



Global Fuel Economy Initiative

Plan of Action 2012-2015

EXECUTIVE SUMMARY



Global Fuel Economy Initiative

PLAN OF ACTION 2012-2015 - EXECUTIVE SUMMARY

The latest GFEI research suggests that fuel economy in new light duty vehicles around the world improved between 2005 and 2008 from around 8.1 to 7.7 litres of gasoline equivalent per 100km. The GFEI welcomes this progress but it has not been sufficient to achieve our target of a 50% improvement in new LDVs by 2030 and the total stock of cars by 2050. This represents a rate of 1.7% per year, whereas to hit the 2030 target we need a more than 3% improvement per year from 2012. The picture is, however, very different from country to country and region to region. Indeed whilst there has been tremendous policy progress in several major markets, in some places fuel economy is actually getting worse. So whilst we celebrate the progress which is being made, we know that there is much more still to do. Moreover, whilst climate change and energy security remain high on the political agenda, and countries across the globe face severe economic challenges, the potential of fuel economy to save expenditure on oil and ease international financial imbalances adds to the imperative to make greater progress.

2012 is therefore a very important year. We must make much faster progress in addressing fuel economy by getting many more countries involved in developing fuel economy policies, and by ensuring that globally we tackle the issue in a way which secures real long term gains. That is why the GFEI is delighted to formally welcome the International Council on Clean Transportation (ICCT) to our partnership.

We will continue to raise awareness, plug gaps in the data and understanding of the issue, we will do this in partnership with all who have an interest in the issue - government, industry producers and civil society. We will also focus even greater efforts on our practical in-country support and training programme. Our ultimate objective is to bring our message and our support to every country seeking to address this issue, wherever and whoever they are. This document lays out a path towards that objective for the next 3 years.

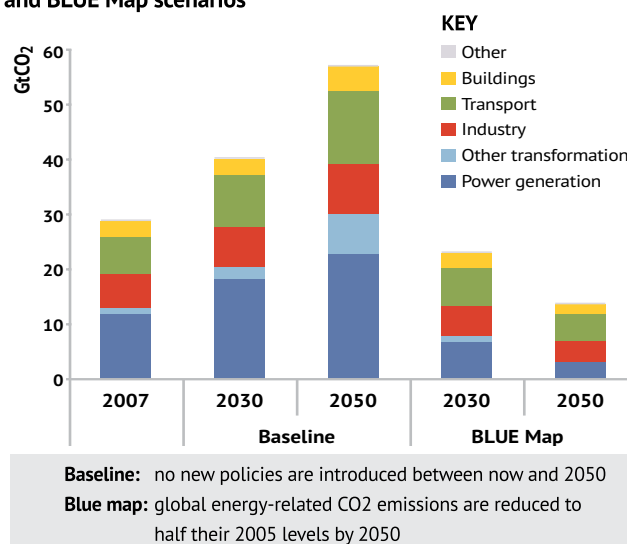
THE GLOBAL FUEL ECONOMY INITIATIVE (GFEI)

A range of measures will be needed in order to rein in oil demand and CO₂ emissions in the future. The transport sector is one of the most important areas requiring attention. Over 50% of oil use around the world is for transport, and nearly all the recent and future expected growth in that use comes from increased transport activity, as figure 1 shows. The IEA forecasts that fuel demand and CO₂ emissions in the transport sector around the world could double between 2010 and 2050, if strong measures are not taken to put matters on a different course. This is a highly unsustainable trend for both energy security and climate-related reasons.

One of the most cost effective measures across all sectors is to improve the efficiency of light duty vehicles (cars, SUVs, minivans). The Global Fuel Economy Initiative focuses on identifying and highlighting what low-cost technologies are available, how much fuel economy improvement they could provide, and which policies can help to realise this potential. The GFEI then works with governments and their partners to assist them in developing policies that can fully unlock this potential and maximize the fuel savings benefits.

The GFEI targets include a 50% improvement in the average fuel economy of all LDVs on the road in 2050, compared to a 2005 starting point. To achieve this, all new cars and vans must reach a similar target much sooner – by about 2030, so that with stock turnover the 2050 target can be met. The GFEI has also set an interim OECD target of 30% improvement by 2020.

Figure 1 - Global energy-related CO₂ emissions in the Baseline and BLUE Map scenarios



FUEL ECONOMY PROGRESS

The GFEI has begun to track progress. The IEA has recently made the first ever estimates of global average fuel economy. As Table 1 shows, they found that it was a little over 8 L/100km in 2005. By 2008 it had improved to 7.7, which is encouraging. But this represents a rate of 1.7% per year, whereas to hit the 2030 target we will require nearly 2.7% improvement per year, over 25 years or more than 3% from 2012. This is disappointing against what is a perfectly feasible and achievable target as the independent Prospects and Progress report - http://www.globalfuelconomy.org/Documents/Publications/prospects_and_progress_lr.pdf - showed.

There are two further important points to note. First, the global average decreased in part due to the fact that non-OECD country vehicle sales rose much faster than OECD sales, while gaining market share and since their average fuel economy is better than that in OECD countries, non-OECD country vehicle sales pushed the global average towards better fuel economy, despite the fact that no individual countries (or vehicles) improved. Second, it should also be noted that the non-OECD fleet fuel economy actually got worse. Given that in the coming decades the non-OECD fleet will dwarf the OECD fleet, and it is possible that this trend will swamp the modest improvements in the OECD, it really is essential that countries adopt fuel economy policies now, before it is too late.

The scale of this challenge means that the GFEI targets are just as important now as they were when the initiative began and it is clear that there is relatively widespread understanding of how to use technology and policy to improve fuel economy, but there is a gap in the adoption and implementation of policies, which needs to be addressed. GFEI will continue to track progress, developing and sharing relevant data and analysis, and encouraging global and regional political processes to put fuel economy at the centre of their planning.

THE GFEI FUEL ECONOMY TARGETS From 2005 baseline:

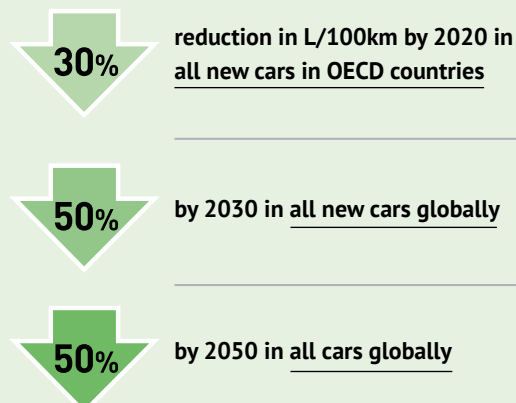


Table 1 - Fuel Economy Progress

| | 2005 | 2008 | 2030 | Annual Change 2005-2008 | Required Annual Change 2005-2030 |
|-------------------------|-------------|-------------|-------------|-------------------------|----------------------------------|
| OECD Average | 8.21 | 7.66 | | -2.1% | |
| Non-OECD Average | 7.49 | 7.68 | | 0.3% | |
| Global Average | 8.07 | 7.67 | | -1.7% | |
| GFEI Objective | 8.07 | | 4.03 | | -2.7% |

All figures in columns 2, 3 and 4 are in L/100km

GFEI PLANS

It has been very encouraging that so many countries and stakeholders have reacted positively to the GFEI's work. It is particularly heartening to see so many of them have engaged with policy development in a clear and coherent fashion.

Whilst the GFEI does not have a blueprint approach to the development of fuel economy policy, it is clear from GFEI's experience that certain basic principles need to be in place in order to ensure a stable and effective policy structure.

GFEI is currently engaged in policy development work in Australia, Kenya, Ethiopia, Indonesia and Chile. The GFEI will continue to target specific countries and regions where the issue

of fuel economy is of particular significance. This will also depend on the commitment of local stakeholders to work with the GFEI team in developing a baseline study.

GFEI has already developed agreements with several countries including Vietnam and Georgia, to work closely on fuel economy policies.

This does not mean that the GFEI will not be active in other regions or countries. Indeed, with ICCT as a full partner, the GFEI's scope has widened considerably. However, given the limited resources with which the Initiative has to operate, it remains important to target them where they will be most effective in achieving the GFEI's objectives. It is another reason why

our capacity to lever-in the resources of others remains crucial to our success.

In the next phase of its work the GFEI will dedicate even more resources to securing funding, both for the initiative's core work programme, but also for some of the specific projects which we will be pursuing with the Contact group.

GFEI principles for fuel economy policy

- Consultation and discussion
- Evidence based
- Benchmarking against Best Practice
- Technical coherence and feasibility
- Evaluation

GFEI OBJECTIVES 2012-2015

1. Policy support

OBJECTIVE:

To offer real support to countries on fuel economy policies, presenting a suite of possible policy options and helping them to develop a strategy for addressing the issue which suits their circumstances.

For example: by end 2012 to have the GFEI online tool finalized and ICCT will have published its technology and cost assessment of achieving CO2 g/km targets for the European market in 2020 and beyond.

2. Outreach

OBJECTIVE:

To continue to raise awareness of the issue of fuel economy, and the work of the GFEI at regional and global levels. To encourage awareness of the GFEI's bespoke country-based support and toolkit. To influence on-going discussions in Europe, US, China, India and elsewhere - to focus the GFEI activity in areas where we can make a real difference. And to work in partnership with others in other countries where we can add value and make a positive contribution.

For example: to have launched and established an engagement strategy (around case study countries and major vehicle markets) in each of our target regions/countries by end 2012.

3. Research and Analysis

OBJECTIVE:

To improve global understanding of fuel economy. To use data and modeling to assist individual countries in establishing a policy programme to address fuel economy, which is suitable to their circumstances.



For example: by end of 2013 to have a prototype working model which can forecast the potential shape of the fleet in each country using core data.



Secretariat

Global Fuel Economy Initiative
60 Trafalgar Square
London WC2N 5DS
United Kingdom
+44 (0)207 930 3882 (t)
+44 (0)207 930 3883 (f)

Contact us

Email: info@globalfueleconomy.org
Web: www.globalfueleconomy.org
 [www.twitter.com/50by50campaign](https://twitter.com/50by50campaign)
 www.facebook.com/GlobalFuelEconomy