



Market Based Measures to Accelerate Transport Decarbonization

ALICE Webinar

24 August 2023





Smart Freight Centre

We are an international nonprofit organization focused on reducing greenhouse gas emissions from freight transportation.

Our vision is an efficient and zero emission global logistics sector.

We work to guide the global logistics industry in tracking and reducing the industry's greenhouse gas (GHG) emissions by one billion tonnes by 2030 and to reach zero emissions by 2050 or earlier, consistent with a 1.5°C future.

2020



Insetting White Paper

2021

SAF Guidelines



Multimodal Project Launch



Q3

Q4

Q2

Q3

Q4

Q1

Q2

2022



Public Comment



Climate Week

Pilots Begin

Pilots End

2023

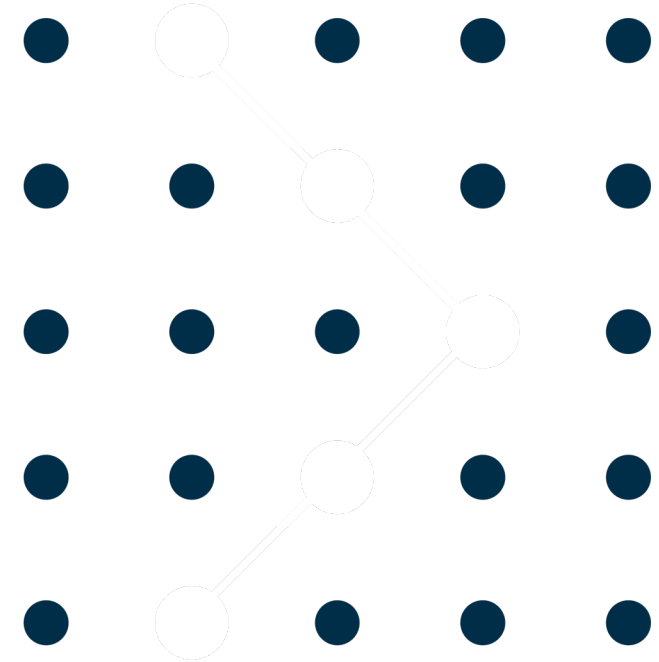
Multimodal Project Complete



THE CHALLENGE

BARRIERS TO HEAVY TRANSPORT DECARBONIZATION

- Large, complex, dynamic supply chains
- Emissions-intense operations
- High emissions abatement costs



THE PROJECT

OBJECTIVES

- Develop a voluntary, market-based accounting framework to accelerate heavy transport decarbonization
- Base the accounting framework on the broadly accepted transport emissions accounting principles in the GLEC Framework
- Expand on the concepts described in the 2021 SAF inseting guidelines, to address several modes of transportation as well as the potential for non-liquid fuel interventions

News

Smart Freight Centre partners with World Economic Forum and leading companies to develop a book and claim chain of custody system for transportation supply chain emission reduction actions

Amsterdam, 9 December 2021 - Smart Freight Centre (SFC) is pleased to partner with World Economic Forum (the Forum) and leading companies in launching a new project to develop a framework and accounting guidelines for a book and claim chain of custody system for transportation supply chain emission reduction actions.



THE PREMISE

ALTRUISM IS NOT ENOUGH

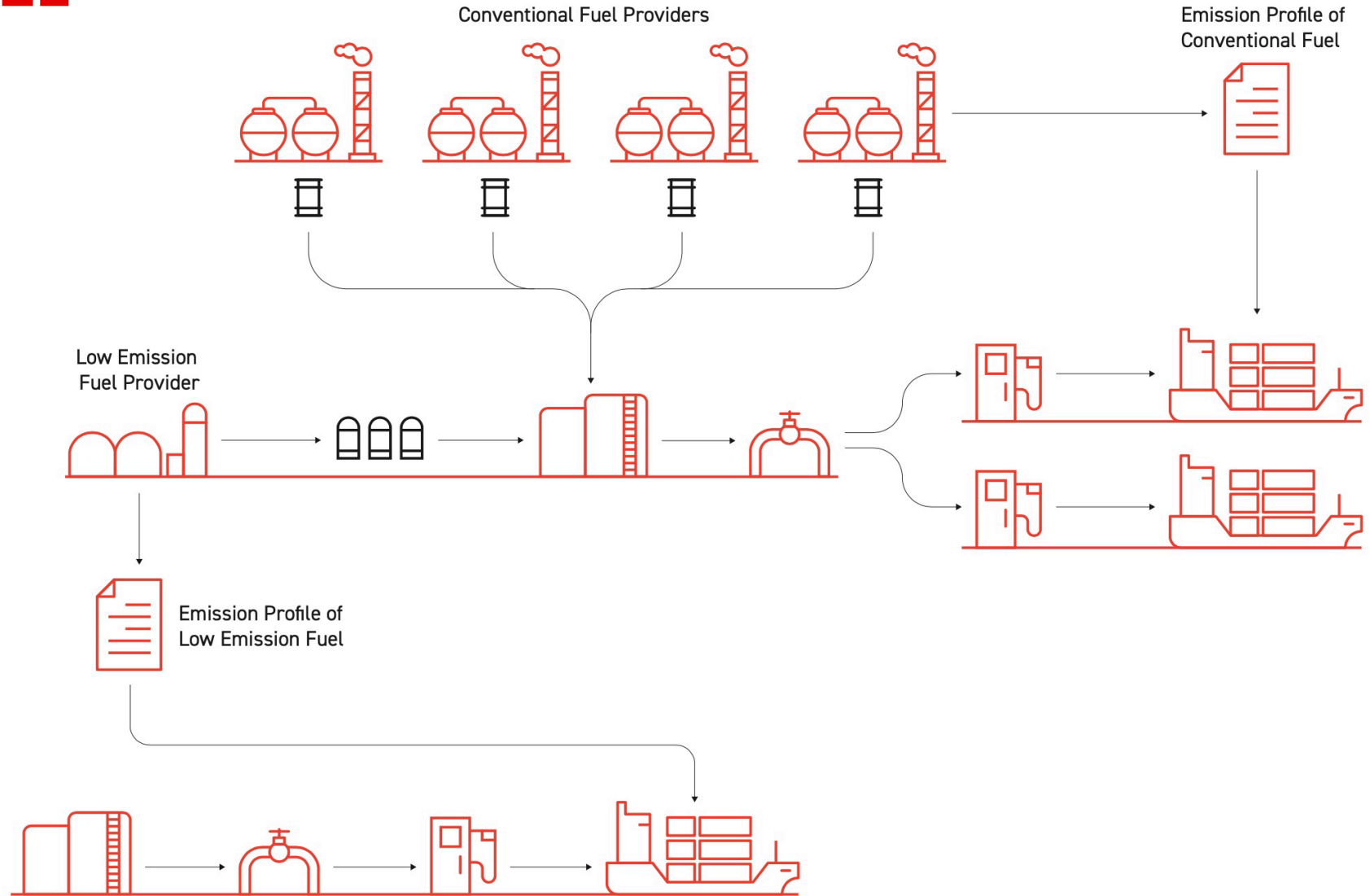
- If an organization cannot account for the benefits of a low emission transportation service (LETS) in their GHG emission reporting and target setting, the organization is unlikely to pay a premium for a LETS
- An organization needs to know the emission profile of the LETS that they pay to enable

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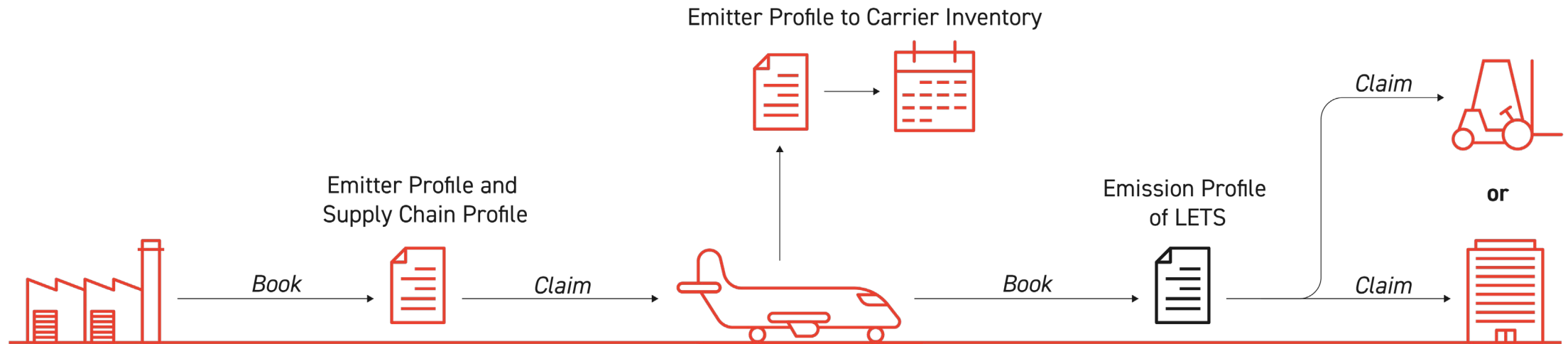
A chain of custody system is therefore the foundation of a framework for shippers, carriers, logistics service providers, and solution providers to partner around deploying LETS.

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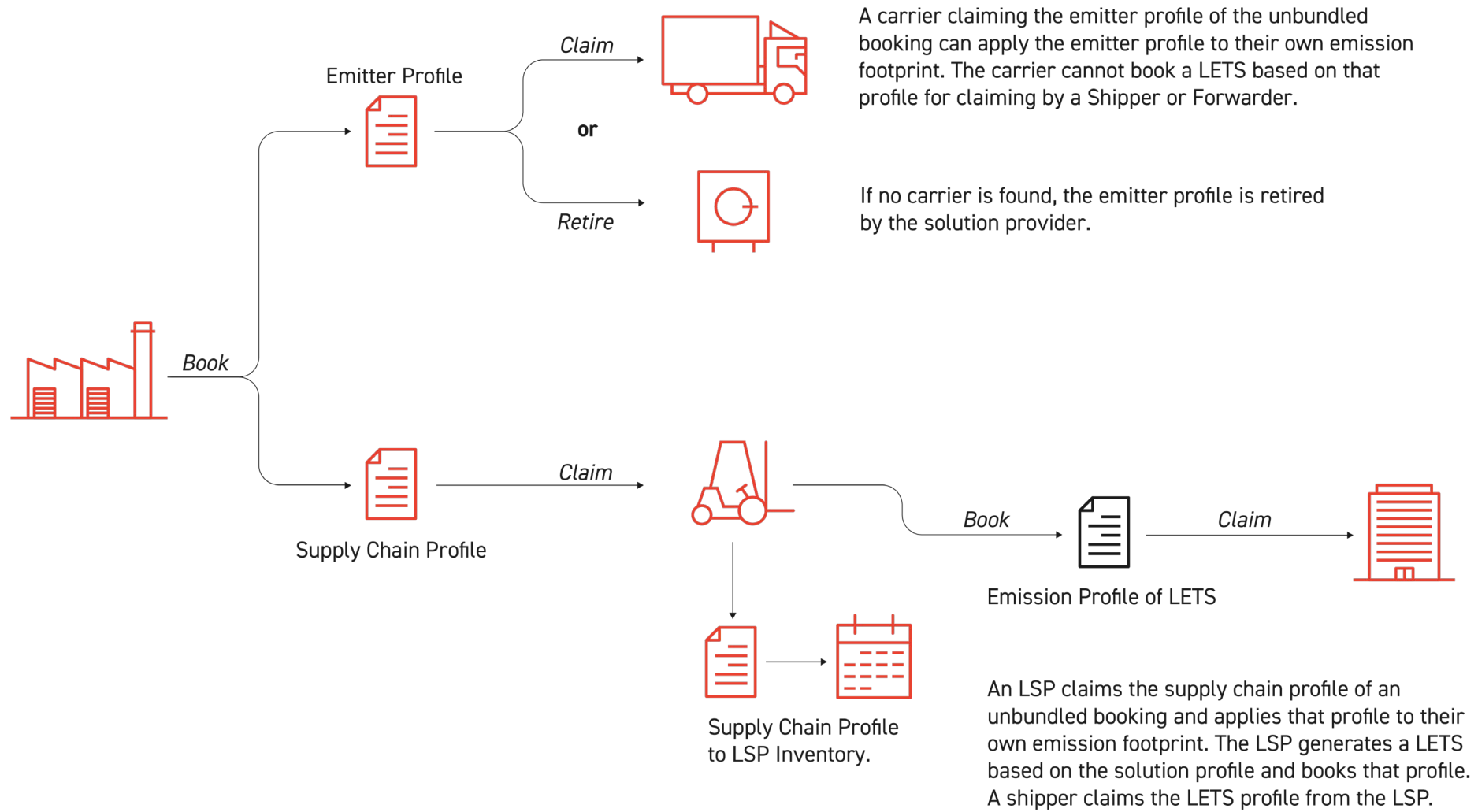
THE MODEL



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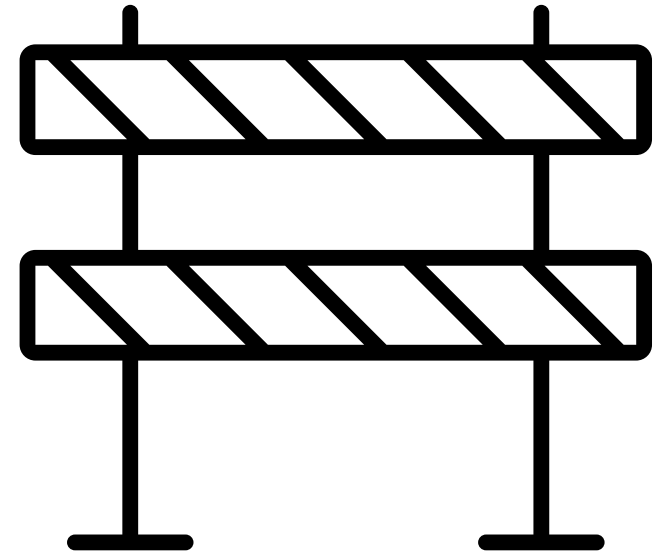
THE MODEL



THE PRINCIPLES

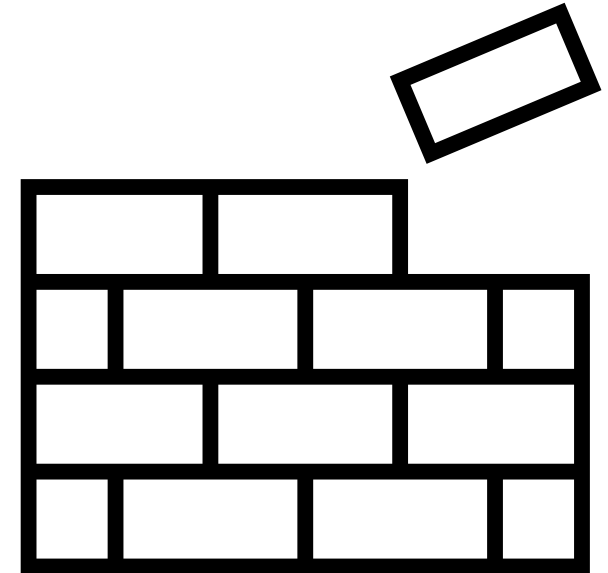
FOUR CONSTRAINTS

1. Additionality
2. Transportation mode
3. Vintage
4. No erroneous double counting



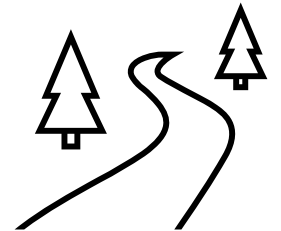
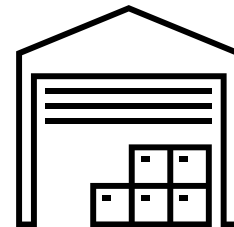
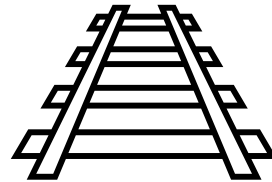
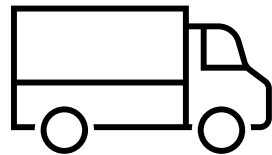
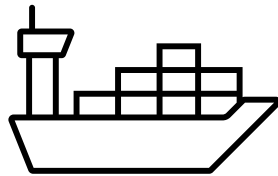
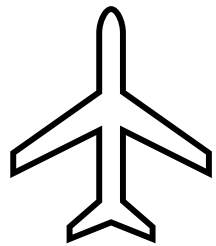
PRINCIPLE 1: ADDITIONALITY

When a LETS was assumed to be generated, or a solution assumed to be applied, beyond the booking or claiming organization or that organization's contracted suppliers, the LETS must be additional – that is, not already be required by regulation



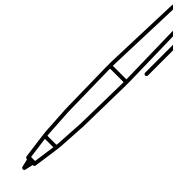
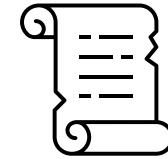
PRINCIPLE 2: TRANSPORTATION MODES

LETS are bound by the modes in the GLEC Framework



PRINCIPLE 3: VINTAGE

The emission profile of a low emission solution or LETS does not last forever



PRINCIPLE 4: NO ERRONEOUS DOUBLE COUNTING

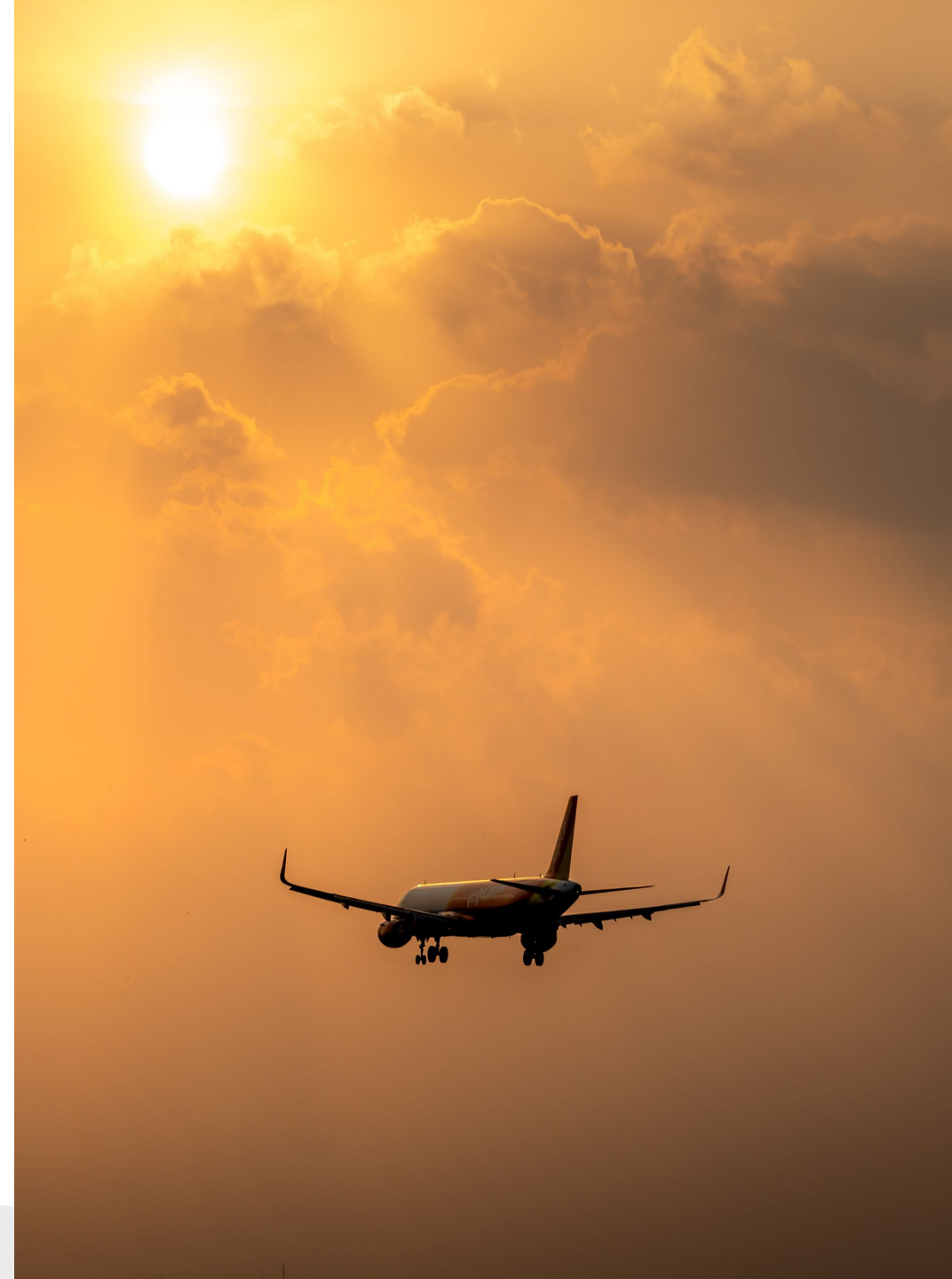
Proper booking and claiming of the emission profiles of solutions and LETS is necessary to avoid two or more reporting companies erroneously taking ownership of the same GHG emissions or emission profile

$$2 \neq 8$$

THE POINT

IN CONCLUSION

- Barriers to heavy transport decarbonization are not insurmountable
- Heavy transport decarbonization can be accelerated by market-based mechanisms to share the costs of decarbonization across transportation supply chains and to increase access to LETS and solutions





Smart Freight Centre

Download the framework [here](#)

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