



**Clearing-House for the
Partnership for Clean Fuels and Vehicles**
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**SUMMARY OF THE FOURTH MEETING OF THE GLOBAL PARTNERSHIP FOR CLEAN FUELS
AND VEHICLES
UNEP HEADQUARTERS, NAIROBI, KENYA
14-15 DECEMBER, 2005**

The Fourth Global Partnership Meeting (4GPM) of the Partnership for Clean Fuels and Vehicles was held at UNEP headquarters offices in Nairobi, Kenya on 14-15 of December. The meeting was preceded by a field trip to discuss Kenya's leaded gasoline phaseout and Nairobi's air quality on the 13th. The meeting was attended by around 40 individuals, representing 27 Partners from developed and developing country governments and non-governmental organizations, along with industry and international organizations.

This meeting, held one year on from 3GPM held in New Delhi, India, focused on the following issues to be discussed and decided upon:

- Substantive and financial report of 2005 activities;
- Setting concrete and measurable goals for the Partnership (based on the general PCFV objectives);
- Agreement on the work programme and budget for 2006 and 2007;
- Selection of a new Advisory Group for 2006 and 2007;
- Establishment of a Vehicles Working Group;
- Overview and discussion about the financial situation of the PCFV;
- Discussion of future directions of the PCFV.

Wednesday 14 December:

Opening Remarks

Dr. Klaus Töpfer, Executive Director of UNEP, welcomed participants and noted that the Partnership for Clean Fuels and Vehicles is one of the most successful partnerships to emerge from the World Summit on Sustainable Development in 2002. Dr. Toepfer highlighted the existing North/South divide in fuels and vehicles, noting the tremendous gap often found between fuel and vehicle requirements in developed and developing countries. He also spoke of the need to prioritise targets to improve air quality in developing countries along with driving conditions and infrastructure, and mentioned biofuels as an alternative fuel needing further consideration for use in these countries.

The meeting moderator, Tim Kasten (UNEP), formally initiated discussion on the meeting agenda items and a tour de table introduced meeting participants.

Report on 2005 Activities by the Clearing-House:

The UNEP Clearing-House (CH) presented overall progress made and activities performed by region in 2005.¹ Highlights include: (1) excellent progress made for lead phaseout in Sub Saharan Africa, with the entire subcontinent due to eliminate leaded petrol by 1 January, 2006; (2) Partnership growth by 17 new members; (3) growth in CH funds in 2005 due to Partners' renewed support; (4) in 2005 the majority of funds went to activities in all regions, with most going to activities in Sub Saharan Africa; (5) overall activities at the regional and national levels are growing in all PCFV regions.

¹ A full 2005 activity report from the Clearing-House is available for download at www.unep.org/PCFV/Events/4GPM.htm.



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The discussions focused on: (1) Clarification of the role of Partners as promoting clean fuels and vehicles and providing financial, technical and other expertise for PCFV activities, including participation in global working groups; (2) The need to draw additional attention to the success of the phase-out of leaded gasoline in sub-Saharan Africa; (3) Using lessons learnt from the Africa experience in other regions; (4) The need for increased and more diversified funding for future CH activities; (5) The outputs of the Octane Working Group need to be finalized as soon as possible in order to be of use to countries still going unleaded.

It was decided that: (1) Partners will make suggestions for additional funding sources for CH activities; (2) IPIECA will circulate the draft description of the PCFV to be used in its upcoming book on partnerships to all interested Partners; (3) the CH will post information on countries' fuel octane levels and rate of catalytic converter usage on the PCFV website; (4) Partners were in agreement that the Clearing-House would summarize and finalize the Octane Report according to the VSR report's format.

Discussion of Measurable Goals:

Partners discussed setting measurable goals for the Partnership, based on the general Partnership objectives as included in the PCFV Governance Rules. The measurable goals focus on leaded gasoline phaseout, sulphur reduction and vehicles. Partners agreed that any goals decided upon in the meeting would be internal benchmarks rather than operational directives and that countries and regions would be supported in setting their own objectives and timeframes for introducing fuel and vehicle improvements.

Leaded Gasoline: The CH proposed a worldwide campaign to eliminate leaded gasoline worldwide by the end of 2008. Partners discussed the 2008 deadline, timeframes needed for refinery investments, government cooperation where refineries are -partly- state-owned, the necessity of intermediate steps (such as addition of ethanol and change of feedstock), and clarified that aviation and racing fuels would not be addressed by the campaign. In conclusion, the meeting agreed to the following measurable goal:

To phase out leaded gasoline by the end of 2008 worldwide to be followed by the global introduction of vehicles with catalytic converters.

Sulphur: The discussion focused on setting a goal(s) for the measurement of progress in the implementation of sulphur reduction activities and the mandate of the PCFV, along with the forthcoming sulphur document and its implementation in 2006-2007. Partners agreed that the reduction of sulphur in fuel worldwide was a priority and that setting an internal PCFV benchmark would be appropriate. Consensus was reached on a long-term global target, taking into account the systems approach and the necessity of closing the gap between developed and developing countries where fuels and vehicles are concerned. The PCFV measurable goal agreed upon by the meeting is:

To reduce sulphur in vehicle fuels to 50 ppm or below worldwide, concurrent with clean vehicles and clean vehicle technologies, with roadmaps and timelines developed regionally and nationally.



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In terms of the sulphur document yet to be finalized, it was agreed that the PCFV goal of 50 ppm or less and the sulphur document's emphasis on 500 ppm or lower sulphur for emissions reductions and vehicle technology enabling are not mutually exclusive.

Vehicles: PCFV goals to promote catalytic converters in countries that have phased out leaded gasoline and promote the use of cleaner vehicles/ clean vehicles technologies, such as after-treatment, in countries that have reduced fuel sulphur in diesel and gasoline have been incorporated into the corresponding lead and sulphur goals above.

2006-2007 Programme of Work Discussion:

A short presentation was made by the CH on the proposed 2006-2007 PCFV Programme of Work, noting the shift in emphasis in CH activities from regional events to national level activities designed to implement fuel and vehicle action plans. After a discussion of proposed activities by region and issues (lead, sulphur, vehicles), Partners approved the 2006-2007 Programme of Work, with some minor adjustments (see Annex V).

These changes include: (1) merging the planned Western CIS and Central Asia events into one regional event given the linguistic and historical ties in the CIS subregion; (2) PCFV support for the decommission of lead facilities in SSA countries that have phased out leaded gasoline (IPIECA initiative); (3) the CH will organize 5GPM; (4) the CH will develop a diesel bus retrofit guidance document, combining information on case studies, costs, and lessons learnt. Partners also agreed that the CH will help finalize the Octane Working Group document, and that a Sulphur Working Group document should be finalized and made available in early 2006.

The Joint Committee for Leaded Gasoline Phase-out (KPBB) of Indonesia stressed the importance of involving national vehicle manufacturers in the national and regional cleaner fuels and vehicles dialogue, in addition to encouraging headquarters of vehicle manufacturers in developed countries to promote the same clean vehicle technology they use in developed countries for use in their manufacturing operations in developing countries.

Partners also agreed that the Programme of Work would be an open document, flexible enough to address new countries and new demands.²

Advisory Group Discussion

The discussion focused on Advisory Group (AG) activities in 2005 and the proposed rules for AG selection along with the new AG membership for 06/07. Partners accepted the proposed AG member selection procedure as guidelines to be attached to the 4GPM meeting notes, rather than as an amendment to the Governance Rules. The CH was asked to continue organising and moderating the AG meetings as an ex-officio member.³ Partners also asked that notification of scheduled AG calls should go out to all Partners one week prior via email so that interested non-AG members can notify the CH of an issue to be addressed by the AG. AG members are encouraged to consult within their respective groups to ensure that their sector's concerns are represented in the AG.

² The updated 2006-2007 Programme of Work is attached in Annex V, and available for download at www.unep.org/PCFV/Events/4GPM.htm.

³ The AG selection and renewal guidelines accepted at 4GPM are attached in Annex III.



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Partners then considered the proposed list of Partners interested in AG membership for 2006/2007, with the replacement of JAMA by AAM as primary vehicles representative. The new list of AG members was then approved, with CCAD reclassified as a governmental organization and REC as an international organization.⁴

Vehicles Working Group Discussion

Partners discussed the IPIECA proposal to merge the two vehicle working groups proposed at 3 GPM (older vehicles and new vehicle technology) into one working group. It was accepted that the two be joined, but that specific TOR's for the group would be developed between UNEP and MECA once the current Sulphur and Octane working groups finalize their work. UNEP proposed to chair the working group and would consult with MECA on this. A proposal for the Vehicles working group will be sent via email to interested members and TOR's will then be developed. Notes from the 4GPM discussion will be used as guidance in developing the proposal.

Financial Situation of the PCFV

The CH gave an overview of the present financial situation of the CH with a financial outlook. At present over USD 3 million has been received and the CH expects that by the end of 2006 this will have increased to USD 4 - 4.5 million. Several partners present committed themselves during the meeting to continue to support the CH/ PCFV activities:

- The USEPA, PCFV's largest donor to date, promised to continue to provide financial support in the future;
- The FIA Foundation committed itself to renewing the present support agreement when it will end (end 2006);
- IPIECA renewed their pledge of continued financial support to the PCFV - it has been providing support since 2002;
- ExxonMobil committed USD 100,000 for regional and national activities of the global lead phase out campaign;
- Shell and TOTAL expressed their commitment to provide financial support to the Clearing-House in 2006 (to be determined);
- and Afton Chemicals committed itself to support CH activities (to be proposed by the CH to Afton on an ad-hoc basis);
- TNT announced the signing of an agreement of USD 400,000 (USD 100,00 per year for 4 years) for support to specific activities;
- UNEP promised continued financial support, for 2006 USD 100,000 would be available;
- While the CH informed the meeting that the Dutch Government has also expressed interest to renew their present support with a new support project for 2006.

Additional Proposals for Consideration Submitted by PCFV Members

Two proposals submitted to 4GPM from the Trust for Lead Poisoning Prevention and IPIECA were discussed. The first from the Trust was a request that the PCFV undertake a global assessment of post-formal phaseout availability of leaded gasoline in both legal and illegal uses. It was decided that while the issue is one that the PCFV supports, the investigation of legal uses of leaded gasoline in, for example, aviation and racing, was outside the current PCFV mandate, while the illegal use of leaded gasoline/fuel adulteration is already being addressed within the Partnership.

⁴ The list of new AG members is attached in Annex IV.



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The second proposal from IPIECA proposed a working group or similar body to provide input on financing options for the upgrading of viable developing country refineries partially owned by the state and financing for upgrades is not available from other sources. There was general support for the proposal, but it was agreed that refineries would be looked at on a case-by-case basis and that the focus should always be on improved air quality. Next steps will be further developed by IPIECA and interested Partners once the existing working groups wrap up.

Future Directions of the PCFV

A discussion on future directions of the PCFV concluded Day 2 discussions, with an open floor discussion. Partners considered the long-term (beyond 2007) future of the Partnership, and whether or not additional fuel and vehicle issues such as biofuels should be included within the PCFV mandate. The outcome of discussions (which included alternative fuels, fiscal incentives and pricing structures for faster uptake of cleaner fuels, and a more integrated view of transportation) was that while the PCFV could provide guidance on related issues such as biofuels and 2-stroke engines, the PCFV should continue with its present mandate unchanged (i.e. focus on lead phase out and sulphur reduction concurrent with cleaner vehicles). The focus of the CH should be on its planned activities for the next 2 years, which is ambitious and addresses areas where the most significant gains in health can be achieved.

Other Business

Dr. Hernan Calisto (CORPAIRE) submitted a proposal that 5 GPM be held in Quito, Ecuador, with a personal invitation to the Partnership from the city's Mayor. The invitation and all relevant details will be considered by the Advisory Group.

Conclusion

The moderator formally concluded the meeting at 15:30, thanking Partners for their continued dedication to the PCFV and its mission.

Cristina Boelcke, Officer-in-Charge of the Division of Policy Development and Law (DPDL) of UNEP, offered closing remarks on behalf of UNEP, pledging greater access to political support for Partnership activities from UNEP's regional offices, reiterating UNEP's commitment to continue hosting the PCFV Clearing-House.

Support for the 4GPM lunches and reception was kindly provided by Shell, Exxon Mobil and Afton Chemicals.



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Annex I: Abbreviations

3GPM - 3rd General Partnership Meeting
4GPM - 4th General Partnership Meeting
AAM - Alliance of Automobile Manufacturers
AECC - Association of Emission Control by Catalyst
AG - Advisory Group
API - American Petroleum Institute
CCAD - Central American Commission on Environment and Development
CH - Clearing-House
IPIECA - International Petroleum Industry Environmental Conservation Association
JAMA - Japan Automobile Manufacturers Association
MECA - Manufacturers of Emission Control Association
NRDC - Natural Resources Defense Council
REC - Regional Environmental Centre for Central and Eastern Europe
UNEP - United Nations Environment Programme
US EPA - United States Environmental Protection Agency



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Annex II: 4GPM List of Participants

Annex III: AG Member Selection Guidelines

Guidelines for Renewal of PCFV Advisory Group Membership

Considerations:

- That after a period of time a new AG should be chosen;
- That the AG should not be too big - maintain present size;
- That there is a need to develop rules on the AG to be included in the Governance Rules;
- That the AG should represent all partners/major partner groups; in particular, the North-South, regional and developed/developing country balance should be kept in mind.
- That especially the active partners should be given the opportunity to be on the AG;
- That more NGOs should participate in the AG;
- That Partners should be part of the Partnership for some time, to get familiar with its work and procedures, before joining the AG.
- That the fuels additive and after-treatment equipment industries do not really fit into the oil and vehicles groups of the AG.

The Clearing-House is proposing the following:

1. The AG will be changed every two years.
2. Only full PCFV members (not associate members) can become AG members.
3. A period of a year should have elapsed from a member having joined to their becoming eligible for AG candidacy.
4. All effort should be made to have the PCFV balance of membership in the AG as per the following constrains:
 - Groups (Fuels industry, Vehicles industry, NGOs, Governments, International Organizations, Others)
 - Regions
 - Developed/Developing (North-South)
5. The CH will contact all Partners to ascertain their interest in joining the AG. The CH will submit the list of interested partners to the AG. The AG will be composed of approximately 10 members. Should the number of partners interested in joining the AG be:
 - Ten or less - The AG will recommend the candidates to GPM. Empty seats may still be filled at GPM.
 - More than Ten - The AG will recommend only ten candidates to the AG, based on criteria in items 2,3, and 4.

GPM shall then discuss and decide on the candidacy of the members put forward by the AG.

6. One of the members of the AG will always be the organization where the PCFV CH is based.
7. There is no time restriction on the AG membership. Organizations can be on the AG for consecutive terms.
8. The CH will continue organising and moderating the AG meetings as an ex-officio member.
9. The CH will notify Partners of scheduled AG calls one week prior via email so that interested non-AG members can notify the CH of an issue to be addressed by the AG.



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Annex IV: List of AG Members 2006/2007

Vehicles Industry

Alliance of Automobile Manufacturers (JAMA as secondary rep)

Oil Industry

International Petroleum Industry Environmental Conservation Association

Petrol Institute of East Africa

Others

Afton Chemical

Association of Emission Control by Catalyst /Manufacturers of Emission Control Association

Governments & International Organizations

Central American Commission on Environment and Development

Regional Environmental Centre for Central and Eastern Europe

United Nations Environment Programme

United States Environmental Protection Agency

NGOs

Kukulkan Foundation

Natural Resources Defense Council



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