

TACKLING VULNERABILITIES, BUILDING RESILIENCE

Eradicating poverty and achieving the Sustainable Development Goals requires joint and persistent efforts to tackle the specific challenges faced by weak and vulnerable economies. For example, poor people and nations are more vulnerable to external shocks. To build their economic resilience, structurally weak economies need to develop sound strategies to diversify economies and build productive capacity. In addition, to combat climate change, it is important to develop climate-resilient transport infrastructure, conserve biodiversity and identify the best approaches to mitigating climate change while enhancing economic development prospects. UNCTAD technical assistance addresses the specific demand from LDCs, landlocked developing countries, small island developing States and post-conflict States to help them better address vulnerabilities and build resilience. In particular, UNCTAD helps to improve the capacities of developing countries to effectively manage debt, supports commodity-dependent developing countries in their diversification efforts, promotes trade and investment in biodiversity resources and assists LDCs in trade policymaking, market access and achieving structural progress towards and beyond graduation from the LDC category. Many Governments in developing countries continue to have a limited capacity to build and maintain debt management systems and debt databases, and even middle-income countries with higher capacities may opt for a ready-made and customizable solution, such as that provided by the UNCTAD Debt Management and Financial Analysis System (DMFAS) Programme.

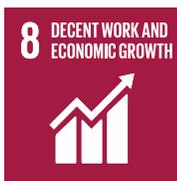


Photo credit: Stephan Gladieu © World Bank



SUPPORT TO GRADUATION FROM LEAST DEVELOPED COUNTRY STATUS

HELPING THE LEAST DEVELOPED COUNTRIES TO GRADUATE SMARTLY



GLOBAL CONTEXT



All developing countries aspire to achieve structural progress, notably through productive capacity-building, the paramount avenue for poverty reduction. For LDCs, graduation from LDC status is a milestone on the pathway to structural progress. Achieving this milestone in the largest possible number of LDCs has been an important goal of the United Nations. The Istanbul Programme of Action – the Programme of Action for the Least Developed Countries for the Decade 2011–2020 – adopted in May 2011 sets the ambitious goal of seeing at least half of all LDCs meet the graduation criteria by the end of 2020. Five countries, namely Botswana, Cabo Verde, Equatorial Guinea, Maldives and Samoa, have graduated from LDC status, and 14 more are either confirmed to graduate or LDCs likely to be found eligible for reclassification by 2024 at the latest. Achieving structural progress towards and beyond graduation from LDC status is a challenging objective for all LDCs, a majority of which are constantly exposed to serious risks of external shocks beyond domestic control.

At the forefront of United Nations action to fulfil the ambitious goal of the Istanbul Programme of Action, UNCTAD aims to help LDCs create and maintain a momentum of structural transformation towards and beyond graduation. Sound economic diversification is generally seen as the most desirable form of structural transformation if it involves creating stable employment opportunities – a necessary condition for durable poverty reduction – and building resilience to adverse factors. From the perspective of UNCTAD, this involves mapping and measuring structural change in all LDCs, and strengthening the capacity of individual LDCs to pave the way for structural transformation and to make the change of status an opportunity to re-examine their need for special and differential treatment. In this context, a key area of action by relevant countries, with UNCTAD support, has been to formulate a strategy for securing a smooth transition to post-LDC life.



WHAT TYPES OF ASSISTANCE ARE PROVIDED?

In addition to general support to LDCs in their efforts to achieve structural transformation, UNCTAD provides advisory services to countries that face the challenge of graduation from LDC status. Such services are provided before an official decision by the United Nations to take a country off the list of LDCs and after such a decision has been taken (through a General Assembly resolution).

Before a United Nations decision on graduation, UNCTAD prepares a vulnerability profile of each country considered pre-eligible for graduation. The aim of this exercise is to analyse the implications of pre-eligibility, to enrich the understanding of all major constraints on a country's development, in particular its exposure to risks of external shocks beyond domestic control, and to analyse the various facets of its economic and social progress. The vulnerability profile is a key input to the work of the Committee for Development Policy, the group of independent experts that may recommend an eligible



PROGRAMME FACTS AND FIGURES

Start date: 1999
Countries assisted per year: 5 (average)
Countries assisted: 14
Website:
unctad.org/LDCs-graduation



Sustainable Development Goals addressed:
Directly: 8
Indirectly: 10 and 17

country's graduation in the light of the graduation criteria and other considerations.

After a United Nations decision to graduate a country has been taken, UNCTAD assists the graduating State in formulating its smooth transition strategy. This exercise involves making an inventory of the benefits from LDC status of particular importance to the economy and supporting the country's negotiations with relevant development partners, to ensure that the eventual loss of LDC treatment will not disrupt the continuation of progress, an approach informally referred to as the move to graduate smartly.



RESULTS AND IMPACT AT A GLANCE

UNCTAD has assisted the following 17 LDCs or former LDCs in understanding the implications and consequences of graduation and in achieving a smooth transition to post-LDC life: Angola, Bhutan, Cabo Verde, Cambodia, Equatorial Guinea, Kiribati, the Lao People's Democratic Republic, Lesotho, Maldives, Myanmar, Nepal, Samoa, Sao Tome and Principe, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu.

- In Cabo Verde, Maldives and Samoa, UNCTAD was instrumental in assisting national authorities in a smooth transition and their request for continued preferential market access. In Maldives, this work enabled the Government to negotiate continuation of duty-free, quota-free (LDC-like) treatment with trade preference-givers, notably the European Union and Japan.
- In 1997, Vanuatu became the first LDC to receive UNCTAD assistance with regard to graduation. At the request of the Government in September of that year, a major reform of the LDC graduation criteria led the United Nations to adopt a vulnerability criterion as part of the methodology to identify graduation cases. This reform did justice to Vanuatu by highlighting its acute vulnerability to external shocks. Since then, UNCTAD has actively supported structural progress in Vanuatu, a country earmarked to graduate in December 2020.
- In Cambodia, the Lao People's Democratic Republic and Myanmar, UNCTAD has carried out several advisory and training activities to help national authorities chart a path to graduation, notably in the form of a road map for government action.



DONORS/ FUNDING SOURCE

Current: Self-financing by some countries and United Nations Development Account

Past: : Trust Fund for Least Developed Countries (multi-donor: Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, Turkey, the United Kingdom, the Holy See and Common Fund for Commodities)



DMFAS – DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM

IMPROVING CAPACITIES FOR EFFECTIVE DEBT MANAGEMENT



GLOBAL CONTEXT



Effective debt management is indispensable in ensuring the financing needs of Governments, minimizing borrowing costs and risks and supporting the development of domestic markets. Ultimately, it also helps to reduce the risk of debt crises, which is critical to ensure a stable growth trajectory for sustainable development. Debt crises tend to take long to recover from and trigger serious drops in economic output – they can also undermine a Government's capacity to meet the critical needs of its citizens and to mobilize necessary resources for development. In the current global environment of low interest rates, combined with new forms of borrowing, proper debt management is all the more essential to avoid repetition of past debt crises in developing countries.

Many Governments in developing countries continue to have a limited capacity to build and maintain debt management systems and debt databases. Even middle-income countries with higher capacities may opt for a ready-made and customizable solution, such as that provided by the UNCTAD DMFAS Programme.

The DMFAS Programme is one of the world's leading providers of technical cooperation and advisory services in the area of debt management. It offers countries a set of proven solutions for improving their capacity to handle the day-to-day management of public liabilities and the production of reliable debt data for policymaking purposes. This includes its specialized debt management software, DMFAS, which greatly facilitates the work of the debt office, as well as advisory services and training activities in debt management.



HOW IS MANAGING DEBT MADE MORE FEASIBLE?

DMFAS projects are initiated at the request of Governments. The counterpart ministry or central bank that is involved throughout the process takes ownership of the project. Each project is customized based on the specific needs of the beneficiary country. The project covers the software and the training activities related to the installation and use of the system. Technical assistance projects typically cover the following types of activities:

- Technical training on installing and maintaining the system;
- Basic and advanced functional training covering recording debt instruments, reporting, etc.;
- Specialized training on debt data validation, debt statistics and debt portfolio analysis.



PROGRAMME FACTS AND FIGURES

Scope: All regions

Start date: 1982

Projects implemented per year: 25 (average)

Active DMFAS users:
83 institutions in 57 countries

Website: unctad.org/dmfas

Sustainable Development Goals addressed:

Directly: 17

Indirectly: 1





RESULTS AND IMPACT AT A GLANCE

Testimonies from DMFAS users back its practical solutions and results:

- *"The Philippine Treasury expresses its unending gratitude and appreciation to UNCTAD for its valuable technical assistance to the Philippines without which our country would not have progressed immensely in the area of debt management."* Treasurer, Philippines
- *"Thanks to the joint efforts of UNCTAD and of the DMFAS user team in Albania, we have established an accurate information system on external debt. Its advantages are quite evident in debt management decision-making."* Vice-Minister of Finance, Albania
- *"DMFAS helped us manage our public debt in a more efficient and transparent manner, and proved itself to be an indispensable tool in helping us during the last phases of the Heavily Indebted Poor Countries Initiative in reconciling our public debt data with our creditors."* Director of Public Credit, Ministry of Finance, Honduras

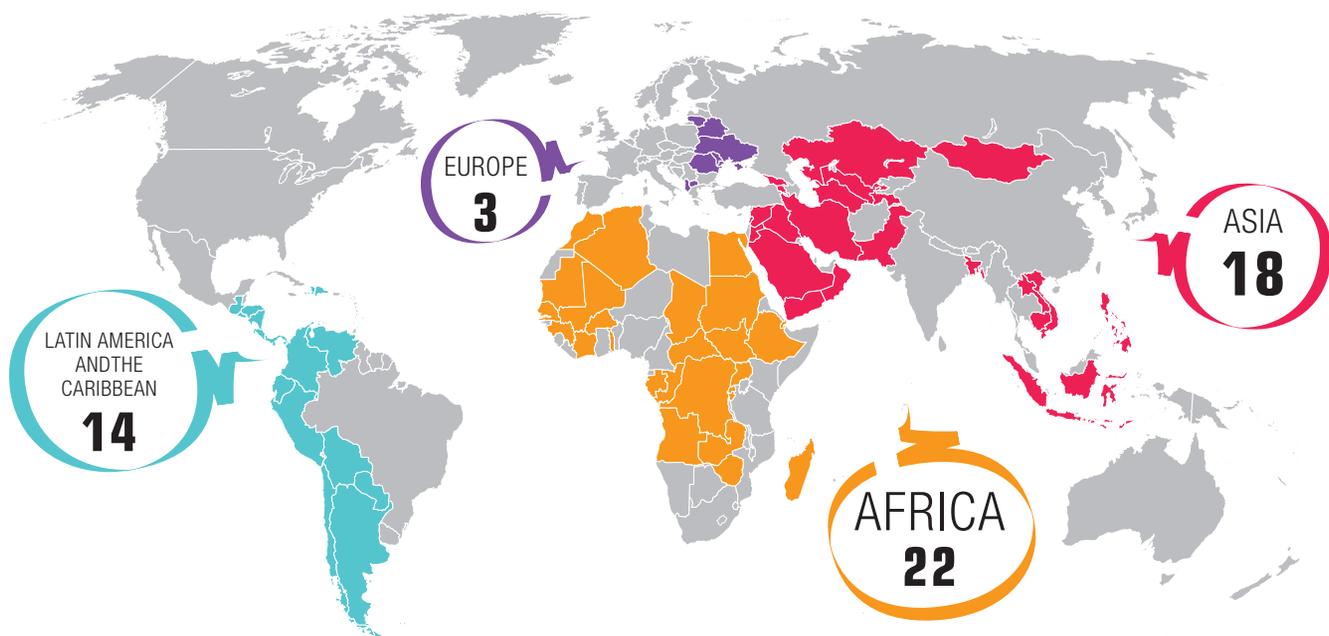


DONORS/ FUNDING SOURCE

Current: Self-financing by some user countries, other international organizations and institutions (e.g. European Commission, African Development Bank, Asian Development Bank, United Nations Development Programme and World Bank) and Multi-donor Trust Fund (Germany, Ireland, the Netherlands, Switzerland and cost-sharing by user countries)

Past: Finland, France, Italy, Norway and Sweden

Debt Management and Financial Analysis System users by number of countries per region, 2017



UNCTAD CONTRIBUTION TO THE ENHANCED INTEGRATED FRAMEWORK

SUPPORTING THE LEAST DEVELOPED COUNTRIES IN TACKLING CONSTRAINTS TO TRADE



GLOBAL CONTEXT



LDCs represent the poorest and most vulnerable segment of the international community. They comprise more than 980 million people, about 12 per cent of world population. Yet they account for less than 2 per cent of world gross domestic product and about 1 per cent of global trade in goods. Against this backdrop, the Istanbul Programme of Action recognized the critical importance of implementing “effective trade-related technical assistance and capacity-building in least developed countries on a priority basis, including by enhancing the share of assistance to least developed countries for Aid for Trade and support for the Enhanced Integrated Framework” (paragraph 66, section 3 (e)).

The Enhanced Integrated Framework is a multi-agency and multi-donor programme for the coordinated delivery of trade-related technical assistance and institutional capacity-building for LDCs. It aims to enable LDCs to mainstream trade into their national development plans, so that countries can mobilize the potential of trade to promote economic growth, sustainable development and poverty reduction at the domestic level and to become more active players in the multilateral trading system. In particular, the programme serves as a platform for LDCs to build productive capacities and start engaging in trade policymaking, among other activities, that can lead to creating employment and reducing poverty.

As one of the six core Enhanced Integrated Framework partner agencies, the focus and support of UNCTAD is on contributing towards strengthening the capacities of LDCs in trade policymaking and thus improving ownership of the Enhanced Integrated Framework process. Specifically, UNCTAD supports LDCs under the Enhanced Integrated Framework Programme through the formulation of Diagnostic Trade Integration Studies and their updates, and by drafting and piloting technical cooperation projects for implementation of the action matrix of Diagnostic Trade Integration Studies, in particular with regard to trade mainstreaming projects and tier 2 projects funded by the Enhanced Integrated Framework Trust Fund. The six core partner agencies that support the Enhanced Integrated Framework Programme are UNCTAD, the International Trade Centre, United Nations Development Programme, International Monetary Fund, World Bank and World Trade Organization, with the United Nations Industrial Development Organization and World Tourism Organization as observers.



WHAT KIND OF ASSISTANCE DOES UNCTAD PROVIDE?

UNCTAD provides tailored assistance in response to specific requests from countries participating in the Enhanced Integrated Framework. Such requests can result in the updating of Diagnostic Trade Integration Studies. Assistance can also focus on mainstreaming trade policy issues that are identified in countries’ trade diagnostics and preparing and implementing national and regional tier 2 projects drawn from action matrices of Diagnostic Trade Integration Studies. In providing such assistance, UNCTAD uses a mix of national and international expertise to facilitate the exchange of knowledge and maximize results – the approach also contributes to national capacity-building.



PROGRAMME FACTS AND FIGURES

Start date: 2012

Countries assisted per year: 5 (average)

Countries assisted: 7 (Diagnostic Trade Integration Study updates)

Website: unctad.org/EIF



Sustainable Development Goals addressed:

Directly: 9 and 17
Indirectly: 1



RESULTS AND IMPACT AT A GLANCE

- A number of LDCs – for example, Benin, Burkina Faso, Djibouti, Ethiopia, the Gambia, Mali, Mozambique, the Niger and Senegal – have made progress, with support from UNCTAD, in mainstreaming trade policies into their national development plans, identifying trade-related priorities and implementing the action matrices of Diagnostic Trade Integration Studies.
- Senegal completed and validated its Diagnostic Trade Integration Study update in July 2013. UNCTAD then assisted the Government in preparing a tier 2 project on transforming and commercializing fruits from the Casamance region and organized a workshop on the subject in January 2014. A follow-up workshop on trade mainstreaming, held in February 2014, led to the identification of multiple constraints to mainstreaming trade. Together with the Government, a mainstreaming proposal was elaborated and shared with the Enhanced Integrated Framework secretariat in 2014.
- Under the Enhanced Integrated Framework, UNCTAD prepared and validated the Diagnostic Trade Integration Study updates for Djibouti and Ethiopia in 2015 and 2016, respectively. The trade policy, trade facilitation and transport components of the updates focused on making the trading environment of both countries more efficient, and recommended that improvements be made in the logistical performance of the Djibouti–Ethiopia corridor that links Addis Ababa with Djibouti and the ports of Djibouti. UNCTAD arranged a follow-up workshop for Djibouti and Ethiopia in November 2016, to discuss options to improve the logistics systems and trade facilitation. As a result, a Djibouti–Ethiopia corridor management authority study was elaborated, to analyse legislation and coordination instruments, infrastructure, trade and transportation mechanisms and operating procedures, together with a tier 2 project proposal to establish a Djibouti–Ethiopia corridor management authority.
- Strengthening productive and trade capacities. UNCTAD, together with the United Nations Industrial Development Organization and the International Trade Centre, is implementing a tier 2 project aimed at strengthening the productive and trade capacities of Benin. The project focuses on cotton, agro-industries and fisheries – three priorities identified in Benin’s Enhanced Integrated Framework-sponsored Diagnostic Trade Integration Study. As part of the project, UNCTAD is responsible for elaborating a national trade policy document and is providing technical assistance in building capacities of governmental entities and private sector, civil society and non-governmental organizations in the areas of trade integration, negotiations, rules of origin and market access.

“In the last decades, Ethiopia went through a significant reform programme and put in place important regulatory and institutional frameworks to improve the business environment. In relation to this, they realized the Diagnostic Trade Integration Study that focuses on trade policy, trade facilitation and transport. The study shows that these elements are relevant for Djibouti too. The focus paves the way for making the business environment more efficient and effective. As the main trade artery for the two countries, it is important that the Ethiopia–Djibouti corridor be conducive and guided by the principle of a win-win situation. It is the right time to solve all existing issues along the common corridor. The relations between the two countries have now reached the highest level as we have launched the new railway from Addis Ababa to Dire Dawa and onward to Djibouti. I would like to thank UNCTAD, [Enhanced Integrated Framework] and all donor partners for their relentless efforts.”

Mr. Bekele Bulado,
Minister of Trade, Ethiopia, 11 May 2017



DONORS/ FUNDING SOURCE

Past: Trust Fund for Least Developed Countries; Core Project (multi-donor: Austria, Belgium, Canada, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Norway, Portugal, the Republic of Korea, Sweden, Switzerland, Turkey, the United Kingdom, the Holy See and Common Fund for Commodities)



MARKET ACCESS, RULES OF ORIGIN AND GEOGRAPHICAL INDICATIONS FOR THE LEAST DEVELOPED COUNTRIES

SUPPORTING LEAST DEVELOPED COUNTRY PARTICIPATION IN INTERNATIONAL TRADE



GLOBAL CONTEXT



LDCs are granted preferential tariff treatment in the markets of developed and developing countries under several schemes and arrangements. Among them are initiatives such as the Generalized System of Preferences, the European Union's "Everything but Arms" initiative, the African Growth and Opportunity Act of the United States, trade preferences under African, Caribbean and Pacific States–European Union Partnership Agreements and other preferential trading arrangements that have rules of origin as key components.

LDCs nonetheless face significant obstacles to market access. Overcoming the limited diversification of LDC exports, the low value added of those exports and the continued challenge of bringing small local producers up front in the global commodity value chain remain concerns. At the same time, the rich biodiversity of several LDCs allows them to draw on their natural resources to create an array of traditional products and preparations with the potential to compete globally and secure higher returns from sales. Benefiting from that natural wealth can require taking steps to gain recognition of quality and generate a solid reputation for specific products in the eyes of consumers and buyers. One important approach can be using geographical indications in combination with a branding strategy for those products.

UNCTAD provides policy advice and technical assistance to help developing countries comply with requirements on rules of origin under preferential trading arrangements – focusing on product origin – with a view to improving the utilization rates of trade preferences granted to them. Since 2006, for instance, UNCTAD has assisted LDCs that are members of the World Trade Organization on the implementation of the 2005 Ministerial Declaration adopted at the Sixth Ministerial Conference of the World Trade Organization (Hong Kong, China) on duty-free, quota-free market access. The declaration called on ensuring that preferential rules of origin applicable to imports from LDCs are simple and transparent, and contribute to facilitating market access. UNCTAD also provides support in relation to the World Trade Organization Ministerial Decisions (Bali, Indonesia and Nairobi, Kenya) on preferential rules of origin for LDCs. Furthermore, UNCTAD assists rural communities and LDC Governments in enhancing the value of traditional products by exploiting trading opportunities such as geographical indications and facilitating compliance with sanitary and phytosanitary requirements.



HOW CAN A PRODUCT'S ORIGIN OR GEOGRAPHICAL INDICATION HELP FACILITATE MARKET ACCESS?

Preferential market access granted to LDCs by developed countries and some developing economies should help LDCs to integrate into international markets and to progressively industrialize. However, the existence of a valuable array of traditional products and specific local knowledge provides an additional potential for developing product specialization.



PROGRAMME FACTS AND FIGURES

Start date: 2006

Countries assisted per year: All LDC member States of the World Trade Organization regularly assisted year-round; 3 (geographical indications (average))

Countries assisted: All LDC member States of UNCTAD (rules of origin); 11 (geographical indications)

Website: unctad.org/gsp/rules



Sustainable Development Goals addressed:

Directly: 8, 10 and 17

Indirectly: 1, 5, 12 and 14

The principle of country ownership drives UNCTAD technical assistance on rules of origin and geographical indications. For all schemes under the Generalized System of Preferences, products exported from a country receiving such preferences must fulfil the rules of origin of the countries granting those preferences. Documenting evidence of compliance with those rules is necessary for products to qualify for preferential tariff treatment. UNCTAD services in support of developing countries in this area include (a) providing advice to Governments and the private sector to comply with origin requirements; and (b) delivering tailored technical assistance, such as advisory memorandums on policy options in drafting and negotiating preferential rules of origin under different trading arrangements.

Identifying and registering traditional products under a geographical indication requires different steps, such as drafting a “disciplinary of production”, the main text that defines a product’s unique identity. Being able to convey what makes products unique geographically adds value to those products. Such information is also useful for customers who can be attracted to those products when they learn more about them. UNCTAD provides countries support in identifying products that could be eligible to use geographical indications – signs used on products with a specific geographical origin and possessing qualities or a reputation based on that origin – and in drafting the legal specifications for those products and introducing a branding policy.

- In an effort to strengthen the capacity of rural communities in LDCs and enhance the value added component of their traditional products, UNCTAD has supported communities in Benin, Cambodia, Ethiopia, Myanmar and Senegal, among others, in the introduction of geographical indications as a protection and marketing tool. For example, the experience of UNCTAD in supporting producers of Kampot pepper in Cambodia, Gari Sohoui (a crisp flour) from Savalou in Benin and Harennna coffee in Ethiopia, shows that rural communities can gain significantly from utilizing geographical indications. In Senegal, members of women’s fruit juices cooperatives in the Casamance region ensured that policy actions for the promotion of fruit juices using geographical indications were included in the Diagnostic Trade Integration Study of Senegal and its action matrix. The use of suitable packaging for the fruit juices allows for pasteurization and subsequent international commercialization of the products.



RESULTS AND IMPACT AT A GLANCE

- UNCTAD has regularly supported LDCs in World Trade Organization negotiations by providing technical assistance with regard to duty-free, quota-free market access, as well as on rules of origin and the waiver to grant preferential treatment to services and service suppliers from LDC members. Through active participation in World Trade Organization negotiations following the 2005 Ministerial Declaration on duty-free, quota-free market access, LDCs successfully negotiated prior to the Bali and Nairobi decisions on preferential rules of origin, and are actively pursuing their implementation.
- In October 2017, UNCTAD organized an executive training session on rules of origin for LDCs, to enhance the skills and knowledge of officials from LDCs on analysing and negotiating preferential rules of origin based on notifications by preference-giving members. This activity constituted preparation for meetings of the Technical Committee on Rules of Origin and for the Eleventh Ministerial Conference of the World Trade Organization.
- The timely assistance of UNCTAD to LDCs has been critical in increasing utilization rates of preferences under the “Everything but Arms” initiative after the European Union introduced a reform on rules of origin in 2011. For instance, the utilization rate for bicycles exported to the European Union by Cambodia increased in 2011 to around 80 per cent, up from the previous year’s rate of 33 per cent. Moreover, between 2010 and 2015, import values multiplied almost sixfold, increasing from \$60 million to \$347 million.



DONORS/ FUNDING SOURCE

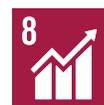
Current: United Nations Development Account

Past: Italy, the Netherlands, United Kingdom (Department for International Development), United Nations Development Account and World Bank



BREAKING THE CHAINS OF COMMODITY DEPENDENCE

DIVERSIFYING ECONOMIES AND STRENGTHENING NON-COMMODITY ACTIVITIES



GLOBAL CONTEXT

In many developing countries, an overreliance on exports of raw commodities constrains structural transformation and the pursuit of the Sustainable Development Goals. UNCTAD estimates that, in 2016, 91 of 135 developing countries were commodity-dependent, that is, countries in which unprocessed agricultural produce, minerals or crude oil constituted 60 per cent or more of total exports. The economic consequences of this dependence are severe. The boom and bust cycle of commodity prices severely hampers countries' macroeconomic management. The lack of value added activities restrains industrial development. In addition, most workers are limited to low-skill, low-paid jobs that risk disappearing with the next drop in prices.

Achieving the Sustainable Development Goals requires breaking the chains of commodity dependence. Developing countries should add more value to their commodities and diversify into non-commodity activities. They should anticipate the boom and bust cycle of commodity prices with prudent macroeconomic and fiscal management policies. Finally, they should plan how to convert natural resources wealth into better jobs and livelihoods for their citizens. UNCTAD assists countries in these efforts through its programme on breaking the chains of commodity dependence.



HOW ARE NEEDS IDENTIFIED?

In response to a request for assistance, UNCTAD works with a country to evaluate its needs under the following four main thematic outcomes:

1. Developing value added activities in its commodity sector;
2. Establishing development linkages between the commodity sector and the wider economy;
3. Diversifying to non-commodity activities;
4. Integrating into global and regional value chains.

To respond to the identified needs, UNCTAD and the country plan a programme of activities that may include workshops, training, advisory services, policy analyses, consensus-building events and information services.

Delivering an effective programme requires an integrated value chain approach that considers a country's commodity dependence in its full context. It also requires an inclusive process that engages the public and private sectors and civil society, with a special focus on small producers, women and minority groups. Inter-agency collaboration and South-South cooperation are two further principles of the Breaking the Chains of Commodity Dependence Programme.



PROGRAMME FACTS AND FIGURES

Scope: Commodity-dependent developing countries in all regions

Start date: 2008

Projects per year: 1 (average)

Projects: 9

Persons trained: 1,900+, including 500+ women, in 21 developing countries

Website: unctad.org/commodities



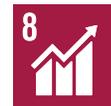
Sustainable Development

Goals addressed:

Directly: 8 and 9

SUSTAINABLE AND RESILIENT TRANSPORT

SUPPORTING DEVELOPING COUNTRIES, INCLUDING LANDLOCKED DEVELOPING COUNTRIES AND SMALL ISLAND DEVELOPING STATES, IN PROMOTING AND IMPLEMENTING SUSTAINABLE FREIGHT TRANSPORT SYSTEMS



GLOBAL CONTEXT

The importance of freight transport as a trade enabler, engine of growth and driver of social development cannot be overemphasized. However, the adverse impacts of freight transport activity on human health, the environment and climate are a cause for concern, as are the potential impacts of climate variability and change on seaports and other coastal transport infrastructure. If left unchecked, unsustainable freight transport patterns are likely to undermine effective achievement of the 2030 Agenda for Sustainable Development, the Sustainable Development Goals and the Paris Agreement. With the sustainable and resilient freight transport agenda gaining further momentum in recent years – at the thirteenth and fourteenth sessions of the United Nations Conference on Trade and Development in 2012 and 2016, the United Nations Conference on Sustainable Development in 2012 and the United Nations Global Sustainable Transport Conference in 2016 – UNCTAD has intensified its efforts to mainstream sustainability and climate resilience considerations into its work programme on transport and trade logistics. The overall objective is to assist the effective integration of developing countries into global and/or regional trading networks and transport systems and participation in relevant value chains through, among others, efficient, reliable, cost-effective, well-connected, socially inclusive, environmentally sustainable and climate resilient freight transport systems. With over 80 per cent of world merchandise trade by volume and over 70 per cent by value carried by sea, sustainable and climate resilient maritime transport is a sustainable development catalyst.



HOW DOES THE SUSTAINABLE AND RESILIENT TRANSPORT PROGRAMME WORK?

The Sustainable and Resilient Transport Programme consists of several components, as follows:

- *Promoting a supportive legal framework to facilitate transport and trade, through advisory services on transport law and policy.*

UNCTAD has been extensively involved in rule-making and standard-setting in the field of maritime transport law, with an emphasis on the economic and commercial aspects of shipping. Relevant international conventions and model rules cover the economic aspects of shipping, liability for carriage of goods by sea and



PROGRAMME FACTS AND FIGURES

Scope: All regions, including East Africa and the Caribbean (Jamaica, Saint Lucia and other small island developing States)

Start date: 2014

Projects: 2 technical cooperation projects

Summary of success:
160+ persons trained

Website: unctad.org/ttl/legal;
unctad.org/ttl/transport-infrastructure-services;
unctadsftportal.org;
sft-framework.org

Sustainable Development Goals addressed:

Directly: 8 and 9

Indirectly: 16 and 17



multimodal transport, as well as the enforcement of maritime claims. In addition to providing legal advice upon request, UNCTAD prepares analytical studies and reports on transport law and policy, aimed at assisting developing countries in assessing the merits of ratification of the relevant international legal instruments and/or in their national implementation. Relevant studies cover a range of topics, including the carriage of goods by sea and air, multimodal transport, ship-source oil pollution and maritime and supply-chain security.

- *Climate change impacts and adaptation for seaports and other key coastal transport infrastructure.*

UNCTAD activities include research and analytical work, as well as a series of intergovernmental expert meetings focusing on the implications of climate change for maritime transport, with a special emphasis on climate change impacts and adaptation for global seaports and other key transport infrastructure. For example, a technical assistance project with a focus on seaports and airports in small island developing States in the Caribbean aims to enhance the knowledge and understanding of climate change impacts among policymakers, transport planners and operators in small island developing States, and to strengthen their capacity to effectively plan and develop the requisite adaptation measures to enhance the resilience of their key coastal transport infrastructure.

- *Promoting efficient multimodal and transit transport networks and transport corridor development.*

Well-functioning transport networks and corridors are essential for countries' trade, economic development and social progress. They are also critical for regional and global integration, in particular of landlocked developing countries and small island developing States. Relevant work by UNCTAD in this regard includes a capacity-building and institution-building programme aimed at supporting efficient transit and/or multimodal transport corridor management systems, as well as a cluster approach that promotes collaborative structures and/or mechanisms between public and private sector stakeholders. A cluster approach integrates transport infrastructure and logistics services with economic activities within the corridor.

- *Promoting sustainable freight transport systems (road, rail, maritime and ports, urban, etc.) and freight transport finance.*

To support developing countries in developing and implementing sustainable freight transport systems that are efficient, safe, socially inclusive, accessible, reliable and environmentally friendly, while being resilient to disruptions, including those caused by climate change and natural disasters, UNCTAD has developed a sustainable freight transport toolkit that includes the following: sustainable freight transport portal; sustainable freight transport and green freight transport training programme (15 modules), which can be tailored to meet the needs and requirements of countries and regions; and the Framework for Sustainable Freight Transport, which sets out a methodology for sustainable freight transport strategy development and implementation. These tools aim to build and strengthen the capacity of key freight transport

stakeholders, including government authorities, policymakers, transport infrastructure managers, freight transport and logistics service providers and shippers, to effectively plan, design, develop and implement sustainable freight transport strategies.



RESULTS AND IMPACT AT A GLANCE

- A technical assistance project is being implemented on building the capacities of developing countries to shift towards sustainable freight transport, funded by the United Nations Development Account. Phase 1 of the project focuses on the two main transit transport corridors in East Africa, namely the Northern and Central corridors that bring together Burundi, the Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and the United Republic of Tanzania. Phase 2 focuses on the sustainable freight transport challenges faced by selected small island developing States in the Caribbean, and aims to devise workable sustainable maritime transport solutions and response mechanisms.
- In collaboration with the United Nations Environment Programme, UNCTAD supported the Northern Corridor Transit and Transport Coordination Authority in developing a green freight programme.
- Under the project entitled “Climate change impacts on coastal transport infrastructure in the Caribbean: enhancing the adaptive capacity of small island developing States”, funded by the United Nations Development Account, case studies are carried out to assess the climate-related risk and vulnerability of seaports and airports in Jamaica and Saint Lucia and develop a transferable methodology to assist in developing adaptation options for seaports and airports in small island developing States. Successful national capacity-building workshops were held in Jamaica and Saint Lucia in May 2017 and a regional capacity-building workshop was held in Barbados in December 2017. Results of the case studies suggest that key international transport assets in both countries are at high risk of marine inundation under different climate scenarios.



DONORS/ FUNDING SOURCE

Current: United Nations
Development Account

