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TENTH REGIONAL ENVIRONMENTALLY SUSTAINABLE TRANSPORT (EST) FORUM IN ASIA,
14-16 MARCH 2017, VIENTIANE, LAO PEOPLE'S DEMOCRATIC REPUBLIC

Green Freight and Logistics Development

(Presentation for EST Plenary Session 11 of the Provisional Programme)

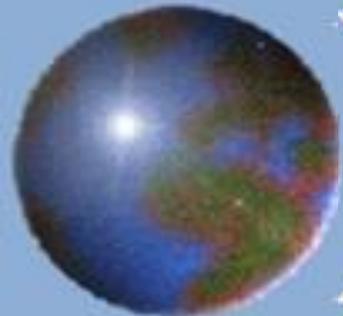
Final Draft

This presentation has been prepared by Mr. Sonphet Somekhit, Ministry of Public Works and Transport, Lao PDR for the Tenth Regional EST Forum in Asia. The views expressed herein are those of the author only and do not necessarily reflect the views of the United Nations.

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Intergovernmental Tenth Regional Environmentally Sustainable Transport (EST) Forum in Asia



Green Freight and Logistics Development in Lao PDR

14-16 March 2017, Vientiane, Lao PDR

Department of Transport
Ministry of Public Works and Transport, Lao PDR

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PRESENTATION OUTLINE

I. Introduction

**II. Strategy on Environmentally Sustainable
Transport in Lao PDR**

**III. Activities under Green Freight and Logistics
Projects**

IV. Ways Forwards

I. INTRODUCTION



Transport situation in Lao PDR:

- Increase of vehicles (2016): ave. 17.3%/year
- Motorbikes: 1,413,000
- Cars: 370,000
- Trucks and buses: 57,000
- Increase fuel consumption: 800 million litres
- CO₂ emissions: 1.5 million tonnes/year. (surveyed by JICA in 2012)
- road crashes: 5,702 (1,054 fatalities)

Results: impacts on society, environment, and economic development in regards to air pollution, traffic jams, road accidents, fatalities and climate change.

A clear direction on sustainable transportation is required therefore the development of Strategy on Environmentally Sustainable Transport in Lao PDR is very essential.

SUSTAINABLE TRANSPORT IN LAO PDR

Main Objectives of Strategy on EST :

- To identify direction on development of Environmentally Sustainable Transport of Lao PDR during 10 years and target of 5 years development plan;
- To use as a reference strategy to sustain the Environmentally Sustainable Transport and to ensure that the implementation can be carried out in the right direction with high effectiveness in line with the policy and socio-economic development plan as well as in line with the strategy on connectivity of the countries in the region.
- To facilitate the traffic control and the use of vehicles to provide convenience, smooth, safe and maintain an order focusing reducing accidents, traffic Congestion, facilitate and control the development of transport in both passenger and goods transport focusing the transportation to be an efficient, modern, sustainable and friendly to environment as well as utilising the potential of geographical location of Lao PDR to be a centre in the region.

SUSTAINABLE TRANSPORT IN LAO PDR (CONT)

The strategy is to ensure the following **12 priorities are met:**

1. Reducing noise pollution, dust, and greenhouse gases from transport which affect human health in the city.
2. Making a plan in relation to sustainable transport development in the cities, including infrastructure for all transport and providing service systems for all passengers in order to manage transport needs, taxation on vehicles, parking and other issues.
3. Establishing a public transport plan and managing transport needs.
4. Travelling by means other than motorised transport.

SUSTAINABLE TRANSPORT IN LAO PDR (CONT)

5. Ensuring equality among all types of people and all levels of society in terms of using transport services.
6. Ensuring measures related to road safety.
7. Promoting the use of EURO 4 oil standards.
8. Inspecting and controlling the standard of vehicles, including road management.
9. Promoting basic knowledge, understanding and involvement of people.
10. Developing the transport network system including road use and management systems.
11. Improving and developing the public transport systems.
12. Improving traffic management, including urban traffic environment.

SUSTAINABLE TRANSPORT IN LAO PDR (CONT)

Priority projects under the strategy on EST:

1. The sustainable public transport project in Vientiane Capital;
2. The project studying 2 ways cargo between Laos and neighboring countries;
3. Implementing a new vehicle registration system and modern driving across the country;
4. Development of regulation related to sustainable transport.
5. Non-motorised project;
6. Promoting public awareness on EST projects;
7. Setting A coordinating mechanism for implementing a sustainable transport system;
8. An efficient and effective transport project by combining all modes of transport (multimodal transport).

III. ACTIVITIES UNDER GREEN FREIGHT AND LOGISTICS PROJECTS

1. Green Freight Project under ADB (completed)
2. Project on Development of Sustainable Freight Transport and Logistics in the Mekong Region under GIZ – EU program
3. Green Logistics under ASEAN – JAPAN

III. ACTIVITIES UNDER GREEN FREIGHT AND LOGISTICS PROJECTS (CONT)

1). Green Freight project under ADB assistance (completed June 2016)

- **The project focused on 3 areas:**

- (i) increasing access to financing vehicle technologies
- (ii) improving driver behavior and vehicle maintenance; and
- (iii) improving logistics management and fleet utilization

Activities:

- Procurement and installation of Tires and Aerodynamic for bus and trucking companies;
- Eco-drive training for 90 truck and bus drivers on driving technique to reduce fuel consumption and good driving behavior .



III. ACTIVITIES UNDER GREEN FREIGHT AND LOGISTICS PROJECTS (CONT)

2). **Project on Development of Sustainable Freight Transport and Logistics in the Mekong Region** (under GIZ – EU program, plan to start April 2017, now under discussion on detailed activities)

➤ **The project will focus on :**

1. Enhance the implementation of fuel efficiency measures for transport operators by providing training to truck and logistics company, organize study trip to exchange the knowledge and experiences among GMS countries.
2. Conduct monitoring and evaluation of training to ensure the effectiveness of training and disseminate the best practices to SMEs
3. Support for experts/specialists to review and improve the regulations on the transport of dangerous goods and organize seminar for truck operators in GMS regarding dangerous goods standard
4. Promoting and supporting initiative knowledge and experience on Laos's Green Freight standard and labeling.

III. ACTIVITIES UNDER GREEN FREIGHT AND LOGISTICS PROJECTS (CONT)

3). Green Logistics activities under ASEAN – JAPAN

➤ **Vision:**

Under ASEAN Strategic Action Plan, Japan will assist to develop a common green logistics framework with doable and attainable measures that would enhance the implementation of green logistics policies within ASEAN Member States.

- i) Develop and implement green logistics measures that would encourage private sectors and individual consumers to promote green logistics;
- ii) Share the best practices on green logistics;
- iii) Create a Checklist Guide on green logistics to provide guidance and instruction toward the private sectors initiatives and operations to promote green logistics.

➤ **Action Plan:**

- i) Japan will start pilot project in 2017 with Malaysia and will invite other AMS to participate the learning and sharing of experience;
- ii) Phase II project will be expanded to other AMS in 2019.

IV. WAYS FORWARDS

I. Perspective of Lao transport sector: to achieve fuel efficiency, reduce emission and sustainable transport, the following areas need to be considered :

- 2 Ways cargo transportation (develop skill for top management level of enterprise to enable the access to market);
- Training for Goods Driving behavior;
- Appropriate fleet utilization (financial mechanism to SMEs);
- High load bearing capacity of road infrastructure.

II. Need supports on implementing projects under Lao Strategy on EST:

- Financial supports on project feasibility study and project implementation;
- Human resource development both public and private sectors in the area of green / sustainable freight and logistics.

Thank you for your kind attention!



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