Session 2: Low Carbon Transport and the Shift to Electric Mobility

Sustainable Transport in ASEAN

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Outline

- Sustainable Transport in ASEAN Transport Strategic Plan 2016-2025/KLTSP
  - Fuel Economy
  - Cleaner vehicles technology

- ASEAN cooperation in Electric Vehicles and other cleaner vehicles technology

- Recommendations for support to ASEAN
Kuala Lumpur Transport Strategic Plan (KLTSP) was adopted by the 21st ATM in 2015 in KL, Malaysia.

Sustainable Transport as a specific area of transport is included in ASEAN transport cooperation.

The Mid-Term Review (MTR) of KLTSP was completed in 2020.

Strategic goals of Sustainable Transport in KLTSP: Formulate a regional policy framework to support sustainable transport which includes low carbon modes of transport, energy efficiency and user-friendly transport initiatives, integration of transport and land use planning.
Sustainable Transport under KLTSP

Key Goals and Actions:

**ST-1.1:** Promote non-motorized and public transport in ASEAN cities.

**ST-1.2:** Enhance sharing and adoption of experiences, projects and knowledge related to sustainable transport (safe, secure, green and user friendly transport).

**ST-1.3:** Support to the development and implementation of fuel economy policies and standards, as well as environmental-friendly ships & eco-airports.

**ST-1.4:** Develop a regional framework towards green and efficient freight and logistics.

**ST-1.5:** Enhance the capability for environment protection in aviation.

**ST-2:** Diffuse PPP practices for developing transport infrastructure needed for sustainable transport; develop monitoring framework for indicators on GHG emissions in transport sector; promote the integration of transport and land use planning.

**ST-3.1:** Strengthen sustainable transport education and training through greater networking with training centres, educational institutions and expert institutions.

**ST-4:** Enhance regional cooperation in application of smart technology in transport sector.
ASEAN Fuel Economy Roadmap for Transport Sector

- The Study Report was adopted by 24th ATM in 2018, main focus is on LDV.
- It aims to provide a common approach to implement fuel economy policies in the transport sector for ASEAN, both at the national and regional level.
- The Roadmap enables AMS to select and implement policy options with the vision to transform ASEAN LDVs market to be more fuel efficient.
- Press release for the launching of the Study Report is available on ASEAN website: [https://asean.org/asean-steps-up-in-advancing-sustainable-transport/](https://asean.org/asean-steps-up-in-advancing-sustainable-transport/)
Aspirational Goal of ASEAN FE Roadmap on LDV

FE Roadmap aspirational goal in 2025

Source: ASEAN FE Roadmap on LDV 2018
Transform the ASEAN light duty vehicle market into one of the world’s most fuel efficient by 2025, helping to meet regional and national goals for sustainable transport, energy efficiency and climate change mitigation, while supporting the vision of the ASEAN Economic Community 2025, and ensuring health and quality of life of people across the region.

**Vision**

**Goals**

1: Average fuel consumption per 100 km of new light duty vehicles sold in ASEAN is improved by 26% between 2015 and 2025

2: Common indicators and methodologies as well as baseline data for fuel economy are defined

3: Regional cooperation, national action, and fuel economy policy leadership are established

4: Fuel economy label information is regionally aligned

5: Introduction or enhancement of fiscal policies based on fuel economy or CO₂ emissions

6: Adoption of national fuel economy standards for LDVs in all markets striving towards a regional standard in the long term

**Actions**

2.1: Agree on common indicators and methodologies

2.2: Develop fuel economy baseline data

3.1: Continue regional cooperation among policymakers and experts

3.2: Enhance collaboration of government agencies, research institutions, and automotive industry

3.3: Leadership on the issue of fuel economy policies

4.1: Convene the agencies of AMS responsible for fuel economy labels

4.2: Develop a common set of baseline information

5.1: Introduce and strengthen fuel economy or CO₂ emission-based fiscal policy

5.2: Exchange lessons learned on fiscal policy implementation

6.1: Introduce and strengthen policy measures at national level

6.2: Develop an ASEAN wide light duty vehicle fuel economy standard
1) Strengthen alignment on fuel economy measurement, through (i) labelling; (ii) establishing country-specific and regional baselines; (iii) monitoring progress on fuel economy indicators over time; (iv) applying differentiated taxes on vehicle purchase or circulation; and (v) introducing regulatory developments towards fuel economy standards.

2) Ensure availability of testing capacity for fuel economy.

3) Build data processing and storage capacity of fuel economy measurement data for benchmarking, monitoring and decision making.

4) **Adopt and align policy tools** to strengthen ASEAN fuel economy ambition.

5) **Align fuel taxation policies across ASEAN**, e.g. elimination of fossil fuel subsidy, gradually increasing carbon price.

6) **Include LZEV** in the context of ASEAN Fuel Economy Roadmap. LZEV can be addressed in the development of regional decarbonization / carbon neutrality strategy.

7) Target to **include all motorized vehicles** with policies supporting reduction of fuel consumption and CO2 emissions. This includes not only LDV, but also 2 and 3-wheelers, buses and commercial vehicles (LDV, medium and HDV).
Cleaner Vehicles / Low and Zero Emissions Vehicles (LZEV) Technologies

- ST-1.3.3 of KLTSP: Support to the development and adoption of nationally appropriate policies for cleaner fuels and vehicles.
- KLTSP has yet to set measure for Electric Vehicle (EV) and other cleaner vehicles technologies development at the regional-level.
  ✓ ASEAN Land Transport Working Group (LTWG) has commenced exchange of information on the development of EV and identified common challenges for EV adoption in AMS.
  ✓ ASEAN Regional Strategy on Sustainable Land Transport has recommended regional actions to support implementation of clean fuels and low-carbon vehicles, through the establishment of regional platform on EV to discuss and develop standards for charging infrastructure and environmentally sound methods to recycle and dispose of batteries.
ASEAN cooperation on EV in some of the sectors under AEC pillar:

- **Trade, economic and automotive standards**: focusing on discussion on global EV safety standards, EV ecosystem development and standards.

- **Energy**: engaging the Asian Federation of Electric Vehicle Association (AFEVA) in sharing information on the EV developments and trends.

- **Sharing of information among AMS reveals common challenges on EV adoption**: (i) infrastructure support particularly for battery charging facilities; (ii) changing consumers’ perspectives towards more utilization of EV; (iii) technical standards; (iv) financing mechanism due to high capital costs; as well as (v) the need for clear regulations and policies towards utilization of EV and for supporting EV’s industry to attract private sector participation.
Indonesia is proposing to develop EV Ecosystem in the region.

Cross collaboration among relevant sectors is required to support EV adoption by the AMS, focusing on LDV and public transport.

Explore collaboration with ASEAN’s External Partners to support adoption of EV and other cleaner vehicles technologies (e.g. Hybrid EV, Hydrogen Fuel Cell Vehicles) in ASEAN region. Possible supports may include:
- Exchange of information and knowledge.
- Sharing of best practices.
- Joint Study on supply chain and potential establishment of EV and LZEV production hub in the region.
- Financial support for EV development pilot project.
THANK YOU