Project Closing Event for Vietnam

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

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Sustainable Freight Transport and Logistics in the Mekong Region

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
# 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 |
### 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:
- 13 Local trainers were trained and curriculum in Vietnamese language
- 100 SMEs were trained on Eco and Defensive Driving
- 11.4-11.7 % fuel save account to CO2 emission reduction at around 11.4-11.7%
- Some private companies conducted in-house training for their own driver covering more than 276 drivers
### Fuel efficiency achievement all 5 counties

#### HEAVY DUTY - LOADED TRUCK

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Fuel Consumption</th>
<th>Fuel Saving</th>
<th>CO2 Emission</th>
<th>CO2 Emission reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-training</td>
<td>Post-training</td>
<td>(%)</td>
<td>Pre-training</td>
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<td><strong>FUEL</strong></td>
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<td>44.32</td>
<td>6.77</td>
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<td>4.48</td>
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<td>37.31</td>
<td>4.80</td>
<td>11.41</td>
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<td><strong>CO2</strong></td>
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<tr>
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#### HEAVY DUTY - EMPTY TRUCK

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<tbody>
<tr>
<td></td>
<td>Pre-training</td>
<td>Post-training</td>
<td>(%)</td>
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<td><strong>FUEL</strong></td>
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<tr>
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**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:**
- Working Group has been established which consisting of various departments, EU-ADR guideline completely translated into Vietnamese language and approved by Minister
- Decree 104 is being revised in compliance to SDR guideline and it’s supposed to complete by 2019.
- Training for government authorities conducted in Ho Chi Minh with 22 participants
- Training for private sector conducted in Ho Chi Minh with 22 participants from 17 companies
**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:**
- Workshop with truck manufacturers and financial institution conducted to present truck technology and existing financial products
- 3 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: | • 15 SMEs are applying GFA labelling  
| | • 3 National workshops on standard and labelling conducted in Hanoi, Danang and Ho Chi Minh  
| | • Green Freight Standard guidance has been developed and issued by DRVN on August 2018 |
Activity photos:
Success factors/lesson learned

- Strong cooperation with partners
- Show cases
- Policy framework
- Resulted based management
- Awareness of company owners
- Strong network with Int’ companies
Sustainable Freight Transport and Logistics in the Mekong Region

Challenges

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

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