

## **Global Fuel Economy Initiative**

### **1. Background**

The Global Fuel Economy Initiative (GFEI) was launched on 4 March 2009 in Geneva, by the United Nations Environment Programme (UNEP) and its partners, namely the International Energy Agency (IEA), the International Transport Forum (ITF) and the “Federation International des Automobiles” (FIA) Foundation. The objective of this initiative is to assist countries to develop policies that encourage fuel economy improvement and efficiency for vehicles and to review existing policies on fuel economy. The Global Fuel Economy Initiative (GFEI) in Mauritius aims at improving fuel economy for vehicles and decreasing carbon dioxide emissions.

### **2. Implementation of the Global Fuel Economy Initiative in Mauritius**

The implementation of this project in Mauritius started in March 2013 and is scheduled for completion in December 2014. This project is funded by the United Nations Environment Programme (UNEP) under the Global Environment Facility (GEF) to the tune of USD 70,000. In fact, Mauritius forms part of the 3 pilot countries from the Africa region along with Morocco and Kenya to undertake the project.

### **3. Objective**

The Global Fuel Economy Initiative is meant to catalyse and help the country to draft a ‘cleaner, more efficient vehicles’ policy and adopt best practices on fuel economy improvement so as to reduce transport-related carbon dioxide (CO<sub>2</sub>) emissions. Its ultimate goal is to stabilise carbon dioxide levels by reducing the average fuel consumption from its current 8 litres per 100km to an average of 4 litres per 100km, thus resulting in a decrease in carbon dioxide emissions from an average of 180gm per Km to 90gm per Km.

#### **4. Implementation**

Mauritius has already taken measures to improve fuel quality through the introduction of carbon tax on vehicle and diesel with low sulphur content, 50 parts per million as compared to 500 parts per million, in March 2012. The project will also help to properly document the benefits accrued from the introduction of carbon tax on vehicle and diesel with low sulphur content, and report progress in pollution control. Improvements in fuel economy will result in a number of benefits for the country. Given that road transport is responsible for an estimated 70-90 % of air pollution in urban areas causing health problems and premature death, improvement in fuel economy will lead to an enhancement of the urban air quality through reductions in vehicle emissions. This project will also lead to a reduction in oil imports.

#### **5. Project Components**

Under this project Mauritius will develop an efficient vehicle strategy through:

- (i) the establishment of a National Task Force to support the implementation of the Global Fuel Economy Initiative;
- (ii) the development of a national auto fuel economy baseline to monitor trends;
- (iii) the conduct of cost and benefit analysis of policy options to support fuel economy; and
- (iv) the holding of two national workshops, one at the beginning of the project to kick-start the project and the second one at the end of the project to present the key findings and the policy recommendations.

## **6. First National Workshop, 22-23 July 2013**

The first workshop was held on 22 and 23 July 2013 with participants from the land transport and automobile sectors. The workshop was facilitated by experts from the United Nations Environment Programme.

The aim of the workshop was to launch the GFEI project in Mauritius. While the Government of Mauritius has made good steps towards cleaning up the vehicle fleet through cleaner low sulphur fuels and cleaner vehicle regulations, it is important that the benefits from such interventions are properly documented so that the progress is monitored and reported (and publicized locally and internationally), e.g. the CO<sub>2</sub> tax is quite a significant intervention by the Government. The workshop kick started the implementation of the project which entails baseline setting and monitoring of vehicle fuel efficiency trends, proposals for additional policies based on a cost-benefit analysis for government intervention including an analysis of the feebate (Rebates and Tax) system.

This is in realization that the global vehicle fleet is set to triple by 2050; over 90% of this growth will take place in developing and transition countries. Achieving ambitious, yet realistic, fuel economy targets is especially important in developing countries since most new vehicles in the world will be bought and operated in these countries by 2050. Developing and transitional countries are in a good position to take advantage of clean vehicle technologies more readily available in developed countries to their economies.

During the workshop, participants learned from the experience of South Africa and Ethiopia on the Global Fuel Economy Initiative project, particularly in data gathering, baseline setting and cost-benefit analysis.

## 7. Task Force Committee on GFEI

The Ministry of Environment and Sustainable Development has set up a Task Force comprising stakeholders from public and private sectors to pilot the project. The Task Force will consider the cost and benefit analysis on policy options to support fuel economy in Mauritius, such as:

- (i) more stringent Carbon Dioxide (CO<sub>2</sub>) emission threshold for motor cars for calculating levy & rebate;
- (ii) Engine norms for import of vehicles;
- (iii) Maximum allowable age limit of vehicles on roads; and
- (iv) Alignment of fuel quality with latest EURO Standards.

*CPI Division*

*06 August 2013*