

June 2009

## The IEA's comment on Environmentally Friendly Vehicles (EFV):

## Background:

According to the latest edition of the IEA's World Energy Outlook 2008, around three-quarters of the projected increase in global oil demand to 2030 will come from the transport sector. As a result, the transport sector will account for 57% of global primary oil consumption in 2030, compared with 52% now and 38% in 1980.

The IEA is undertaking a wide range of activities to respond to global energy and environment challenges. The World Energy Outlook 2008 considered climate-policy frameworks for moving the world to two lower emissions scenarios by 2030. In these scenarios, improving energy efficiency would have the biggest contribution to reduction of CO2 emission.

## The IEA's work on improving energy efficiency in transport sector:

In order to improve energy efficiency of road vehicles, the IEA has conducted various kinds of policy analysis and recommendations\* such as review of international fuel efficiency standards, energy efficiency policy recommendations and so on. In these studies, the IEA pointed out 2 key element as follows.

- <u>Policy alignment</u> for financial incentives, taxation and road pricing to reduce R&D and vehicle manufacturing costs which could consequently lead fuel efficient vehicles more affordable for consumers
- <u>Best practice sharing</u> in terms of policies and technologies to promote worldwide deployment of fuel efficient vehicles

## The IEA's thought on EFV:

The IEA thinks that a worldwide definition of EFV would be important as well as harmonization of vehicle standards those are also dealt at UNECE WP29. Therefore the IEA thinks that EFV would help reduction of  $CO_2$  emissions and energy use through promotion of fuel efficient vehicles. If the next step of EFV discussion focuses policy alignment and best practice sharing, the IEA's work above mentioned could contribute.

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<sup>\*</sup> Details are available at: <a href="http://www.unece.org/trans/doc/2009/wp29grpe/EFV-04-08e.pdf">http://www.unece.org/trans/doc/2009/wp29grpe/EFV-04-08e.pdf</a>