



Transformational Change through Transport NAMAs Vietnam Transport NAMA

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Manila, May 2015





Overview

- The TCC project collaborates with Ministry of Transport in developing a NAMA proposal in the land transport sector.
- A NAMA identification and selection process was carried out
- Ten measures have been identified as potential NAMAs in Vietnam.
- Vehicle Fuel efficiency policies rank amongst the highest in the long list of potential NAMAs and was selected as the potential NAMA for further development.
- A package of policies would be covered under this NAMA, including several of these options: Fuel economy labelling, Fuel efficiency standards, Tyre standards, Fiscal incentives and Programme to support technology improvements



NAMA Selection Scores of Long-listed Potential NAMAs

Potential NAMAs	Implementation	Mitigation potential	Co-benefits	Costs	Scores
Fuel economy standard	5	5	4	4	18
Eco driving	4	3	4	5	16
Low carbon fuel (1st/2nd gen Biofuel, CNG, LPG) incentives	5	4	4	3	16
Bus system/Low carbon bus	4	3	5	4	16
Rail based Urban Public Transport	5	4	5	1	15
Urban Transport policies/measures	4	2	5	4	15
Non-urban rail infrastructure	5	3	5	2	15
Efficient vehicle policies	4	4	3	4	15
Intelligent Transport System (ITS)/ Traffic impact control/ traffic flow improvement	5	2	4	3	14
Transit Oriented Development (TOD)/land-use planning	3	2	4	2	11



Motivation

- Land transport - a significant consumer of liquid fossil fuels worldwide and thus a major contributor to the increasing global greenhouse gas (GHG) emissions, especially CO₂, and air pollution
- Fuel consumption by transport is expected to increase by more than 5% per year until 2030 because of rapid urbanization and economic growth resulting in greater demand for mobility.
- Vietnam, like other ASEAN countries increasingly rely on fuel imports and fuel prices are very volatile. CO₂ emissions are expected to rise equally as fuel use increases. Air pollution, although also depending on the quality of fuel and emission control devices, will also increase.



Mitigation potential

- GHG mitigation potential: A very rough and preliminary assessment may assume fuel economy standards to be mandatory and to reduce 5-10% of road emissions, labelling to reduce by 1-3% and tyres up to 5%. This would result in a mitigation potential of approximately 1-2 MtCO₂/year through this NAMA by 2025

Co-benefits

- Improved energy security
- Reduced fuel costs for consumers
- Raising awareness
- Improving air quality and noise reduction



Opportunities for implementation

- Awareness raised and lessons learnt from voluntary standards
- Increased fuel prices (removal of fuel subsidies), more demand in fuel savings by consumers
- High entries of new vehicles to the fleets
- Age of the fleets is relatively new (70% cars and 73% motorbikes less than 10 years, 2009 data)

Barriers for implementation

- Commercial interests of car manufacturers
- Technological limits of car manufacturers (mainly following technologies from overseas). Need to give a few years of lead time for car manufacturers to meet the standards



Potential for transformational change

- Innovation:
 - A policy packages – diversity approaches
 - Technology transfer might be included in term of programme to support technology improvements
- Private sector involvement:
 - Opportunity for private sector involvement in fiscal incentive measures i.e. tax exemption to enhance clean fuel deployment...
- Replicability & Scaling up:
 - For standards: Consider to apply in big cities then replicate in other cities.
 - For fiscal incentive: Conduct a pilot project with small-scale fleet and then develop a scaling up strategy.



Next steps

- Consider to separate domestic and/or internationally supported NAMA
 - ▶ Outcome would be a domestic NAMA, but also generally it could make sense to have an internationally supported NAMA, as this enables capacity building and additional political momentum to push forward the high-impact policies
 - ▶ Explore what a supported NAMA could look like, i.e. how should climate finance be used for fuel efficiency policies
- Conduct fuel efficiency study
 - ▶ Serve as the basis for identify the scope of NAMA proposal as well as propose sustainable fuel efficiency policies.



Thank you for your attention!!!

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