THE ZEBRA PACT WITH MANUFACTURERS AND INVESTORS

KEY TAKEAWAYS FROM VIRTUAL EVENT DISCUSSIONS DECEMBER 2020

BRAZIL	• New business models adapted to the Brazilian market need to be developed and implemented. Tender awarding processes and concession contracts should be updated and clearly communicated to investors and manufacturers to ensure the most suitable financing models can be applied; • As well as fostering local production of e-buses, the country should accelerate e-bus importations. To incentivise competition by manufacturers, import taxes for foreign e-buses and associated infrastructure should be waived up to a certain year (import fees currently amount to 35% of the vehicle cost); • The city of São Paulo will need to communicate how fleet renewal plans will be amended as a consequence of the pandemic, to ensure they are compliant with the city's Climate Law, and how they will be enforced; • The city needs to define how the pandemic will impact the emissions reductions targets the operators need to comply with.
CHILE	• Incentives are needed for e-bus production and procurement to strengthen the business case against diesel biofuel buses; • Resources and availability of vehicles need to be fostered in the regions outside of Santiago, to break the myth that "Santiago is Chile," (e.g., that Santiago is the only important city in Chile to focus on); • Long-term tender frameworks should be streamlined and more accessible to operators, in order to facilitate the procurement and deployment of e-buses. Organization and long-term planning is key.
COLOMBIA	• The separation of supply and operation of the buses, as already seen in Bogotá, is seen as essential in order to allow for the participation of investors; • Soft credits and local incentives are needed to help minimize CAPEX, supporting, for instance, the costs associated with the infrastructure and electricity. The processes to follow in order to access these incentives should be improved and streamlined; • Energy companies need to play a more prominent role in implementing financing models that can help reduce CAPEX as well as OPEX. The national government should help reduce the cost of electricity, currently taxed at 20%; • Local and/or national governments should procure the land needed for bus terminals, in order to reduce the risk of stakeholders not be accustomed to real estate practices; • Second life battery usage schemes should be developed to improve financing schemes and TCO of e-buses.
MEXICO	• Already successful business models need to be refined based on the Mexican context, with a special focus on asset ownership separation; • Technical capacity needs to be developed, to ensure there is enough expertise from local operators, electric utilities, financing institutions (e.g., development and commercial banks) and public authorities; • Additional financial incentives such as VAT exemption and lower interest rates are needed to foster local production and procurement of e-buses; • The government must adopt a national e-mobility plan setting the roadmap for transitioning the country's fleet, sharing some of the responsibility that is currently left to local cities. This roadmap should develop stronger financial and legal guarantees for investors and manufacturers, adjust energy tariffs, and create other fiscal incentives. This could include adjustments of energy tariffs and facilitation of access to clean energy; • Route optimization is necessary to allow for better charging operations and a smaller load on the city's grid, which also needs to be upgraded.

MORE INFORMATION: https://theicct.org/events/zebra-pact-ebus-dec2020

ZEBRA
ZERO EMISSION BUS
RAPID-DEPLOYMENT ACCELERATOR

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