



Consultation Workshop on Innovative Financing for the Decarbonization of the Transport Sector in the Lancang-Mekong Countries

June 27, 2023 from 9.00 am – 3.00 pm

June 28, 2023 from 9.00 am – 12.00 pm

(GMT+7) via Zoom Online

Background

The transport sector is a significant contributor to greenhouse gas (GHG) emissions, and decarbonizing it is crucial to achieving the targets set by the Paris Agreement and the Sustainable Development Goals (SDGs). However, the lack of adequate financing often hinders the development and implementation of low-carbon transport initiatives. The need for financial resource mobilization is becoming more critical than ever, especially among the Lancang-Mekong (LM) Countries where fiscal space and financial resources are limited. Since 2020, the gap in achieving the SDGs has significantly widened by 56% as a consequence of the economic recession. Even before that, more than half of developing countries were already at high risk of debt distress, indicating that the development progress on SDGs is currently going backward.

To overcome those issues and achieve the SDGs and the Paris Agreement objectives, the Global Development Initiative (GDI) was introduced as a pathway to accelerate the progress of implementation for stronger, greener, more balanced global development, and foster a global community of development. One of the GDI's key focus areas is financing sustainable development where it aims to effectively bridge the development financing gap of developing countries and provide financing support for global public goods.

In recent years, the demand for reliable and sustainable transport infrastructure has been on the rise due to the need to continuously maintain and expand transport infrastructure, but public revenue sources have often been insufficient to meet this demand. As a result, private investment and international development finance have become increasingly important in funding transport infrastructure projects, including loans, grants, and public-private partnerships. The COVID-19 pandemic has further highlighted the important role of transport infrastructure in facilitating global trade and commerce, and has led to a renewed focus on green and low-carbon transport solutions. This, in turn, has increased the attractiveness of transport infrastructure investments as an emerging investment trend, as investors seek stable, long-term returns and governments provide incentives for private investment in transport infrastructure. Blended finance schemes, which combine public and private funding sources, have also proven effective in financing transport infrastructure projects.

There are calls for decarbonizing transport and improving the region's comprehension of how specific investments and innovative finance solutions can promote the adoption rate of climate-smart solutions across transport sectors, while considering policy, technology, and investment in expediting the shift towards carbon-neutral transport.

As part of the "Global Development Initiative Leverages Sustainable Development in the Lancang-Mekong Region" project funded by the People's Government of the People's Republic of China (P.R. China) to enhance sustainable development in the region and support Lancang-Mekong Cooperation Goals, MI plans to hold the first in a series of three consultation workshops on "Innovative Financing for the Decarbonization of the Transport Sector." This workshop aims to develop innovative financing mechanisms that will support the transition towards a low-carbon transport sector in LM Countries. Experts and stakeholders will share their experiences and insights during the workshop to identify sustainable financing solutions. In addition to that, they will also identify the capacity building needs of relevant key stakeholders to support the implementation of the GDI and to determine opportunities to synergize the GDI and the LMC action plans. The findings gathered from the workshops will be utilized as inputs to a capacity building program that effectively responds to the needs of Lancang-Mekong countries in the future.

Workshop Objectives

- Explore challenges and opportunities for financing low-carbon transport initiatives in the LM region
- Identify the capacity gaps of key stakeholders to develop the need-based capacity building programs
- Facilitate an interactive platform to foster future collaboration among relevant stakeholders in the LM region

Target Participants

This consultation workshop will bring together experts from the transport sector and financial field in the LM region, including policymakers, government officials, representatives from financial institutions, climate technical working group, civil society organizations, and other key stakeholders involved in financing and decarbonizing transport sector.

Tentative Schedule

Day 1: Tuesday, June 27, 2023

Time	Event
08:30 – 09:00	Registration
09:00 – 09:10	Welcome Remarks Mr. Rithy Buth, Director of Finance and Operations Department, Mekong Institute (MI)
09:10 – 09:30	Opening Remarks and Keynote Speech Dr. Taidong Zhou, Vice President of Center for International Knowledge on Development (CIKD)
09:30 – 10:00	Workshop Introduction Mr. Chakdao Sudsanguan, Project Officer, MI
10:00 – 10:30	Expert Presentation: Global Climate Finance Sources for Low-carbon Transport Initiatives Dr. Changsun Jang, Lead in Transport and Sustainable Mobility, Global Green Growth Institute (GGGI)

10:30 – 11:30	<p>Discussion Session</p> <p>10:30 – 10:50 Country Situation Discussion</p> <ul style="list-style-type: none"> • Create breakout rooms for each country group to discuss their existing policies, initiatives, and financial sources related to decarbonizing the transport sector <p>10:50 – 11:00 Coffee Break</p> <p>11:00 – 11:30 Knowledge Sharing Session</p> <ul style="list-style-type: none"> • Report back (5 minutes each) <p>Moderator: Dr. Changsun Jang, Lead in Transport and Sustainable Mobility, GGGI</p>
11:30 – 12:00	<p>Showcase Best Practices and Success Case Studies</p> <ul style="list-style-type: none"> • P.R. China's financing mechanisms and policies on low-carbon transport • Q&A (5-10 minutes) <p>Prof. Dr. Yuan Minmin, Research Institute of Highway, the Ministry of Transport, P.R. China</p>
12:00 – 13:30	Lunch Break
13:30 – 15:00	<p>Planning Session for Group Presentation</p> <ul style="list-style-type: none"> • Explore the challenges that hinder financing mechanisms for low-carbon development in the transport sector • Share and discuss effective national strategies to overcome those challenges • Determine support needed for strategy implementation • Identify the top 3 priority needs to receive support from the GDI <p>Moderator</p>

Day 2: Wednesday, June 28, 2023

Time	Event
09:00 – 09:20	<p>Recap Session</p> <ul style="list-style-type: none"> • Provide a recap of the key insights and lessons learned from Day 1 <p>Moderator</p>
09:20 – 10:20	<p>Group Presentations</p> <ul style="list-style-type: none"> • 15 minutes/group • Q&A
10:20 – 10:30	Coffee Break
10:30 – 11:30	<p>Group Presentations</p> <ul style="list-style-type: none"> • Cont'd
11:30 – 12:00	<p>Summary and National and Regional Capacity Building Needs</p> <ul style="list-style-type: none"> • Present key-takeaway and collect all of the capacity needs presented by each group to design the future regional capacity building programs

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