



**Clearing-House for the
Partnership for Clean Fuels and Vehicles**
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**SUMMARY OF THE SEVENTH MEETING OF THE
GLOBAL PARTNERSHIP FOR CLEAN FUELS AND VEHICLES**
Szentendre, Hungary
28 – 29 April 2008

The 7th Global Partnership Meeting (7GPM) of the Partnership for Clean Fuels and Vehicles (PCFV) was hosted by the Regional Environment Centre (REC) and opened by Mr. Radoje Lausevic, Deputy Executive Director of the REC.

Thirty five member organisations participated in 7GPM, along with three observers. [See attached list of participants]

The meeting was organised by the PCFV Clearing House with support from the REC.

Ms. Bouzar of UNEP moderated the meeting on behalf of the Clearing House. The moderator emphasised that although the PCFV has achieved much success, much work still needs to be done. Ms. Bouzar reminded us that the global vehicle fleet is set to triple – with 90% of this growth taking place in developing and transitional countries. She said that this is a major challenge both from an urban air quality perspective and a global climate change point of view.

The moderator set out the overall objectives of the meeting;

- Review progress made in the regions and the challenges encountered.
- Review progress made in the implementation of the PCFV Workprogramme 08/09.
- Review and decide on activities in the three main PCFV campaigns (lead, Sulphur and vehicles)
- Discuss and agree on PCFV development and issues, such as PCFV tools, how to better integrate the systems and co-benefits approach into the PCFV work and the strategic direction of the three PCFV campaigns.

Session I - Regional Overviews

Regional progress reports were presented by CAI Asia for Asia, NAAMSA for Africa, USEPA for Middle East and North Africa, Mario Molina Centre for Latin America and the Caribbean and the REC for Central and Eastern Europe. Partners agreed that the approach of the Clearing House to develop strategic cooperation with several main partners in the regions is working well and should continue and be strengthened where possible.

Regional representatives reported that significant progress has been made since 6GPM in Beijing, both at the operational and strategic levels. Awareness of the clean fuels and vehicles issues seems to be increasing, especially in the political and government policy making arenas. In many regions political and regional declarations have been adopted on clean fuels and vehicles/ the PCFV. At the same time, many countries, with support of the PCFV Clearing House and partners, have taken action. The fact that 99% of the global fuel market is now unleaded is an excellent example of this.

Partners noted that the barriers to lead phase out are political rather than technical in nature for the remaining countries 14 countries (list leaded countries). The Partners encouraged UNEP to promote the resolution of political issues where possible.



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Although many regions and countries have started to move on lowering sulphur levels, much still needs to be done. This is still a major challenge for the PCFV and thus will remain as a major focus of the partnership. While several regions and sub-regions have adopted low sulphur plans, several have not done so yet and would benefit from a regional agreement on lowering sulphur levels. Partners also said that one of the challenges for the PCFV is now to translate regional and political commitments into national action plans and standards.

In many regions and countries fuel standards and vehicle standards are not well aligned, an issue to be addressed by the PCFV. Although harmonisation efforts are under way they should be intensified.

Several partners reported delays in the implementation of agreed standards and in investments in cleaner fuels and vehicles (like refinery investment) due to the economic crisis. They suggested that there is a need to communicate to the governments and the public the environmental and health consequences of such delays.

National approaches should be supplemented by working with specific groups on specific actions – for example working with cities that set tighter standards, and support clean fuels and vehicles for mega-events like the Olympics, Asian Games, and World Expo etc.

FOLLOW-UP:

- The Clearing House to develop an action plan for the remaining leaded countries.
- The Clearing House to continue to strengthen the cooperation with PCFV partners in the regions, specifically to identify strategic regional partnerships in regions and sub-regions where this has not been done yet – such as in the West Asia region.
- Clearing House to inform future activities from lessons learned and past effective steps taken.
- More data is needed to be used for policy development, for example cost benefit analysis and health impacts statistics. Clearing-House to endeavour to support development and use of cost benefit analysis as an instrument to convince governments to clean up fuels and vehicles for the benefit of PCFV work.

Session II - Progress Report Implementation PCFV Workprogramme 08/09

The Clearing House presented a detailed overview of the implementation of the PCFV Work Programme 08/09. It showed the enormous amount of activities undertaken by the PCFV over the past fifteen months, at the global, regional and especially national level.

In general terms, the PCFV is on track to implement the Work Programme 08/09 (although several planned activities have been replaced by new activities).

In financial terms, the PCFV has the funding needed to complete the implementation of the Work Programme 08/09 as budgeted. The Clearing House stressed that several main support projects will end this or next year. However, USEPA and UNEP have agreed on a cooperative agreement to support the PCFV for a maximum of USD 3 million for the coming 5 years. Although several new projects have come up (especially the new USEPA support project, continued support from UNEP and others), it is still necessary to find additional financial support to continue the PCFV for the medium term.

Partners commented on the use of the UNEP Clean Fleet Management Toolkit having allowed the Clearing House to move more to policy work at the national level as in-use experiences have provided a base through which this can be done. Partners commented that the UNEP Clean Fleet Management Toolkit provides tangible results to fleet managers showing the environmental and cost benefits of cleaner vehicles (e.g., showing that fleets can be a cost-saving element rather than a cost-burden to a fleet management organization).



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Some partners recommended that the Clearing House consider how to link this fleet-based work to national clean vehicles policy work.

FOLLOW-UP:

- The Clearing House to continue implementation of the Work Programme 08/09.
- The Clearing House to look for additional financial support and in-kind support for PCFV activities
- The Clearing House, with partners, to develop more clean fleet support projects, including bus retrofit projects, and keep updating the toolkit based on in-use experiences.
- The Clearing House to consider possible linkages of the Clean Fleet Management Toolkit work with national clean vehicles policies.

Session III - Tools

The Clearing House presented several PCFV tools that the PCFV has been developing. Three tools were presented: UN Web-buy, where the Clearing House has helped UN vehicle procurement include environment considerations; the Clean Fleet Management Toolkit; the Global Clean Fuels and Vehicles Database.

The Clean Fleet Management Toolkit is an interactive, DVD based toolkit for clean fleet management that is applied by public and private fleet operators. It has had very positive initial results. The Clearing House is rolling out the toolkit in all regions (for example through training sessions). The Global Clean Fuels and Vehicles Database is a global database containing information on clean fuels and vehicles in developing and transition countries. It will be searchable and users can produce tailor made overviews and maps. As far as we know, it will be the first free global clean fuels and vehicles database. The Clearing House is now completing the design of the database and populating it with information. PCFV partners were asked to assist in populating the database. The launch of the database, which will be on the PCFV website, is end of 2009.

FOLLOW-UP:

- The Clearing House to involve PCFV Partners in the development and population of the Clean Fuels and Vehicles Database, and to include an additional item in the Database to record if countries have adopted standards that make import of cars with catalytic converters mandatory.
- The PCFV to increase activities in Asia; focus on lead phase-out in remaining countries, sulphur reduction and promotion of clean fleets.
- The Clearing House to provide a follow-up brief on clean fleet management tools (UN Web-Buy and Clean Fleet Management Toolkit) at the next Global partnership Meeting (8 GPM).

Session IV - Cooperation Efforts

The partnership is participating in many initiatives and programs. A few major initiatives were presented; (i) WP29 which is a UN body that promotes harmonisation issues and a working group is looking at harmonising fuel standards; (ii) an African Refineries Study, in which the Clearing House participated, is a World Bank funded study on the viability of African refineries and includes a health study of moving to cleaner fuels in Africa; and (iii) a Central America Fuels and Vehicles study.

With regard to the WP29 process, there is a difference of opinion between the auto and the oil industries, as the auto industry proposes inclusion of a significant number of parameters in global fuel quality harmonization efforts, while the oil industry wants to only focus on a few key parameters. The oil industry is proposing to base global standards on vehicles technologies, while the vehicles industry would like to see harmonization based on emissions standards. It was noted that the PCFV should continue to promote the systems approach – i.e. to ensure that fuels and vehicles are seen as a system. Some partners suggested that although the



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PCFV has a focus on sulphur, other parameters, like those required for Euro 4 standards, should be emphasised. For example, these partners note that there is an opportunity to introduce Euro 4 specifications in regions where Euro 4 cars have been introduced.

FOLLOW-UP:

- The PCFV to keep focusing on ensuring that emission technology that is available is enabled, through legislation and regulations, thereby contributing to lowering vehicular emissions.

Session V - Progress in the Lead campaign

The Clearing House made a presentation on the progress that was being made in the global campaign to eliminate leaded petrol. 2008 saw an additional 5 countries go unleaded, leaving only 14 countries still using leaded gasoline (and the majority of these 14 uses both leaded and unleaded petrol). It is estimated that more than 99% of the global petrol market is now unleaded.

Partners acknowledged that a great deal of hard work went into the lead phase out success and that the PCFV should actively promote the successes achieved. However, they also said the PCFV should continue until the job is finished and the last phase of this campaign is completed. Partners also recognised that this is not a technical but rather a political issue – that the last countries will only change their policies through political intervention. UNEP was asked to use its influence with governments to facilitate resolution of political issues where possible.

There are reports of leaded gasoline being available in countries that have declared themselves lead free. At 6GPM, it was agreed that there was a need for data from a sampling and testing program to confirm lead addition was no longer occurring in countries where we believe lead phase out has been achieved. Work occurred over the last year to address this, and Afton presented a draft proposal for a sampling and testing program, that included input from UN staff, US EPA, IPIECA, CAI, and others.

The proposal was accepted by the partners as a good step forward in addressing the goals of ensuring lead use has really stopped, increasing awareness, adding credibility to the achievements of lead free countries and the PCFV, and doing all of this in a helpful positive manner. The proposal was therefore accepted and Afton was asked to proceed with the implementation of the proposal and other partners were invited to provide data on lead in petrol. Should the data flag lead in fuel where none was expected, the Clearing House will then be able to engage the relevant governments to address the issue. Partners noted that it would be crucial to develop a communication strategy to facilitate this outreach. Afton noted that the dataset will also contain data on other parameters, notably fuel sulphur levels, which could also be a good verification tool for sulphur levels in fuels.

FOLLOW-UP:

- Clearing House mandated to set up a Lead Verification Programme using data from PCFV Partners.

Session VI - Strategic Outlook - Systems and Co-benefits Approach to PCFV Campaigns

The Clearing House made a presentation showing that the systems approach and co-benefits principle is increasingly important in the work of the PCFV. The systems approach refers to treating fuels and vehicles as one system – that the emissions from a vehicle depend on both the fuel and vehicle and that the two are closely linked. Although the systems approach has been part and parcel of the PCFV since its inception, as more clean fuels become available, this has become even more relevant. The co-benefits approach emphasizes that promoting cleaner fuels and vehicles has both local benefits (urban air pollution, health impacts) and regional/



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global benefits (transboundary air pollution and greenhouse gas emissions). Co-benefits can be achieved in all the work of the PCFV (lead, sulphur & cleaner vehicles). The Clearing House emphasized that these two principles are key to future PCFV work.

During the discussion, partners emphasised the importance of both principles. It was agreed that the systems approach means that fuel sulphur levels are important for both petrol and diesel vehicles. Partners debated about whether the oil in vehicles is part of the fuel-vehicle system. There was no agreement about whether the definition of “systems approach” includes oil, as some partners adhere to a common regulatory definition of “systems approach,” which focuses on the fuels and vehicle emissions. However, it was agreed that oil is an important issue and should be addressed.

Partners said that the work the PCFV is doing is crucial to improving urban air quality in developing and transition countries and makes a significant contribution to reducing green house gases. Some partners suggested that we prioritise our work on the basis of the systems/ co-benefits approach and focus on those regions/ countries/ issues where we can make most progress.

Partners also said that the systems and co-benefits approach should play an important role in the communication of the work of the PCFV.

FOLLOW-UP:

- Suggestions were made to set up a working group for the PCFV to strengthen the systems approach – especially the vehicles side of the systems approach, including the black carbon issue - see the follow-up under the Vehicles Section below.

Session VI - Strategic Outlook - PCFV Sulphur Campaign

The Clearing House provided a detailed presentation about the progress made in the global sulphur campaign. It showed that significant progress has been made with about half of all developing and transition countries now having adopted targets and plans for low sulphur (50 ppm) implementation. The Clearing House also showed maps indicating that the sulphur levels in fuels have been reduced in many countries since the inception of the PCFV. It was also noted that many activities are planned by the Clearing House for the coming years.

Partners also provided updates for specific countries and asked that separate maps and information be disseminated for sulphur levels for petrol and diesel fuels, as usually progress in the reduction of sulphur differs between the two types of fuels.

It was also clear that many countries still need to translate their commitment into national action, and thus the PCFV should increase its support to the national level. As reducing sulphur levels is more challenging than phasing out leaded gasoline, many possible strategies were discussed, including: separating efforts to reduce sulphur in gasoline and diesel; lowering sulphur levels in cities/ metropolitan regions to have a dual fuel approach; short versus long term policies; use of cost benefits analysis and studies etc. were proposed for the Clearing House to consider, bearing in mind the limited resources available. Partners agreed that getting the right information to the right people in the right format is the key challenge. Therefore Partners requested more case studies and best practices to be developed and shared, showing different approaches/ steps/ timeframes. The PCFV should present these as a set of “technology-neutral” options. Integration of the development of case studies and best practices resource information into the next work programme was recommended.



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The current economic crisis and lack of awareness in governments were mentioned as key obstacles in refinery investment needed in many countries for lower sulphur fuels.

Partners also discussed the increasing importance of the black carbon (BC) issue for obtaining short-term greenhouse gas reductions. The majority of BC emissions are estimated to come from developing countries and will increasingly be the case in the future. Diesel vehicles are one of the major contributors. It was agreed to form a small PCFV working group to review how best the PCFV could contribute to reducing BC (see vehicles session below).

FOLLOW-UP:

- Further intensify the sulphur work – especially to support the implementation of national and regional commitments into national policies and standards
- Incorporate the documentation of case studies and best practices into the next work program.
- CH to keep separate track of diesel and gasoline sulphur levels

Session VI - Strategic Outlook - PCFV Campaign Cleaner Vehicles

The Clearing House explained that there is an increasing demand for the PCFV to support clean vehicles activities, especially for the development of national vehicle policies and clean fleet management. This has partly to do with the fact that cleaner fuels are now more available, but also because of the increasing attention to the role that vehicles (and fuels) play in global climate change. The Clearing House emphasised that requests received for support were almost always on the basis of improving local air quality and reducing greenhouse gas emissions.

The Clearing House presented a proposed outline of a strategy on vehicles and emphasised the co-benefits of air pollution and climate change - local and global. The Clearing House also presented a new initiative – the Global Fuel Economy Initiative (GFEI), a global initiative of the International Energy Agency, the International Transport Forum, the FIA Foundation and UNEP. The initiative promotes the doubling of the global fuel economy by 2050 – as per IPCC and G8 recommendations. Within the GFEI, UNEP is spearheading a component that supports the development of national clean and efficient vehicles policies in developing and transition countries. Partners welcomed the opportunity for new clean vehicle activities through the GFEI '50by50' Campaign and it was agreed that the PCFV work closely with the GFEI.

Partners recognised the importance of BC, both on local air pollution and global climate change. It was agreed to set up a small group to work on reviewing the PCFV vehicle strategy, including the PCFV approach on BC – to be included in the consolidated work plan for the next meeting.

Partners recommended that a focus on heavy diesel trucks seemed to be a necessary future area of focus, and that the best approach encompassed a political and technical mix, particularly in many regions where refineries are government owned. Discussion also focused on the options to retrofit heavy diesel trucks and buses versus promoting new vehicles. The need for case studies to promote retrofitting was emphasised, although it was recognised that this is expensive and often difficult to achieve.

FOLLOW-UP:

- Clearing House to further extend the clean vehicles campaign to support countries in developing clean vehicle strategies.
- Clearing House to continue to promote the cooperation and linkage with the GFEI



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- A small PCFV Working group will be set up to review the proposed vehicles strategy and proposed implementation approach for PCFV clean vehicles work. This should include the role the PCFV plays in addressing the Black Carbon issue.
- Black carbon to be included in next year's meeting agenda and new work programme

Session VII – Any Other Business

Some partners proposed that the PCFV should start work on used oils – using a life cycle approach and advising governments how to handle used oils. Partners discussed the possible extent of this work with some partners expressing concerns about the meaning of a life cycle approach and over-extending the CH staff and resources leading to potential delays in progress on the current goals of the PCFV. It was agreed that Lubrizol and IPIECA – with support from other interested partners – would prepare a small proposal for the consideration of the PCFV Advisory Group on possible PCFV work on used oils. If the proposed work for the Clearing House would only be to issue a best practice document (like the lead decommissioning and decontamination document) then the Advisory Group had the mandate to consider approving this. If the proposal constitutes a major new PCFV activity, Partners asked the Advisory Group to defer the issue to the next Global Partnership Meeting.

The new World Wide Fuel Charter Bio-fuels guidelines were presented and partners took note of them.

The meeting agreed to accept US EPA's kind offer to host the next Global Partnership Meeting in Washington D.C.