Summary: Role of emerging markets in achieving global shift to low and zero emission vehicles

On Friday 15th October, UN Environment Programme (UNEP) and the FIA Foundation (which co-ordinates the Global Fuel Economy Initiative) hosted a side event as part of the UN Sustainable Transport Conference exploring the importance of accelerating the global transition to low carbon zero emission vehicles. The event heard from Lord Grimstone, UK Minister for Investment, who explained how the UK have convened a ZEV Transition Council of key stakeholders, which is planning to launch a Joint declaration at COP26 and will set out an Action Plan for 2022. Sheila Aggarwal-Khan, Economy Division Director of UNEP, shared a global perspective from UNEP's experience of working with over 60 low- and middle-income countries over the past decade, as part of GFEI's wider network of over 100 countries globally.

Policymakers from Chile, Kenya, Mauritius, South Africa, Ukraine and Uruguay shared their experiences. This includes Chile, which has announced that it will ban the sale of non-ZEVs by 2035 and is planning to introduce new fuel economy standards to accelerate the transition. Similarly, Ukraine has set ambitious goals to phase out the sales of used diesel vehicles by 2027 and new ICE vehicles by 2030. Other countries are establishing plans and working with stakeholders from across government to try to prepare.

The key recommendations and messages are:

1) A global transition to electric vehicles is needed to rapidly reduce CO_2 emissions from road transport. While some leading markets are showing rapid growth, many other countries need to take action to ensure that their policy frameworks are ready. There is an important role for technical assistance and support for low- and middle- income countries.
2) All countries need to set ambitious targets and comprehensive plans for the phase-out of internal combustion engine vehicles – by 2040 at the latest.
3) Countries need to ensure that their tax systems support the take up of electric vehicles – particularly ensuring lower-carbon options are incentivised.
4) Green finance can enable this transition – particularly support to reduce risks on large capital projects such as bus fleets. There are also a range of other new investment opportunities, such as in smart grids that can sell power back to the grid.
5) Policy and processes around the end-of-life of vehicles is important – both to prevent the dumping of the most polluting vehicles in developing countries, but also to ensure that systems exist to recycle batteries from electric vehicles.