Regional Cooperation Mechanism on Low Carbon Transport: Identification and Development of Climate Financing Mechanisms

Action Plan on Low Carbon Transport

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Background

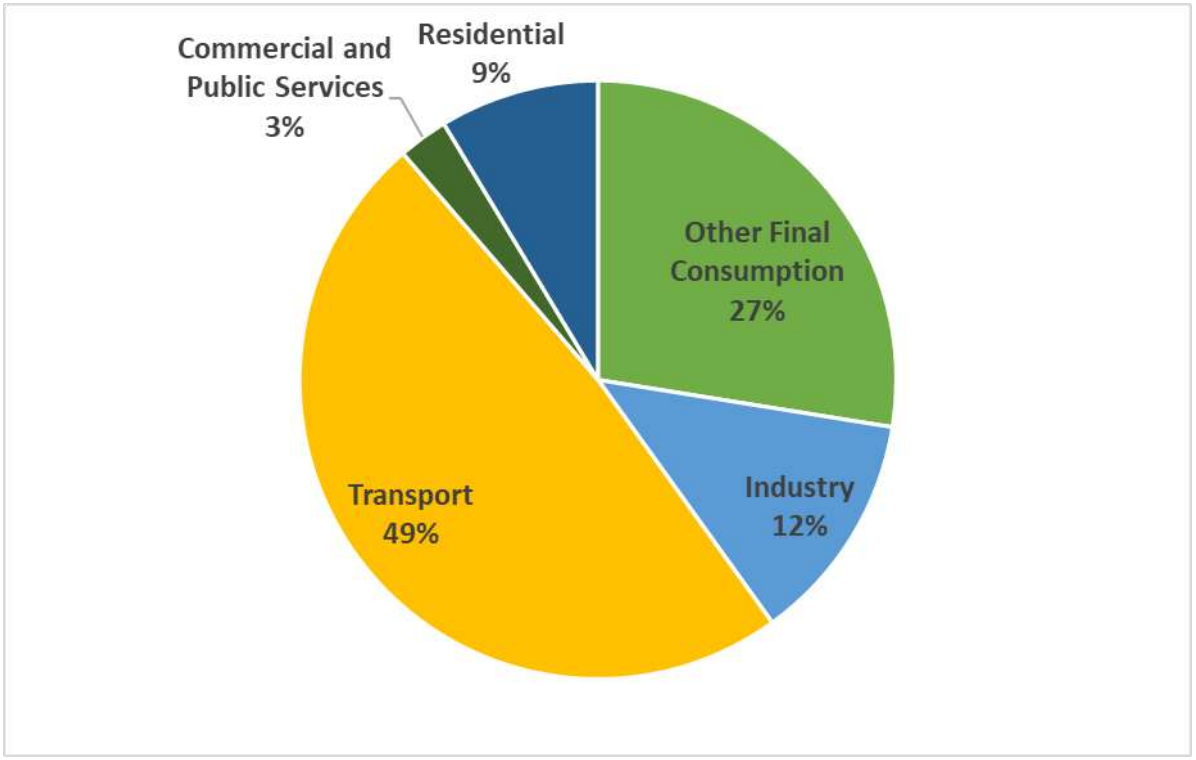
- The implementation of the Paris Agreement requires economic and social transformation in all sectors, including the transport sector, which contributes to **24 per cent** of direct CO_2 emissions from fuel combustion globally.

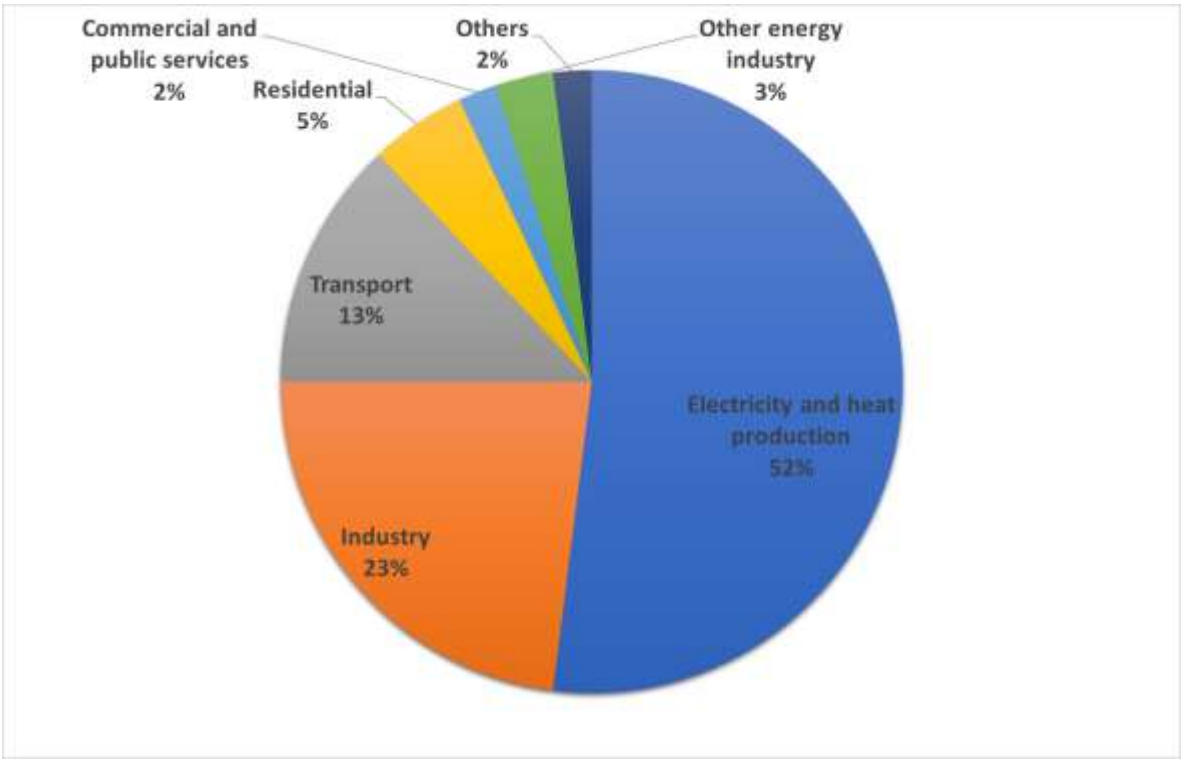
- As one of the fastest growing CO_2 emitting sectors, it is currently **not on track** to meet its decarbonization target by 2050.

- Further **collaboration and cooperation between sectors and across regions** will be essential to advance decarbonizing transport goals but institutional mechanisms are still lacking.

Transport, Energy and CO_2 in Asia and the Pacific

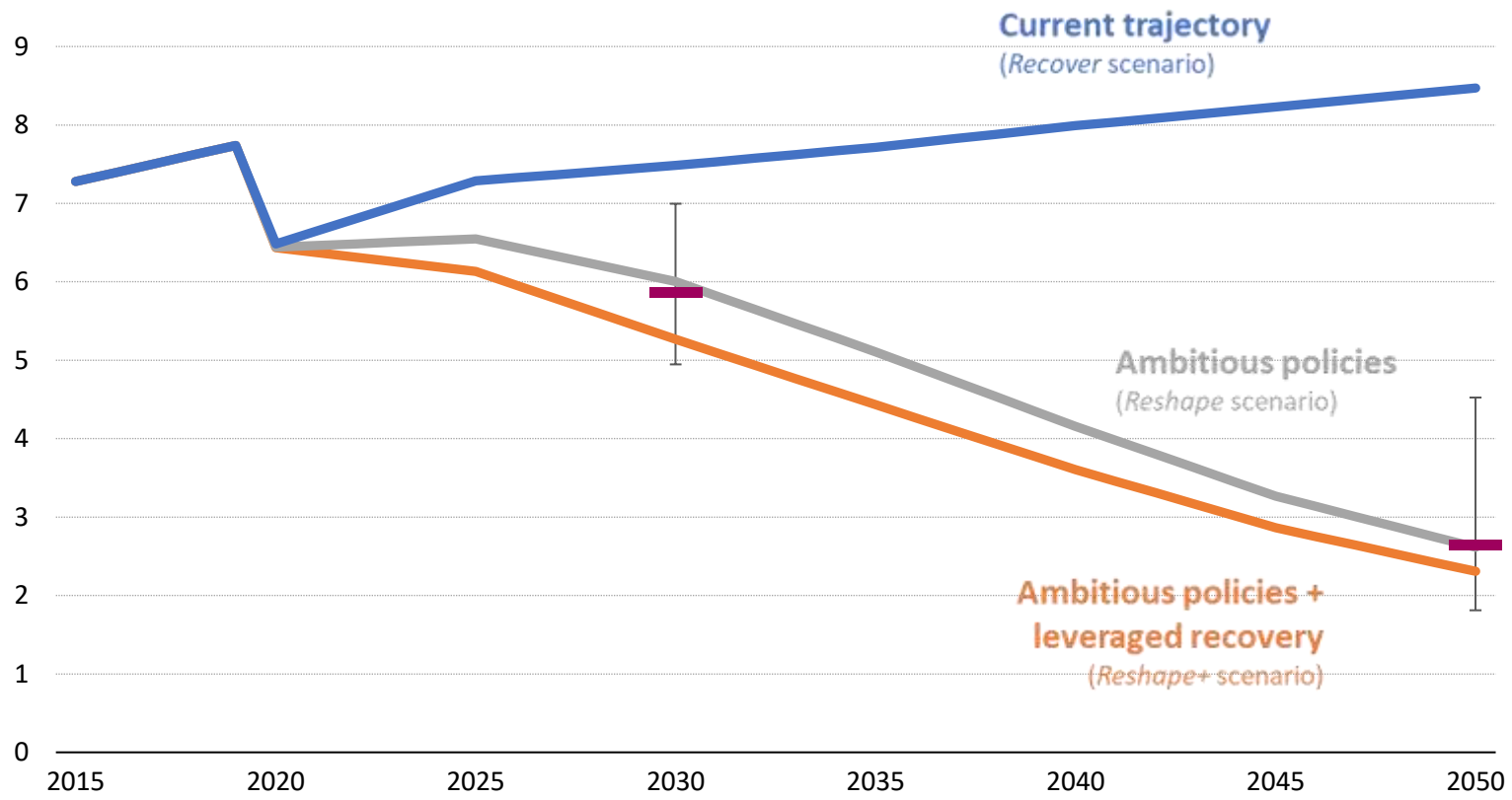
Final Consumption of Oil Products and CO_2 Emissions in Asia and the Pacific (IEA, 2021)





Transport accounts for almost 50% of oil consumption and 13% of CO_2 emission in Asia and the Pacific in 2021

Transport CO_2 Emissions Trajectory



Transport CO_2 **emissions are set to rise**, not fall

CO_2 emissions could be **nearly 70% less** in 2050 compared to 2015

Transport's carbon budget to limit global warming to 1.5°C

Total transport CO_2 emissions by scenario

(Gigatonnes CO_2)

Source: ITF Transport Outlook 2021

Note: ITF models used in this Outlook are typically run by five-year increments, therefore the 2020 to 2025 recovery trend may not necessarily be linear despite being shown as such in the figure. The shape of this "recovery curve" will depend on policy implementation and economic trajectories. Estimates of the emissions levels needed to meet 1.5C warming levels were sourced from https://data.ene.iiasa.ac.at/iamc-1.5c-explorer similarly to ICCT (2020). Transport sector emissions pathways with low or no overshoot were selected before estimating the median emissions in each year, error bars represent the 25th and 75th percentiles of scenarios. Emissions of black carbon are excluded as these are not estimated in the ITF or IEA MoMo models.

Regional Collaboration, Global Progress and National Priorities

Stronger collaboration in the Asia and Pacific region can:

- Accelerate climate action on a national level
- Contribute to the identification of regional and national priorities, while aligning with global decarbonizing transport efforts
- Serve as a key catalyst for global progress and will play an increasingly critical role to advance the goals of the Paris Agreement

A **sectoral and regional collaboration approach** can harmonize national climate and transport goals, while enhancing the influential role countries in the Asia and the Pacific play in global climate change and transport policy processes.

ESCAP Initiatives

1. **Regional Cooperation Mechanism on Low Carbon Transport**
2. **Asia-Pacific Initiative on Electric Mobility**



Source: thanhnien.vn

Objectives:

- Promote low carbon transport, including a shift to electric mobility and clean energy technologies to contribute to transport emissions reductions
- Help ESCAP member States identity, develop and implement priority policies for low carbon mobility, clean energy technologies and logistics
- Create a regional multi-stakeholder platform to exchange and share best practice knowledge and lessons learned

Regional Cooperation Mechanism on Low Carbon Transport: Objectives

- **Deepen regional collaboration** through the sharing of experiences, information and best practice knowledge, and identifying common interests and policy priorities

- Provide a platform for **multi-stakeholder engagement**, discussion and beyond

- **Enhance regional dialogue** on transport and climate change

- Outputs of this mechanism will contribute to the:
  1. Development of transport specific targets in NDCs,
  2. Identification of national and regional low and zero carbon transport goals and implementation action, and
  3. Strengthening of linkages between high-level regional and global dialogues on decarbonizing transport policies

Outputs and Timeline (2022 – 2026)

Phase 1 - Identification of subregional and regional priorities and the development of a cooperation framework (2022 – 2023)

Phase 2 – Implementation of the cooperation framework (2023 – 2026)

Key activities and outputs include:

- Three subregional consultations covering more than 30 countries
- One regional meeting in 2023; three regional meetings in 2024
- Summary reports on priority transport and climate change action in Asia and the Pacific
- Policy papers according to the **priority topics identified by member States**
- Cooperation framework that will enable joint work, knowledge transfer and data sharing on low and zero carbon transport for ESCAP member States
- Contribute to regional and global high-level dialogues and initiatives on transport and climate change
- Identification of focus areas for 2024-2026

Focus Areas (2024 – 2026)

- Development of Low Carbon Transport Targets and Timelines
- Establishment of Green Transport Corridors
- **Climate Finance for Low Carbon Transport**



Discussions on Climate Finance for Low Carbon Transport

- Policy alignment continues to remain a challenge
- Limit access to funding (including competing priorities within countries) is a barrier to low carbon transport financing
- Matching investors with climate aligned transport projects through effective platforms is a priority, including the sharing of information on financing resources
- Capacity building is needed for creating bankable projects, data collection and analysis, emissions calculations, and risk assessment
- Lengthy project development and proposal processes for financing

Moving Forward

- Two more regional meetings this year
  - Development of low carbon transport targets and timelines in NDCs and beyond (*July in Bangkok*)
  - Green transport corridors (*September in Hanoi*)
- Publications of policy briefs
- Development of an action plan on low carbon transport
- Key messages to be carried forward to COP29 (November 2024)
- Depending on funding availability and countries' needs, a specific project could be developed on climate finance

Action Plan on Low Carbon Transport (Discussion)

Scope

- What should be included in an action plan?
- Regional scope vs. subregional?

Process

- How to obtain stakeholders' support?
- When to present to ESCAP member States and on a ministerial level?

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