There was a short discussion on fuel subsidies. All are agreed that need to remove fuel subsidies to achieve fuel economy improvements. PP said IEA have a very clear position on this. It was felt that this was not 'news', but represented a common view, and when appropriate should be clear on this. SW agreed, and said that this might be in publications such as the State of the World report.

#### **GFEI position is clear on the need to remove fuel subsidies.**

#### **2. GIZ**

PP introduced the discussion on GIZ. He said that he had felt it would be a good idea to bring in GIZ for the training week as they were interested and have a good in-country network. He said that GIZ already draw on much of GFEI work when speaking about fuel economy, especially since Tali Trigg has been working for them.

SW said she had spoken to Tali and GIZ don't want to be a partner. They are consultancy who represent the German government.

DK said the ICCT are working with GIZ in South Africa and through transport policy.net

**There was agreement that GFEI should have an active working relationship with GIZ – e.g. at future training events.**

#### **3. Global Processes / events**

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COP22 – None of the partners was planning to attend COP. However, LF is still considering it. SW let him know that FIA Foundation could get him a pass. However, GFEI has not been awarded an official side event this year. However, there are 2 or 3 opportunities for events including Transport day and Energy day.

#### G20: where next

DK: Fed back that progress with the G20 is difficult. It is possible to get wording into the text of agreements, but that doesn't always lead to action on the ground.

Germany is the next host of G20. Germany wants to make a big deal of Paris Accord and how to get to 2 degrees or less.

ICCT currently plan to stay engaged with G20. There may be an annual meeting that comes out of it.

Germany is planning to fund a 'Well below' study, and is potentially working with IEA World Energy Outlook team on this. Germany is pushing electrification and renewables. Electrification component needs to be a significant component of fuel economy and electrification.

#### TRB

SW asked whether we need to have a meeting at TRB this year, as recent years had not been well attended and were difficult to get a good slot. DK said that they were always fun meetings, and it could be worth doing as HDV work will be new and interesting.

PP said that they should have their new benchmarking data report on LDVs ready for TRB.

There was a discussion about how to get onto the TRB agenda and the possibility of alternatively hosting an event in a nearby location.

LF and DK potentially have contacts through their committee.

**Drew and Lew to speak to TRB organisers to try to get a slot in the TRB agenda. Agreement to profile HDV work – save LDV update for later.**

#### **4. Global training and networking meeting**

RC summarised feedback from training meeting – which was very positive, and highlighted a few areas to consider for next year – including more detailed discussions, networking time. RJ also highlighted that satisfaction with information received beforehand was lower than other areas.

It was agreed that there was a need for more deep dives e.g. regional, or more detail for things that are relevant.

PP said that in the IEA's feedback, the transport stream was rated the best rated amongst all.

People commented that if the training is too general it becomes a congress. There is also a pull between new and old members of the GFEI network, and how to make it relevant to each and create learning opportunities between them.

RJ proposed the possibility of 3 regional meetings, rather than a global meeting.

PP said that as well as the EE Training week there were IEA proposals for at least 2 regional training – one in Singapore, one in Brazil – possibly a third one in China. GFEI could be a content provider.

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RJ said that he didn't want both a global and a regional event as it takes a lot of resources.

PP said that there were internal dynamics in IEA that are promoting more regional things. However, this would create the possibility to use some of the IEA's regional budget and get mutual benefits.

LF asked if everyone needed to be involved in everything. What if there was an initial day for newbies – then a follow-up for everyone deeper dive, break-outs.

The question of the length of time away can be an issue – particularly if you want to attract senior people. For DGs – 2 days is maximum.

DK said that ICCT's suggestion had been to focus on different regions when doing the global event, in order to 'advance the ball'.

RJ reiterated that he wouldn't be happy to do both. He would prefer to do a global event, and reorganise to make more time for regional discussions, or to just to focus on regional training which could be linked to other events – e.g. the Latin American Ministers of Environment event or BAQ in Asia.

FK said that for people who are interested in-depth, a webinar could be provided. This can be very useful for topic-specific learning.

PP said that if possible he would like to run the fuel economy sessions of the IEA training with GFEI partners.

**It was agreed that there would be a global event with the IEA next year with a similar format as last year, with fewer introductory speeches and more break-out sessions. It was agreed that FIA Foundation/GFEI secretariat would do some more thinking about the format of an event, which would be more interactive and circulate.**

The issue of rooms was raised. The UNESCO space was at capacity this year and didn't include break out rooms. IEA don't have access to rooms this year as they are being refurbished.

IEA are currently scoping possible venues, and can share this information. It was agreed that we need this information in advance (including possible costs) and book.

**IEA / UNEP to discuss and share potential venues.**

## **5. Reports**

### **State of the World Update**

RC highlighted that GFEI is working on a short document for COP highlighting progress on fuel economy since Paris. Updates from partners to contribute before 26<sup>th</sup> September.

### **RC to circulate e-mail requesting updates**

#### **Fuel Economy Trend Update**

PP said IEA are working on the update with the latest data. This shows some interesting results, such as Japan getting worse with fewer sales. There are some differences with the ICCT's US data e.g. Dodge. The new thing will be an analysis on prices and attempt to tease out what impacts are. Will include the same number of countries as the previous report. Will consider ways to make more the country updates more interesting and accessible, such as putting country reports on the website.

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The report will be written between now and December. It will have to go through the IEA's detailed editorial process, which could delay it.

There was a discussion about whether this could be launched at TRB, but it was decided that it would be better to hold it back – and make the HDV report and target the focus of TRB.

#### IEA truck report

IEA are working on a truck report, as this is responsible for a significant chunk in the growth in oil demand. **PP to draft outline and circulate.**

#### **6. AOB**

DK circulated updates on ICCT's work in Turkey and South Africa.

Peter Mock has been working in Istanbul on a database for Turkey. Turkey have expressed an interest in fiscal / feebate incentive. High fiscal fees for vehicles – tied to CO2. So far the government isn't ready to proceed, but industry is interested. They have excellent data, and high market registration taxes which could be adjusted to promote fuel economy.

ICCT have been working in South Africa with support from FIA Foundation / GFEI. Government are now interested in fuel economy targets for its INDCs There are good political opportunities.