

## GFEI presents latest research into fuel economy trends

GFEI showcased its latest research into the fuel economy of light duty vehicles in January at the annual Transport Research Board conference in Washington DC. Alex Körner of IEA summarised the main findings of GFEI Working Paper 11, which shows that average fuel economy of new light duty vehicles improved by 2% per year globally between 2005 and 2013. This rate is below the 2.7% rate needed to halve emissions by 2030, and has been slowing in recent years. The slowdown is mainly due to rising sales in non-OECD countries, where the rate of fuel economy improvements has been lower. The research argues for non-OECD countries to introduce improved fuel economy regulations, as some have started to, and ongoing monitoring.



## 2015: A crucial year for fuel economy

It has taken GFEI just 5 years to become the global lead campaign on fuel economy in vehicles. 2015 is a crucial year as we seek to ensure fuel economy is reflected in long-term global agreements on Climate Change in Paris in December and the Sustainable Development Goals, which are due to be agreed in September in New York. GFEI has been working hard to ensure that the importance of fuel economy is recognized.

GFEI is an Accelerator within the UN's Sustainable Energy for All (SE4ALL) programme, and as such is a key element in the UNFCCC/COP21 climate action process. GFEI will work towards developing a publishable goal on country engagement in fuel economy work for announcement at COP21 in Paris in December 2015.

The UN's Post-2015 process continues in 2015 towards the adoption of a series of SDGs. Draft goals exist, and fuel economy is currently encompassed within Goal 7 on energy efficiency. The target of our work this year, will not only be to maximise the likelihood that this goal remains as an SDG, but also to ensure that the means of implementation and measurement of this goal include the GFEI's data and expertise.

In addition, in November 2014, world leaders at the 2014 G20 Summit agreed an Action Plan for on Energy Efficiency, highlighted vehicle fuel efficiency as a key priority. The G20's work stream will focus on heavy goods vehicles in 2015, with the work being coordinated by the US Government, and GFEI providing expert input. The GFEI is now an implementing partner in developing further engagement on this issue amongst G20 countries ahead of the Turkey Summit in November 2015, where it is hoped that more countries will join GFEI's work.

# IN-COUNTRY WORK

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## Africa

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### Algeria

#### Algeria Launches GFEI Program

GFEI was launched in Algeria in December 2014 with a two-day workshop in Algiers. Algeria has a vehicle population of close to 7 million cars, and imports 300,000 cars each year. The project will be implemented by the National Agency for the Promotion and Rationalization of Energy Use (APRUE) under the Ministry of Energy.



7 l/100kms in 2005 to 6.6 l/100kms in 2013. This improvement is significant given the country's vehicle fleet growth. Between 2003 and 2013, the vehicle fleet grew by 60.5

estimated that vehicle emissions cost the country over US\$ 1.3 billion in 2012 in related illnesses and death. The study indicates that Kenya's average vehicle fuel economy is worsening over time - from 7.4 L/100km in 2010 equivalent to 178.2g/km CO2 emission to 7.6L/100km or 182.04g/Km CO2 emission in 2011 and 7.7 L/100km or 185.4g/km CO2 emission in 2012.

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### Mauritius

#### Mauritius Finalizes Vehicle Fuel Economy Inventory

Mauritius finalized its vehicle fuel economy inventory in November 2014. Mauritius first introduced a feebate system in 2011 that taxes inefficient vehicles and provides a rebate for more fuel economy vehicles. The vehicle inventory provides evidence that fuel economy policies in developing and transition countries can lead to more fuel efficient vehicles being imported. The average vehicle fuel economy in Mauritius improved from an average of

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### Kenya

#### Kenya commences a study on a feebate system

The Energy Regulatory Commission (ERC) of Kenya will oversee a study to propose policy options including a feebate system, a vehicle labelling mechanism and new vehicle purchase schemes. This study builds on the findings of the GFEI vehicle inventory, and a cost and benefit analysis of policy options to support the importation of fuel economy vehicles into Kenya by the ERC and the University of Nairobi. The study



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## Middle East

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### Saudi Arabia

#### Saudi Arabia adopts fuel economy standards for new light-duty vehicles for 2016-2020

Saudi Arabia announced fuel economy standards for new light-duty vehicles

in November 2014. According to the ICCT which provided technical support to the country, "the proposed standards apply to all new and used passenger vehicles and light trucks, whether imported from outside or manufactured in Saudi Arabia. They will be effective as of January 1, 2016, and will be fully phased in by December 31, 2020. A review of the targets will be carried by December 2018, at which time targets for 2021-2025 will be set. The standards for new vehicles are patterned after the U.S. Corporate

Average Fuel Economy (CAFE) standard structure, including test cycle and flexibility mechanisms. Flexibility mechanisms include off-cycle credits, air-conditioning efficiency credits, and phase-in flexibilities. Imported used vehicles must comply with a minimum fuel economy standard, set separately for cars and light trucks. The standards are independent of vehicle attributes such as weight or size, sales-weighting and other flexibilities are not allowed, and the standards do not change over time."

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## Asia

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### Sri Lanka

#### Better Air Quality Asia Sustainable Transport Forum

At the Better Air Quality forum in Sri Lanka in November, GFEI organized a training course on developing fuel economy policies and an Experts' Group Meeting on Accelerating Fuel Economy Policies in the ASEAN Region. UNEP's Bert Fabian and UC Davis' Lew Fulton conducted the training course which was attended by participants from



Indonesia, Malaysia, Nepal, Philippines, Sri Lanka, Thailand and Vietnam. The training course provided an overview of fuel economy issues, information and experience in developing baseline fuel economy data for light-duty vehicles, and related policies and measures, such as fuel economy standards, fee-bate systems, labelling schemes, and taxation based policies.

The Experts' Group Meeting on Accelerating Fuel Economy Policies



in the ASEAN discussed ways and strategies to incorporate fuel economy into relevant ASEAN working groups to develop and harmonize fuel economy policies and measures in the region. This includes a roadmap for developing fuel economy policies in the ASEAN to provide a comprehensive guide for policymakers.

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### Vietnam

#### Vietnam starts fuel economy labelling

The Vietnamese government launched its fuel economy labelling program on 1 January 2015 for locally assembled and imported cars with up to 7 seats. Car manufacturers or importers must publish fuel economy data for car models tested in Vietnam or in reputable foreign laboratories. As of end of February, a total of 205 car models have published fuel economy ratings and 46 models have been locally verified. The tested value should not exceed the declared value of manufacturer or importer by more than 4%. According to Vietnam Register, which oversees this initiative, the emission and fuel consumption test can be integrated in one test.

The label includes: (a) name, address, telephone, fax of manufacturer or importer (b) trade name, mark, model, origin, technical specifications and (c) certified fuel consumption includes urban, extra urban and combined cases in L/100 km. UNEP and the Global Fuel Economy Initiative, and Clean Air Asia have supported the development of fuel economy policies in Vietnam.



### Singapore

#### Singapore Carbon Emissions-Based Vehicle Scheme

In 2013, Singapore implemented a Carbon Emissions-Based Vehicle Scheme (CEVS) to encourage more fuel efficient vehicles. Over 65 per cent of the cars registered in 2014 qualified for CEVS rebates, while about 5 per cent paid the surcharge. The government has decided to extend the CEVS to 2017, with revised CEVS rebates and surcharges to take effect from 1 July 2015 to 30 June 2017. According to the Land Transportation Authority, "All new cars and imported used cars registered from 1 July with low carbon emissions of less than or equal to 135g carbon emissions per kilometre (CO<sub>2</sub>/km) will qualify for rebates of between \$5,000 and \$30,000, offset against the vehicle's Additional Registration Fee (ARF). Conversely, cars with high carbon emissions equal to or more than 186g CO<sub>2</sub>/km will incur a registration surcharge of between \$5,000 and \$30,000. For taxis, which generally clock a higher mileage than cars, the revised CEVS rebate and surcharge for taxi will be increased by 50% to encourage taxi companies to adopt lower carbon emission models for their fleet." UNEP and GFEI, together with GIZ and Clean Air Asia have been supporting the Association of Southeast Asian Nations and its member countries to promote cleaner and more efficient fuels and vehicles in the region

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## Americas

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### Central America

#### Cleaner Fuels and More Efficient Vehicles Conference for Central America

In November, public and private organizations, including representatives of 8 Countries (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama), met in Costa Rica to discuss cleaner fuels, cleaner and more efficient vehicles.

Most Central American countries are 100% importers of fuels; only Nicaragua and the Dominican Republic have refineries. Several countries have requested a cost-benefit study to support the move to low sulphur diesel, and refinery countries requested support on assessing the existing refineries potential for upgrade or alternatives. As no vehicles are manufactured in these countries, all vehicles are imported and 2nd hand vehicles typically represent more than half of imports each year. None of the countries have restrictions on imports of 2nd hand vehicles and this is a major



area of concern. The meeting concluded with an agreement around priority actions. CEGESTI and UNEP, together with the support of partners of the PCFV and GFEI shall continue to work with the governments both at sub-regional and national level to move forward on all priorities identified. Future activities include a proposal for a vehicle emission standard, data collection and analysis of the vehicle fleet, followed by policy recommendations for fuel economy.

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### Chile

Chile has recently introduced a carbon tax to promote vehicle and energy efficiency. This is country's largest tax reform in the last three decades, and introduces a

carbon tax on new car purchases based on Nitrogen oxide (NOx) (heavy) and Field Electron (FE) (more light) emissions. The reform also includes a "green tax," a US\$5 tax per ton of CO2 emitted from thermal powerplants. The Chilean Congress approved the tax reform on September 11, 2014 as a direct result of the Global Fuel Economy Initiative (GFEI) Chile Pilot project the Global Environment Facility (GEF) funds and the UN Environment Programme (UNEP) implement.

The Chilean Senate has also adopted a more elaborate vehicle labeling program, piggy-backing on the carbon tax introduction. This program can potentially make vehicle labeling more environmentally conscious, piloting the first such labeling program in Latin America. It can also help consumers know the efficiency of vehicles they consider buying, thus raising awareness of their carbon footprint. To enforce the tax reform, the GFEI partners, the Mario Molina Center, Chile, and the Chilean Ministry of Transport and Telecommunications are in the talks on a feebate, an extra tax on inefficient vehicles and tax rebate to efficient vehicles. To encourage fuel economy improvement for vehicles and maximize the ensuing benefits, Chile has voluntarily committed to 20% reduction of its greenhouse gas emissions by 2020, based on 2007 levels.



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