CONCEPT NOTE

Development of the Transport Decarbonisation Alliance (TDA)

*a new Platform to Accelerate the Transformation towards Green Transport and Ensuring its Carbon Neutrality before 2050*

1. The Paris Agreement on Climate Change emphasizes “the urgent need to address the significant gap between the aggregate effect of Parties’ mitigation pledges in terms of global annual emissions of greenhouse gases by 2020 and aggregate emission pathways consistent with holding the increase in the global average temperature to well below 2 °C above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above preindustrial levels”. This requires action on behalf of all economic sectors, including all sub-sectors in the transport sector: land transport, aviation and shipping.

2. The Transport Decarbonisation Alliance (TDA), consisting of countries, cities & regions, as well as companies, is a “coalition of the willing” eager to pave the way for an accelerated worldwide transformation of the transport sector towards a net-zero emission mobility system (ahead of the 2050 targets set by the Paris Agreement), by:
   - facilitating joint discussion, sharing experiences and best practices that will result in concerted action on decarbonisation of transport through global, regional, national, local and corporate policy processes on transport and climate change;
   - demonstrating that decarbonisation is technically feasible, economically attractive, and that it brings broad social and environmental benefits;
   - advocating acceleration and engaging progressively a growing number of actors in ambitious action on transport and climate change.

A. Added value of the TDA

3. The TDA has the ambition to become the most visible, creative and effective nexus of public/private cooperation and to be the game changer that will allow the transport sector to meet the Paris Agreement objectives.

4. The unique value added of the TDA is its role as:
• an arena of ambitious front runners committed to accelerate a systemic transformation of the transport sector through collective action by countries, cities and companies;
• a forum for in-depth discussions and exchanges of best practices on the decarbonisation of transport (incl. metrics to assess progress towards decarbonisation) as well as common challenges and sharing solutions to overcome those;
• an advocacy ecosystem demonstrating the feasibility of transforming transport towards a “net zero emission economy” and therefore building momentum by inspiring other countries, cities and companies to follow suit and also implement their respective transformations of transport by 2050.

5. Bringing together frontrunners on Transport and Climate will, in addition to accelerating action on transforming mobility, also facilitate a much needed, better dialogue and synergy between Transport and the Energy Sector. Also, by creating a critical mass of front runners, the transport sector will be better able to make the case for greater ambition and action on transport in the Talanoa Dialogue, and in other related processes in the UNFCCC and relevant global processes.

B. Effective leadership on Transport and Climate Change requires engagement from Countries, Cities and Companies.

6. There is no single group of actors that can be expected to take full responsibility for the transformation of the transport sector to align it with the Paris Agreement. Whereas each group has its own role as well as strengths and challenges when it comes to accelerating low-carbon transport, the transformation cannot be achieved without strong collective and collaborative action.

7. Countries, as Parties to the UNFCCC, are bound by the Paris Agreement to meet the CO2 emission reduction objectives and must establish the national legal framework within which transformation of their transport sector will take place. This will be helped by coordinating national low-carbon transport frameworks at the international level, which if done right can greatly facilitate the overall effort of the transport sector.

8. National government policies and standards also set the stage for action on transport and climate change by companies and cities. Additionally, in many countries, national or local governments also have more than a say in the management of transport and/or energy assets and operations: often they are the owners. Overall, a country’s commitment to and action on, low-carbon transport is therefore critical and effective action by countries will include:
   • implementing selected key, ambitious, policies and regulations. Adopt economic tools and incentives that will send, to both market players and citizen consumers, clear signals about the State’s commitment to move towards sustainable low carbon transport solutions,
   • raising awareness about, and support to, green transportation modes,
   • enabling massive R&D investments in new technologies that tackle bottlenecks in technological innovation, emerging markets and behaviors change,

9. Cities, as the world population is going to turn more and more urban -70% in 2050 - will play an increasingly important role in implementing new low-carbon mobility of people and the transport of goods. The cost of implementation and level of effort will be lower if a significant number of cities, throughout the world, will move synergistically in the same coherent direction. Mobilizing Cities is therefore key, whereby cities will be expected to:
   • translate national policies and actions on transport and climate change to the local level, thereby leveraging aspirations for healthier, inclusive lifestyles and prosperity,
   • ensure safe and efficient access for all to jobs, markets, services and social life,
• make optimal use of their mandates to pilot and scale up innovative approaches to land-use and transport planning, public – private cooperation in the provision of low-carbon transport,
• encourage national governments to integrate effective city-based actions on transport and climate change in national policies.

Although, cities are not a formal Party to the UNFCCC, their experience in taking action on climate change is key and based on this their voice should be heard in shaping the global response to climate change.

10. Much of the costs for the transformation of the transport sector, which are large, will need to be borne by the private sector, which is expected to invest massively in new technologies and services. It is also the private sector which, through the operations of multi-national companies in particular, has the potential to disseminate new low-carbon transport oriented economic and behavioral paradigms throughout the world. Mobilizing companies, to scale up action on low-carbon transport is therefore critical. Their contribution to the decarbonisation of transport is expected to include:
• guided by global and national policy frameworks on climate change, development and implementation of strategies that put their industries in line with global and national targets and engage long term investments,
• commitment to large scale R&D efforts to develop the technologies that are required to achieve decarbonisation of transport throughout their operations and supply chain,
• dialogue with national and local governments to ensure that private sector experiences and expectations are reflected in policy frameworks, tools and incentives to promote low-carbon transport.

As in the case of cities, companies are not a Party to the UNFCCC, yet, as in the case of cities their involvement in international discussions is key to ensure that the transformation of the transport does take place.

11. An open, good-faith based collaboration between these three categories of partners is a prerequisite to steer action on low-carbon transport in a pragmatic, successful direction.

C. Focus and Approach of the TDA

12. To be effective and achieve the required impact the TDA must target all transport emissions from all modes of passenger mobility and freight transport, including land transport, international aviation and shipping. Adopting such a comprehensive approach to action on transport and climate change does not imply that the TDA as a group will engage directly in the current structure of negotiations within UNFCCC, IMO or ICAO processes. For now, it is expected that member countries of the TDA would continue, in their own right, providing a clear input to relevant negotiations under the UNFCCC and also on worldwide negotiations about emissions from international aviation and shipping.

13. The TDA builds on statements of intent by those Heads of States, Mayors and CEOs that have expressed their intent to decarbonise before 2050, their respective countries, cities and companies, ahead of targets set by the Paris Agreement, and have already embarked on significant moves to make this happen. While, the intent of decarbonise is there and an initial pathway has been developed, none can realistically boast of having defined a process guaranteeing success and, more importantly, replication at a wider scale.

14. The TDA will bring “3 Cs” together to work on identifying and deploying scalable solutions to transport and climate change that respect the specific objectives and constraints of participating Countries, Cities and Companies. It does not wish to impose any pre-determined « solution package» to reduce emissions from transport.

15. To help TDA members access relevant methodological frameworks and tools on transport decarbonisation the TDA proposes to set up a “TDA ecosystem” that includes those organizations that have
developed, or are developing relevant guidance for TDA members. Such a TDA ecosystem is expected to be supportive without being prescriptive.

16. For the success of the TDA it is important that the TDA is well linked to other key initiatives on sustainable transport and that it builds on and complements ongoing major multi-stakeholder initiatives promoting low-carbon transport. The following are key initiatives that have a direct relevance for the TDA:

- the existing 21 initiatives on Sustainable Transport and Climate Change, that have been recognized through the UN initiated the Global Climate Action Agenda (first, through the Lima-Paris Action Agenda (LPAA) process and then the Marrakech Partnership on Global Climate Action MPGCA). There is a mutual benefit for both Transport Initiatives and TDA members to coordinate closely;
- the World Bank led Sustainable Mobility for All Initiative (SUM4ALL), which has a work-stream on green transport that prioritizes amongst others climate change mitigation. Success of the TDA will be an important contribution towards the climate related objectives of SUM4ALL, and based on this it can be expected that SUM4ALL stakeholders will want to coordinate and cooperate with the TDA;
- the Multilateral Development Bank Working Group on Sustainable Transport, which is increasingly targeting action on low-carbon transport and which can be an important partner for the TDA, especially when it comes to developing countries.

17. In addition, there are other more general climate initiatives, e.g. Under2Coalition where the TDA can provide transport specific inputs and programs of individual support organizations like C40, the Covenant of Mayors, WBCSD/We Mean Business, WEF which are sympathetic to the cause of decarbonised transport, but which till now do not have dedicated programs of activities focused on the decarbonisation of transport as a sector.

18. A governance system that combines transparency, effectiveness, efficiency and agility, is being developed for discussion and approval at the Kick-off meeting on February 27-28 in Porto, Portugal. The initial TDA governance structure will include an interim Steering Committee which amongst others will oversee efforts to increase and diversify membership over time.

19. TDA activities will be guided by an annual Work Plan to boost coordinated action amongst the members of the Alliance, and to generate coordinated strategic inputs on transport and climate change towards relevant UN processes (Talanoa Dialogue, NDCs and Long Term Emission Reduction Strategies, 2030 Agenda for SDGs) and other key international processes (G7, G20, B20, WEF....). To ensure that the Work Plan reflects the priorities of TDA members it is to be structured in a manner that consists of a mix of common activities in which all TDA members are expected to participate and a “menu” approach, which allows TDA members to select those activities that they are of most relevance to them and in which they would like to participate.

D. The TDA, a work in progress

20. The underlying idea for the TDA is that a “front runners” group, involving both state and non-state actors, including public decision-makers and private sector leaders in the form of a “3 C Alliance” encompassing Countries, Cities (or regions), and Companies - all committed to accelerate decarbonisation, can act as a catalyst for change.

21. The concept of TDA was established on November 11th, 2017 in Bonn at COP23 by France, The Netherlands and Portugal, plus Costa Rica, and 3 private companies, Alstom, Itaipu Binacional, Michelin. This followed preparatory meetings in May and September 2017, in which representatives from France, the Netherlands, Portugal and the Paris Process on Mobility and Climate (PPMC) met in Bonn and Paris to discuss the development of a strong, inspirational leadership to transform the sector, building on the Global Macro-Roadmap (GMR): An Actionable Vision for Decarbonised and Resilient Transport developed by the PPCMC.
and presented at COP 22 in Marrakech, and which was subsequently endorsed by a wide range of stakeholders in the transport sector.

22. The TDA gained further impetus from the One Planet Summit in December, 2017 when more countries – and cities- expressed their interest to join the Alliance. The TDA also gained in significance as a change agent by being included as one of three key deliverables under the One Planet Commitment n°7 - Zero Pollution Transport - (together with the International “Tony de Brum” coalition on maritime transport and the (US) REV West Plan partnership on electric mobility).

23. A formal “kick-off meeting” for the TDA is to take place in late February, hosted by Portugal, gathering all those Countries, Cities and Companies that have expressed an interest, at, and since COP 23, to be part of the TDA. This meeting will elaborate and agree on the TDA Charter, objectives, membership criteria, governance structure as well as a Work Plan for 2018.

24. The official launch is foreseen at the ITF in Leipzig, in May 2018.

E. The commitments to the TDA

25. To maintain credibility of the TDA, all members shall commit to:
   a. Make a public commitment to accelerate action to decarbonise transport to meet a “zero net emission” sector as soon as possible and ahead of the Paris Agreement 2050 target, with formulated ambitious short (2020); medium (2030); and long term (2040-2050) strategies and actions;
   b. Provide up-to-date information about their objectives, actions, progress and experiences in decarbonising transport;
   c. Promote directions and action guidelines outlined in the GMR as well as other major tools provided by the TDA ecosystem;
   d. Contribute actively to promote TDA objectives (as TDA Ambassadors).

26. In addition, members will nurture the TDA community by:
   e. Sharing information and experiences about their TDA activities with other TDA members;
   a. Taking part in one or more of the dedicated work streams in the TDA annual Work Plan;
   f. Contributing financially, at least Euro 10,000 on an annual basis to the TDA operating Secretariat, as well as provide financially and/or “in kind” assistance or dedicated work streams, events and actions set up within the annual Work Plan

27. TDA Countries commit to work in close cooperation with their cities, regions and home-based companies in developing and implementing their transport decarbonisation strategies (incl. UNFCCC related Nationally Determined Contributions (NDCs) and Long-term, Emission Reduction Strategies (LTERS)). They will strive to make locally based cities/regions and companies become part of the TDA.

28. Similarly, TDA Cities will work on their own decarbonisation objectives and implementation plans, in line with with, or more ambitious than, national policies and they will actively coordinate with national/international companies.

29. International TDA companies will commit to implement decarbonisation strategies throughout their operations and supply chains, worldwide, to propose decarbonised products/services and invite other business organizations, and professional associations, to follow similar pathways and become TDA supporters.
30. Application to TDA membership will be supported by (as applicable) the Minister of Transport or other relevant national level Ministry, the Mayor or the CEO, who will commit to be recognized as a TDA ambassador.

F. Expected TDA development 2018-2020

31. The TDA aims to be recognized within the next 12 months by all relevant country, city and company actors as the body of excellence and inspiration to set a decarbonisation course for the sector. To do so, it is important to:

a. **Link the development of the TDA to the UN/UNFCCC time-lines and associated processes**, which include the Talanoa Dialogue during 2018; development of second generation Nationally Determined Contributions (NDCs) by 2020 and the submission of voluntary Long Term Emission Reduction Strategies, also by 2020; SDG implementation by 2030 etc. This implies that the TDA must aim, in the very short term, to contribute a specific Transport perspective to:
   a. the Talanoa Dialogue throughout 2018,
   b. the High Level Political Forum in July, that will focus on 5 SDGs including SDG 7 (energy) and SDG 11 (cities),
   c. the 2018 Global Climate Action Summit in California in September 2018,
   d. COP 24 in December 2018,
   e. the second One Planet Summit by late 2018.

b. **Strengthen the TDA itself and develop it further throughout 2018**. This will require building the organizational structures for the TDA to allow a quick start in the implementation of the 2018 TDA Work Plan. It also calls for action on building the TDA membership. Current thinking is that by 2020, the TDA could aim to have around 20 Countries, 20 Cities/regions, and 20 Companies, but this will be confirmed in further discussions in the Steering Committee. In addition, the TDA will have to structure the relationships with organizations in the TDA ecosystem and also build partnerships with e.g. the NDC Partnership and the 2050 Pathways platform.

c. **Link up with the international agenda (G7, G20, B20)**. Sensitizing Argentina (G20 President 2018) and Canada (G7 President 2018), Japan and France in 2019 will be key.
The case for accelerating action on Transport and Climate Change

It will not be possible to achieve the ambition of the Paris Agreement on Climate Change, without effective action on transport. Transport has gained the reputation of being the most challenging sector to decarbonise.

Implementing the 17 SDGs in the 2030 agenda for sustainable development will create the economic growth required to reduce poverty but it will also result in more demand for transport. This underscores the need for irreversible actions on transport and climate change to contribute effectively to the success of the Paris Agreement:

a. Transport contributes about one quarter of all energy related CO2eq emissions and is 96% oil dependent. It is the fastest growing sector in terms of emissions and all current scenarios forecast an increase in CO2eq, mainly because of growing economic activity in the decades to come, particularly for freight

b. High energy density fuels derived from oil have given current transport modes unrivaled mileage capacities and the “ICE/oil combination” is generally considered cheap, thereby limiting incentives to develop and implement alternatives at scale

c. Transport is the sector for which the cost of CO2 saving is often regarded as the highest

d. Transport is a sector in which the price of carbon would have to be very high (~400 €/metric ton) in order to be effective, this is a level unbearable for other sectors

e. Huge behavioral changes are required to be successful, both from people and from business, that resulting in substantive modal shifts towards less carbon intensive modes of transport

f. Alternative technologies have not been developed to scale for all sub-modes of transport, especially for long distance freight, internal shipping and aviation and there are still pending questions on their dependability and sustainability

g. Markets and uses are very international by nature and changes must be harmonized at world level, which has proven to be a serious barrier to change

h. The most proactive worldwide decarbonisation scenarios still would result in significant remaining emissions of 2-3 Gt CO2eq by 2050

i. The energy sector has not demonstrated its capacity to supply required, affordable alternative energies in due quantities and current commitments are not adequate to enable full decarbonisation of motorized transport

j. Many of transport players are still today pursuing agendas that are inconsistent with the Paris Agreement objectives.