Green freight: reducing emissions from GMS transport corridors

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20 years of Greater Mekong Subregion economic cooperation

- Significant investment in infrastructure connectivity, competitiveness and community
- Flagship initiatives: Economic Corridors connecting key border crossing areas and trade hubs
- Increased connectivity has resulted in significant benefits, but also impacts in terms of GHGs and pressure on land use and ecosystems
Carbon impact of corridors

Development of sub-regional roads in the GMS come with significant environmental impacts, particularly increasing GHGs.

*Indirect impact:* Road development facilitates deforestation and land use change – this leads to less carbon stocks

*Direct impact:* Increased traffic is associated with increased fuel use (e.g. diesel, petrol) and carbon emissions
Increased emissions from traffic

Business as usual CO2 emissions from EWEC

million tCO2

- Actual
- Projection

- Passenger transport
- Freight transport
Impact on ecosystems

- Biomass change due to upgrade projects closer to road
- Over 10 year time period, more land use change further from road
‘Carbon Neutral’ corridors?

GHG emissions from the East West Economic Corridor - BAU, Low carbon freight and forestry scenarios

Million tCO2

2005 BASELINE

2005
2010
2015
2020
2025

2005 BASELINE

WITH CARBON SEQUESTRATION

BUSINESS AS USUAL

WITH GREEN FREIGHT
• Road dominated freight sector
• Fragmented industry made up of SMEs
• Poor logistics management capacity, ‘empty running’
• Use of outdated, second-hand technologies
• Little / no access to credit
• Poor driving behavior
Using results to develop pilot projects

- Initiating pilot projects to test interventions and leverage investment
- Focus: GMS corridor provinces
- Outcomes:
  - Remove policy barriers for new technologies
  - Catalyze government and private sector appetite for green freight
  - Establish coordination mechanism between agencies

**Pilot projects**
- ~ $1.5 million in 3 countries
- At least 10% FE gain
- 1000 drivers, 350 vehicles engaged
- Expected savings: 9000tCO2 p.a. / 1% of EWEC freight emissions (2013)

**Investment potential**
- ~ $20 million in 3 countries
- At least 10% FE gain
- 5000 drivers, 4500 vehicles engaged
- Expected savings of 100 ktCO2 p.a. / 10% of EWEC freight emissions (2015)
Thank you
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