Sustainable Freight Transport and Logistics in Mekong Sub-region (Green Freight)

Wilasinee Poonuchaphai
Project Co-Director, GIZ Office Bangkok
17 December 2018

Freight and Logistics in the GMS – regional context

• GMS is among the world’s fastest growing economies, booming trade between and in countries
• Large investments in infrastructure to facilitate the trade growth and to connect and integrate the countries
• Strong increase in transport flow along economic corridors and in countries
• ASEAN integration process
• Road transport is the dominant domestic form of transport in all GMS countries (80% of goods by road), mainly SME operators
Freight and Logistics in the GMS - Challenges

- The logistics market in the GMS is very locally organized and highly fragmented.
- Fuel costs are the major operating cost (40-60%) and contribute to high logistics costs (compared to other parts of the world).
- Dominance of aged, fuel-inefficient truck fleets, inadequate logistics management capacity, low safety standards and weak driver training, and a lack of access to financial capital for technology/truck upgrades.
- Lack of freight data that inhibits sound road and fleet investment and policy planning.
- Solutions exist that can reduce both fuel use and emissions but are not being adopted at scale because of lack of information, standards, investment, and policy incentives.

Building Blocks of the project

To increase sustainable freight and logistics in the Mekong Region by working with over 500 SMEs to:

- Implement measures to increase fuel efficiency to 500 SMEs.
- Improve safe handling and transport of dangerous goods in 80 SMEs and regulatory improvements.
- Increase access to finance for SMEs in the logistics sector.
- To promote labelling, green freight action plans and carbon footprinting.
Sustainable Freight Transport and Logistics in the Mekong Region

Key parameters and partners

Duration: 36 months, 1 February 2016 - 31 January 2019

Budget: EUR 2.4 m (90% EU contribution)

Implementing Partners:
- GIZ
- GMS Freight Transport Association (FRETA)
- Mekong Institute

Associates:
- ADB GMS Core Environment Programme
- Green Freight Asia
- National freight/trucking associations

Countries:
- Cambodia, Lao PDR, Myanmar, Vietnam, Thailand

---

WP1: Fuel Efficiency

Overall Objective:
To implement measures to increase fuel and resource efficiency to 500 micro and small freight and logistics companies (Myanmar targets at 100)

Activities:
- Training of trainers on Eco & Defensive Driving
- Training for company’s driver
- Coaching and monitoring fuel consumption reduction
- Pilot projects on trailer swapping and cold chains
- Establish logistics alliance platform
- Showcasing and dissemination of results

Achievements:
- 15 local trainers were trained, Eco driving training curriculum translated into Myanmar language
- 154 SMEs were trained, and 682 data log-sheets from 1,015 data validated
- 13-17% fuel save, CO2 emissions reduction found at 182-186 gCO2/km.
- 164 additional drivers trained by in-house company training
- Eco driving training has been integrated into existing truck driving training in Myanmar
**Fuel efficiency achievement all 5 counties**

Heavy duty truck

<table>
<thead>
<tr>
<th></th>
<th>C</th>
<th>M</th>
<th>V</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel saving (L/100 km)</td>
<td>7.06</td>
<td>13.86</td>
<td>6.71</td>
<td>4.17</td>
</tr>
<tr>
<td>CO2 reduction (gCO2e/km)</td>
<td>193.84</td>
<td>380.30</td>
<td>184.20</td>
<td>114.53</td>
</tr>
<tr>
<td>Cost saving (USD/100 km)</td>
<td>6.17</td>
<td>12.08</td>
<td>3.75</td>
<td>2.69</td>
</tr>
</tbody>
</table>

**Will Eco Driving Do Bring Good Result?**

**WP2 Dangerous Goods Transport**

**Overall Objective:** To improve safe handling and transport of dangerous goods in 80 SMEs and thereby reduce losses and damages from accidents involving handling and transport of dangerous goods.

**Activities:**
- Support for national committees/working groups
- Review national regulation/guideline to meet ASEAN Protocol 9 and GMS Cross Border Transport Annex I
- Translate EU ADR into local language
- Training and capacity development for public and private sector

**Achievements:**
- Gap analysis conducted and Working Group established from various agencies (22 members)
- EU-ADR 2017 translated into Myanmar language and approved by Ministry of Transport and Communication
- 4 local trainers were trained
- 22 government officers and 17 SMEs were trained on ADR guideline and new 6 notifications
- 6 notifications on classification, Placard for Vehicle, labelling for DG class, loading-unloading, equipment on board, documents on board were issued
### WP3: Access to Finance

**Overall Objective:** To increase access to finance for SMEs in the freight and logistics sector.

**Activities:**
- Technical assistance to SMEs to develop business and investment plans
- Coaching on leasing process
- National workshops on access to credit/leasing

**Achievements:**
- Study on Implication of Vehicle Import Duty Reduction prepared and proposed to MOTC and MOF
- Workshop on access to finance conducted
- 7 SMEs are in the process of business plan development

### WP4: Policy and consumer awareness

**Overall Objective:** To promote labelling and other SCP policy instruments for the freight transport and logistics sector focusing TH and VN

**Activities:**
- Expounding on benefits of green certification
- Training workshops on certification processes
- Showcasing frontrunner companies
- Technical assistance on green freight action plans for TH and VN
- Policy analysis and recommendations
- Aiding companies in carbon footprinting for TH

**Achievements:**
- National seminar on Green Freight Labelling Application conducted, with more than 80 participants attended
- 2 SMEs are in the process of GFA standard auditing
Activity photos:

Training materials:
Success factors/lesson learned

- Strong cooperation with partners
- Showcases
- Policy framework
- Resulted based management
- Awareness of company owners
- Strong network with Int’l companies

Challenges

- Communication
- Recruiting SMEs
- Data collection
- Fragmented sector
- Incentive mechanism is not well in place yet
- Languages and culture barrier
Thank you!

https://greenfreightmekong.org/
Wilasinee.poonuchaphai@giz.de