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Trade logistics and the 2030 Agenda for Sustainable Development

Note by the UNCTAD secretariat

Executive summary

In 2015, the international community adopted the 2030 Agenda for Sustainable Development, with 17 Sustainable Development Goals and 169 targets. The 2030 Agenda is of unprecedented scale and ambition; integrated and indivisible, it aims to balance the three dimensions of sustainable development, provide a shared vision and shape collective action in support of an economically viable, socially inclusive and environmentally friendly development path. The international community is now focusing attention on the operationalization and achievement of the Goals.

Transport and trade facilitation, the core areas of trade logistics, encompass activities with strategic importance for globalized trade, supply chains and world economic interconnectedness. They are cross-cutting enabling factors that are deeply rooted in the sustainable development agenda and necessary for the achievement of several of the Goals, directly and indirectly.

UNCTAD has long recognized the nexus between trade logistics and sustainable development. Attention to the integrated treatment of the social, economic and environmental dimensions of transport and trade facilitation has further increased in recent years, as reflected in the UNCTAD mandates in the Accra Accord, the Doha Mandate and, most recently, the Nairobi Maafikiano.

Against this background, and drawing upon UNCTAD work in the field, this note highlights selected issues that lie at the interface of trade logistics and the 2030 Agenda, to help inform discussions at the fifth session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation and consider ways in which countries, in collaboration with all relevant stakeholders, may join efforts to implement sustainable and resilient transport and trade facilitation solutions in support of the 2030 Agenda.

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I. Introduction and background

1. The 2030 Agenda for Sustainable Development is of unprecedented scope and involves all countries, both developed and developing. Its scale and ambition are compelling and highlight the massive efforts involved in translating decisions into actions. The international community is now focusing attention on the operationalization and achievement of the Sustainable Development Goals.

2. In recognition of the magnitude of the challenge and the need to support the implementation process, the outcomes and decisions adopted as part of other international policy processes are considered an integral part of the 2030 Agenda, including the following: Addis Ababa Action Agenda; Istanbul Declaration and the Programme of Action for the Least Developed Countries for the Decade 2011–2020; Small Island Developing States Accelerated Modalities of Action Pathway; Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024; Paris Agreement under the United Nations Framework Convention on Climate Change; New Urban Agenda of the United Nations Conference on Housing and Sustainable Urban Development; and Sendai Framework for Disaster Risk Reduction 2015–2030. In addition to these United Nations-led initiatives, in 2014, the Agreement on Trade Facilitation was adopted by members of the World Trade Organization, giving new impulse to the international trade agenda and supporting the economic dimension of sustainable development.

3. As part of follow-up and review mechanisms, the 2030 Agenda encourages Member States to “conduct regular and inclusive reviews of progress at the national and subnational levels which are country-led and country-driven”.¹ National reviews are expected to serve as the basis for regular reviews by the high-level political forum on sustainable development; 22 reviews were submitted in 2016 and 43 reviews have been submitted to date in 2017.² The reviews provide an opportunity for a stocktaking of progress achieved and to learn about approaches to integrating the Goals into national development plans and strategies.

4. Linkages between, on the one hand, transport and trade facilitation and, on the other, the 2030 Agenda and its Goals are manifold and multidimensional. Their significance is emphasized by the High-level Advisory Group of the Secretary-General on Sustainable Transport, established to make recommendations to promote sustainable transport systems that are actionable at the international, national, local and sectoral levels. In 2016, its work culminated in a report on mobilizing sustainable transport for development³ and the first-ever Global Sustainable Transport Conference, held in Turkmenistan in November. This work has anchored sustainable transport and related areas of trade facilitation to the 2030 Agenda, including through the Ashgabat Statement on Commitments and Policy Recommendations of the Global Sustainable Transport Conference, as well as other outcomes such as decisions taken during the Decade of Action for Road Safety 2011–2020 and the resolution of the General Assembly towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors, adopted in February 2016.⁴ These policy instruments provide an overall guiding framework for national and international efforts aimed at advancing sustainable transport and trade facilitation objectives.

¹ A/RES/70/1.

² A/70/684; see <https://sustainabledevelopment.un.org/inputs/> for the list of countries.

³ High-level Advisory Group of the Secretary-General on Sustainable Transport, 2016, Mobilizing sustainable transport for development, available at <https://sustainabledevelopment.un.org/topics/sustainabletransport/highleveladvisorygroup> (accessed 8 August 2017).

⁴ A/RES/64/255; A/RES/70/197.

5. UNCTAD has long recognized the nexus between trade logistics and sustainable development, and attention to the integrated treatment of the social, economic and environmental dimensions of trade logistics has increased in recent years, as reflected in the UNCTAD mandates in the Accra Accord and the Doha Mandate⁵ and, most recently, the Nairobi Maafikiano.⁶ UNCTAD work in the field of trade logistics, including transport and trade facilitation, contributes directly and indirectly to several targets (see box).

Contribution of UNCTAD work on trade logistics to targets under the Sustainable Development Goals

1.5, on building the resilience of the poor and those in vulnerable situations and reducing their exposure to climate-related extreme events and other economic, social and environmental shocks and disasters

1.a, on ensuring significant mobilization of resources from a variety of sources, in order to provide adequate and predictable means for developing countries to implement programmes and policies to end poverty

3.6, on halving the number of global deaths and injuries from road traffic accidents

3.9, on reducing the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution

7.3, on doubling the global rate of improvement in energy efficiency

8.2, on achieving higher levels of economic productivity through diversification, technological upgrading and innovation

9.1, on developing quality, reliable, sustainable and resilient infrastructure

9.a, on facilitating sustainable and resilient infrastructure development in developing countries

9.c, on increasing access to information and communications technology and striving to provide universal and affordable access to the Internet in least developed countries

10.a, on implementing the principle of special and differential treatment for developing countries in accordance with World Trade Organization agreements

10.b, on encouraging official development assistance and financial flows, including foreign direct investment, to States where the need is greatest

11.2, on providing access to safe, affordable, accessible and sustainable transport systems for all

11.6, on reducing the adverse per capita environmental impact of cities

11.b, on increasing the number of cities adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change

⁵ The Accra Accord emphasized the need to promote inclusive growth to help countries attain internationally agreed development goals, including the Millennium Development Goals. The Doha Mandate emphasized the need to focus not only on creating sustained economic growth, but also on broadening the basis of growth and making it more inclusive.

⁶ Paragraphs 10, 11 and 12 of the Nairobi Maafikiano (TD/519/Add.2) are of general relevance to transport and trade facilitation and the following subparagraphs are of direct relevance: 38 (j), (k), (p), (s), (x) and (z); 55 (b), (f)–(l), (x), (aa) and (gg); 76 (d), (e), (s) and (t); and 100 (d) and (t).

- 13.1, on strengthening resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- 13.2, on integrating climate change measures into national policies, strategies and planning
- 13.3, on improving education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
- 14.1, on preventing and significantly reducing marine pollution of all kinds
- 14.2, on sustainably managing and protecting marine and coastal ecosystems to avoid significant adverse impacts
- 14.7, on increasing the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources
- 14.c, on enhancing the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of “The future we want”
- 16.3, on promoting the rule of law at the national and international levels and ensuring equal access to justice for all
- 16.5, on reducing corruption and bribery in all their forms
- 16.6, on developing effective, accountable and transparent institutions at all levels
- 16.7, on ensuring responsive, inclusive, participatory and representative decision-making at all levels
- 16.10, on ensuring public access to information and protecting fundamental freedoms
- 16.b, on promoting and enforcing non-discriminatory laws and policies for sustainable development
- 17.3, on mobilizing additional financial resources for developing countries from multiple sources
- 17.10, on promoting a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda
- 17.11, on increasing the exports of developing countries
- 17.12, on realizing timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions
- 17.14, on enhancing policy coherence for sustainable development
- 17.17, on encouraging and promoting effective public, public–private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Source: A/RES/70/1.

6. These linkages underscore that sustainable transport and trade facilitation is a prerequisite for effective implementation of the 2030 Agenda. Progress in implementation requires effectively addressing challenges and obstacles to sustainable transport and trade facilitation, which may be institutional, legal, financial, technological or capacity-related. Challenges in many developing countries often relate to considerations such as transport costs, transparency, governance, cargo transit times and delays, regional connectivity,

interisland connections, access to markets, participation in relevant transport and trade networks, capacity-building at the level of executing agencies, infrastructure needs and gaps, energy efficiency, carbon emissions and air pollution, financing requirements and data and statistical capability requirements.

7. In this context, building the sustainability of trade logistics in developing countries and monitoring and tracking progress is key for the effective implementation of the 2030 Agenda. Transport and trade facilitation solutions need to be sustainable, and effective solutions can then help achieve numerous other objectives by providing the necessary trade logistics services to achieve the Goals that depend on trade and economic development.

8. UNCTAD, with its mandate on trade and development and long-standing expertise in trade logistics, has an important role in helping advance implementation of the 2030 Agenda. Given the enabling powers of transport and trade facilitation, planning for sustainable transport and trade facilitation in support of the 2030 Agenda remains a priority. A pioneer in recognizing the transport and trade facilitation linkages to sustainable development, UNCTAD continues to assist developing countries to address challenges and obstacles undermining the realization of sustainable transport and trade facilitation.

II. Relevant issues at the interface of transport and trade facilitation and the 2030 Agenda for Sustainable Development

A. Sustainable and resilient transport systems support the realization of the 2030 Agenda

1. The case for sustainable and resilient freight transport systems

9. Sustainable transport involves, among others, the availability of safe, socially acceptable, universally accessible, reliable, affordable, fuel efficient, environmentally friendly, low carbon and climate change resilient transport infrastructure, services and operations. An economic sector that generates income, revenue and employment, freight transport is also a strategic factor enabling international trade, underpinning global supply chains and allowing access to markets by linking consumers and producers, importers and exporters.⁷

10. As freight transport activity grows in tandem with the global population, economy and trade flows, sustainability pressures continue to bear heavily on the sector. The sector is a major consumer of oil and contributes significant shares to global carbon emissions and air pollution; freight transport activity accounts for about 7 per cent of global carbon dioxide emissions.⁸

11. Trade-related international freight volumes are expected to grow by a factor of 4.3 by 2050, compared with 2010.⁹ Between 2010 and 2050, global road and rail freight

⁷ For additional discussions on the linkages between international transport and sustainable development, see UNCTAD, 2015, *Review of Maritime Transport 2015* (United Nations publication, Sales No. E.15.II.D.6, New York and Geneva).

⁸ Organization for Economic Cooperation and Development and International Transport Forum, 2015, *The carbon footprint of global trade: Tackling emissions from international freight transport*, available at <https://www.itf-oecd.org/sites/default/files/docs/cop-pdf-06.pdf>.

⁹ Organization for Economic Cooperation and Development and International Transport Forum, 2015, *International Transport Forum Transport Outlook 2015* (Paris).

volumes are expected to increase by 230–420 per cent.¹⁰ The freight transport sector will be increasingly expected to be economically efficient, while at the same time achieving greater energy efficiency, resilience, social inclusiveness and resource conservation and minimizing negative environmental impacts.

12. The design and implementation of sustainable freight transport systems involve challenges, in particular in developing regions, and require assistance. Key challenges are, among others, a lack of global standards for sustainable performance measurements, limited access to technology, insufficient global coordination, inadequate and insufficient access to financing, a lack of investment, infrastructure gaps and poor infrastructure maintenance and weak supportive national policies and legal and regulatory frameworks. In some instances, for example in small island developing States and landlocked developing countries, there are additional constraints due to size, geographical situation, limited trade volumes, trade flow imbalances and a heightened vulnerability to shocks, including environmental shocks.

13. Various actions can help promote sustainable freight transport, including the following: enacting measures that modify supply chain design; reshaping transport configurations and networks; switching to low carbon energy sources and technologies; improving vehicle and propulsion technology; planning and organizing routings and scheduling to reduce dead mileage and optimize operations; shifting travel to the most sustainable modes of transport; improving land use planning; enabling greater access to information and communications technology; and ensuring harmonized regulatory frameworks for international transport.

14. Some observers have noted that shifting to sustainable transport requires a redirection of, rather than a substantial increase in, infrastructure expenditure. This can be realized through an annual investment of around \$2 trillion, similar to current spending of \$1.4 trillion–\$2.1 trillion and, when considering full transport costs, including fuel, operational expenses, vehicles and losses due to congestion and other externalities, sustainable transport could deliver savings of \$70 trillion by 2050.¹¹ In addition, improvements in border administration, transport and communications infrastructure could increase the global gross domestic product by \$2.6 trillion, or 4.7 per cent.¹²

15. UNCTAD work in the field of transport has increasingly focused on promoting sustainable freight transport, including sustainable and resilient shipping and ports and corridor, multimodal and supply chain approaches.¹³ Examples of relevant work carried out across the three pillars of work of UNCTAD, as set out in subsection II.2 of this note, highlight ways in which freight transport sustainability and resilience intersects with a sustainable development path.

2. Transit transport corridors, multimodality and sustainable shipping: UNCTAD work

16. UNCTAD work on sustainable freight transport is closely aligned with several targets under Agenda 2030, in particular those on road safety (3.6), pollution reduction (3.9), energy efficiency (7.3), sustainable and resilient infrastructure (9.1), mobilizing resources and finance (10.b and 17.3), access to sustainable transport (11.2), sustainable cities (11.6), climate change mitigation (13.2 and 13.3), marine pollution reduction, marine ecosystems and the sustainable use of oceans (14.1, 14.2, 14.7 and 14c)

¹⁰ Ibid.

¹¹ High-level Advisory Group of the Secretary-General on Sustainable Transport, 2016.

¹² Ibid.

¹³ For additional information on UNCTAD work on sustainable freight transport and transport networks and corridors, as well as its cooperation with corridors in East Africa, see paragraph 19 and <http://unctad.org/en/Pages/DTL/TTL/Infrastructure-and-Services/Transport-Networks-and-Corridors.aspx>.

and trade (17.10–17.12), as well as with enabling factors such as technology, data capabilities, finance and policy coherence.

17. Analytical and consensus-building activities with linkages to the Goals include a publication prepared in advance of the third International Conference on Small Island Developing States in 2014 and facilitation of the fourth session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation, held in October 2015, which focused on sustainable freight transport systems and opportunities for developing countries.¹⁴ With regard to capacity-building, training material has been developed that focuses on sustainable shipping in small island developing States and presents the results of case studies prepared in collaboration with the University of the South Pacific.¹⁵

18. UNCTAD provides technical assistance to countries in building their capacities to promote and implement sustainable freight transport solutions, for example through a dedicated United Nations Development Account project that aims to strengthen the capacity of policymakers, transport operators and key financial institutions in sub-Saharan Africa and in small island developing States in the Caribbean to promote and finance sustainable freight transport systems through sound transport policy measures and adequate financing actions and mechanisms.¹⁶

19. UNCTAD carries out a number of activities to help raise awareness in beneficiary countries, improve their understanding and develop tailored strategies to implement sustainable transport principles, whether as users, regulators or service transport providers. For example, such work paved the way for a commitment by the Central Corridor Transit Transport Facilitation Agency and the Northern Corridor Transit and Transport Coordination Authority in Africa to promote sustainable freight transport strategies in their respective corridors. In this regard, the latter authority has established, in collaboration with UNCTAD and the United Nations Environment Programme, a green freight programme as the first element in a multipronged and long-term sustainable freight transport strategy.

20. In addition, UNCTAD, in collaboration with the Partnership on Sustainable, Low Carbon Transport, organized a ministerial round table on sustainable transportation for the 2030 Agenda at the fourteenth session of the United Nations Conference on Trade and Development in 2016.¹⁷ A high-level panel of stakeholders from Governments, the United Nations, public and private sectors, transport industries, academia and regional development banks considered the concept of sustainable freight transport, shared experiences and reflected on the need for an international framework. The debate helped identify key obstacles to the implementation of sustainable freight transport, articulate proposed solutions, identify key stakeholders and players and define the role of UNCTAD in helping advance related work, including by partnering with Governments; relevant organizations, such as the Partnership on Sustainable, Low Carbon Transport and the United Nations Human Settlements Programme; and other partners. The round table reiterated the importance of UNCTAD in providing guidance and leadership, enabling the sharing of best practices and promoting cooperation in support of the 2030 Agenda.

21. Further, UNCTAD contributed substantive inputs to the Global Sustainable Transport Conference and participated in events that brought together relevant stakeholders and allowed for dialogues that emphasized the integrated and cross-cutting nature of

¹⁴ UNCTAD, 2014, *Closing the Distance: Partnerships for Sustainable and Resilient Transport Systems in Small Island Developing States* (United Nations publication, New York and Geneva).

For meeting details, see <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=687>.

¹⁵ UNCTAD, 2016, Training module: Sustainable sea transport solutions for small island developing States – Pacific island countries case studies, available at <https://unctadstportal.org/sftftoolkit/transitioningtolowcarbonshippingmodule> (accessed 8 August 2017).

¹⁶ See <http://www.un.org/esa/devaccount/projects/2014/1415Q.html>.

¹⁷ TD/INF.63.

sustainable transport and its multiple roles in supporting the achievement of the Goals. UNCTAD organized a thematic discussion entitled “Multimodal sustainable transport and transit solutions: Connecting rail, maritime, road and air”, which generated useful insights, including on how best to leverage the sustainability dividend of transport multimodality.¹⁸

22. Finally, UNCTAD contributed significantly to the new transit guidelines developed by the World Customs Organization, which set out good practices for transit operations.

3. Carbon footprint of the freight transport sector

23. To further raise the profile of freight transport in the international climate policy arena and underscore its linkages to the 2030 Agenda, UNCTAD contributed to transport-related activities carried out under the framework of the twenty-second Conference of the Parties to the United Nations Framework Convention on Climate Change, held in Marrakesh, Morocco in November 2016. UNCTAD participated in relevant side events on transport, energy, climate and sustainability and organized a side event on strengthening the focus on freight transport on the climate agenda. In addition, as part of the Transport Day of the Climate and Clean Air Coalition, UNCTAD organized a session on making freight transport fit for a low carbon future.

24. Such activities increased awareness of freight transport and its ability to support an effective low carbon and sustainable development path and fostered action-oriented discussions, the sharing of best practices and the identification of potential collaboration across modes and among stakeholders from both the public and private sectors. Insights gained improved understanding of the role of policymakers, regulators and industry players in enabling low carbon freight transport. A concrete outcome was the increased profile of the freight transport sector and its integration as one of the thematic areas under the Global Climate Action Agenda and in the Marrakech Partnership for Global Climate Action to 2020.¹⁹ Overall, this work has helped UNCTAD achieve the objective of enhancing the visibility of the freight transport sector and strengthening its position as a key thematic area requiring action for effective implementation of the Paris Agreement, which entered into force in November 2016.

4. Maritime transport and climate change

25. Sustainable and resilient transport is key to sustainable development and is thus among the cross-cutting issues of relevance for achieving progress on several Goals, including Goal 1 on ending poverty in all its forms everywhere; Goal 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation; and Goal 13 on taking urgent action to combat climate change and its impacts.

26. International maritime transport, similar to other economic sectors, faces a dual challenge with regard to climate variability and change, namely the need to reduce carbon emissions and at the same time adapt to the potentially wide-ranging impacts of climatic factors. Given the vital importance of international maritime transport for global trade, addressing climate change-related challenges is imperative.

27. With over 80 per cent of the volume of world trade carried by sea,²⁰ international shipping and ports provide crucial linkages in global supply chains and are essential for the ability of all countries, including landlocked countries, to access global markets. Ports are likely to be affected both directly and indirectly by climatic changes, such as rising sea

¹⁸ See paragraph 29 and <https://sustainabledevelopment.un.org/Global-Sustainable-Transport-Conference-2016>.

¹⁹ See http://unfccc.int/files/paris_agreement/application/pdf/marrakech_partnership_for_global_climate_action.pdf.

²⁰ UNCTAD, 2016, *Review of Maritime Transport 2016* (United Nations publication, Sales No. E.16.II.D.7, New York and Geneva)

levels, extreme weather events and rising temperatures, with broader implications for international trade and the development prospects of the most vulnerable nations, in particular the least developed countries and small island developing States.

28. Climate change mitigation is part of the ongoing work of UNCTAD in the field of trade logistics and UNCTAD carries out substantive work to help improve understanding of the issues at the interface of maritime transport and climate change mitigation. For example, as part of its annual *Review of Maritime Transport*, UNCTAD monitors regulatory developments under the auspices of the International Maritime Organization in the technical and safety aspects of shipping and in the prevention and control of ship-source marine pollution, including the reduction of greenhouse gas emissions in international shipping. Special emphasis is placed on climate change impacts and related adaptation for seaports and other coastal transport infrastructure and the need to enhance their resilience.²¹ UNCTAD work contributes directly to the achievement of a number of targets under Agenda 2030, as well as implementation of the Addis Ababa Action Agenda, the Small Island Developing States Accelerated Modalities of Action Pathway and the Paris Agreement, and benefits from strong support by member States.

29. Given the potential for climate-related damage, disruption and delays to transport across closely interconnected global supply chains, enhancing the resilience of seaports and other coastal transport infrastructure is of strategic economic importance. This importance is recognized in paragraphs 7, 16 and 20 of the Ashgabat Statement. At the Global Sustainable Transport Conference, UNCTAD co-led and participated in a high-level thematic panel discussion on sustainable transport solutions to the climate crisis.

30. UNCTAD research and analytical work in the field, as well as relevant consensus-building activities, including a number of intergovernmental meetings, have significantly helped raise awareness and advance the international debate. Important synergies are created through inter-agency cooperation and the establishment of a committed multidisciplinary network of experts. With regard to research and analysis, the *Maritime Transport and Climate Change Challenge*, with contributions from 25 experts from international organizations, academia and the shipping and port industries, provided detailed insights on a range of potential implications of climate change for this key sector of international trade.²² In addition, a multidisciplinary paper was published in 2013.²³

31. Ongoing work with a focus on small island developing States includes a United Nations Development Account project entitled “Climate change impacts on coastal transport infrastructure in the Caribbean: Enhancing the adaptive capacity of small island developing States”, implemented in 2014–2017. Through a case study of two States, Jamaica and Saint Lucia, the project aims to enhance national-level knowledge and understanding and develop a transferable methodology for assessing climate-related impacts and adaptation options in small island developing States.²⁴

32. UNCTAD collaborates with other international organizations as part of its activities, including with the United Nations Economic Commission for Europe; the Group of Experts on Climate Change Impacts and Adaptation for Transport Networks and Nodes was established following a joint UNCTAD and Commission workshop in 2010 and its mandate

²¹ See <http://unctad.org/en/Pages/DTL/TTL/Legal/Climate-Change-and-Maritime-Transport.aspx>.

²² R Asariotis and H Benamara, eds., 2012, *Maritime Transport and the Climate Change Challenge* (Routledge, London).

²³ AH Becker, M Acciario, R Asariotis, E Cabrera, L Cretegy, P Crist, M Esteban, A Mather, S Messner, S Naruse, AKY Ng, S Rahmstorf, M Savonis, D-W Song, V Stenek and AF Velegrakis, 2013, A note on climate change adaptation for seaports: A challenge for global ports, a challenge for global society, *Climatic Change*, 120(4):683–695.

²⁴ For an overview of the case study, see High-level Advisory Group of the Secretary-General on Sustainable Transport, 2016, page 27.

was extended in 2015.²⁵ Other collaborative initiatives with intergovernmental and non-governmental organizations include work under the auspices of the technical working group to support the High-level Advisory Group of the Secretary-General on Sustainable Transport and of the inter-agency coordination mechanism on oceans and coastal issues (UN-Oceans), which seeks to strengthen the coordination and coherence of United Nations system activities related to ocean and coastal areas.²⁶ UNCTAD also contributes to work under the auspices of the United Nations Environment Programme Mediterranean Action Plan on the Regional Climate Change Adaptation Framework for the Mediterranean Marine and Coastal Areas²⁷ and to industry-led initiatives, such as the development of guidelines for climate change adaptation by the working group on climate change adaptation for maritime and inland port and navigation infrastructure established in 2015 by the non-governmental organization World Association for Waterborne Transport Infrastructure.

5. Conservation and sustainable use of oceans

33. Goal 14 on conserving and sustainably using the oceans, seas and marine resources for sustainable development is particularly relevant with regard to maritime transport, ship-source pollution control and coastal zone management. Target 14.c is cross-cutting in nature and important in advancing the achievement of other targets under this Goal, as laws and regulations are key tools for the effective implementation of public policy objectives, as shown, for instance, by the success in recent decades of international conventions on ship-source pollution prevention, response, liability and compensation in significantly reducing major pollution incidents and contributing to ship safety.

34. The wording of target 14.c is broad and inclusive. Given its overall aim in the context of Goal 14, the integrated nature of the Goals and targets and the fact that in many respects the United Nations Convention on the Law of the Sea is a framework convention that requires substantive implementing legislation, the reference to the Convention should be interpreted broadly, as covering a wide range of international legal instruments pertaining to the conservation and socially, economically and environmentally sustainable use of the oceans and their resources.

35. This target is of particular relevance to the work of UNCTAD on legal and regulatory issues in the field of transport. It may cover a number of international conventions, mainly related to commercial maritime law, adopted at conferences facilitated by UNCTAD, as well as a wide range of international legal instruments in the field of ship safety and marine pollution control adopted under the auspices of the International Maritime Organization, some of which have been the subject of analytical studies and reports by UNCTAD.²⁸ These conventions, broadly defined by subject matter area, cover issues related to the economic aspects of shipping, liability for the carriage of goods by sea and multimodal transport and the enforcement of maritime claims.

²⁵ See http://www.unece.org/trans/main/wp5/wp5_ge3_intro.html.

²⁶ See <http://www.unoceans.org/>.

²⁷ Endorsed at the nineteenth meeting of the Contracting Parties to the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean in 2016.

²⁸ For an analysis of the International Convention on Civil Liability for Oil Pollution Damage and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, see UNCTAD, 2012, *Liability and Compensation for Ship-Source Oil Pollution: An Overview of the International Legal Framework for Oil Pollution Damage from Tankers* (United Nations publication, New York and Geneva). Target 14.c is understood to cover instruments related to fisheries, shipping, seabed mining, labour, pollution, marine environment health and marine biodiversity conservation at international and regional levels; for information on several sets of non-mandatory rules and standards that have contributed to shaping and harmonizing the international commercial maritime transport law framework, see <http://unctad.org/ttl/legal>.

6. Regulatory approaches to improving road safety in support of the Goals

36. There are over 1.25 million road traffic fatalities per year, 90 per cent of which occur in low and middle-income countries. The 2030 Agenda recognizes the importance of this issue and aims to address the complex challenge of road safety through international and regional cooperation among a broad range of stakeholders, in particular under targets 3.6 and 11.2.

37. Through its ongoing research work, UNCTAD aims to raise awareness among stakeholders and policymakers in developing countries of the importance of the effective implementation of relevant laws and legal instruments, which can play a critical role in achieving progress on the targets related to road safety, including a number of international legal instruments that aim to facilitate international road traffic through uniform road traffic rules, documents, signs and signals; harmonization of construction standards and technical inspections of vehicles; improvement of road infrastructure; setting of driving times and rest periods for professional drivers; and safe transportation of dangerous goods and hazardous materials. Their implementation will lead to safer mobility and behaviour by road users, safer roads and safer vehicles.

38. In view of the urgency and sensitivity of this issue, UNCTAD encourages developing countries to become parties to these international legal instruments. In addition, developing countries, in collaboration with development partners, should integrate and mainstream road safety considerations in support of the relevant Goals and targets, in particular target 3.6, into their regulatory and policy frameworks, including in relation to infrastructure planning and projects.

B. Trade facilitation, customs automation and the Sustainable Development Goals: Transparency supports development

1. Trade facilitation and development

39. Trade facilitation reforms improve national trade competitiveness and the effectiveness of border agencies. In addition, they can directly help advance development goals such as the strengthening of governance and formalization of the informal sector. The relationship between trade facilitation and development is dynamic. Countries with greater capacity, higher trade volumes and greater financial resources are in a better position to invest in reforms that make trade faster, easier and more transparent, and developing countries that invest in programmes that modernize customs administrations and trade procedures may reap the benefits of greater trade, revenue collection and institutional development. There are several potential virtuous circles. Apart from the direct impact on making trade faster, easier and cheaper, trade facilitation reforms are also positive steps towards human, enterprise and institutional development. They help small traders, often women, enter the formal sector, make economic activities more transparent and accountable, promote good governance, generate better quality employment, strengthen information technology capabilities and generally modernize societies by bringing about benefits related to administrative efficiency.²⁹

40. The Agreement on Trade Facilitation under the World Trade Organization, which came into force in February 2017, contains provisions for international cross-border trade, transit, imports and exports. The Agreement aims to raise the potential for international trade, benefiting developing countries and the least developed countries in particular. Trade facilitation essentially supports sustainable development; it has been estimated that in

²⁹ For a detailed analysis of the linkages between trade facilitation and development, see UNCTAD, 2016, *Trade Facilitation and Development: Driving Trade Competitiveness, Border Agency Effectiveness and Strengthened Governance* (United Nations publication, Geneva).

implementing the Agreement, developing countries and the least developed countries may reduce trade costs by around 15 per cent on average,³⁰ thereby significantly raising export revenue collection and in turn improving their economic situations.

41. The Agreement details a number of good practices, some mandatory and some recommended, namely articles 1–5 on transparency, articles 6–10 on fees and charges, article 11 on freedom of transit and article 12 on customs cooperation. Articles 1–5 provide for crucial steps in promoting transparency in international trade. Implementation of these may also bring about important benefits in terms of general administrative efficiency. International standards in trade and transport can help transfer good practices and technologies to developing countries, which contributes directly to development, as it enhances electronic governance, improves information technology connectivity and streamlines processes to save on time and financial costs.

42. Implemented fully, the Agreement should lead to a major transformation in the administrative culture of countries with regard to international trade procedures, including through improved transparency and good governance. With regard to publication and transparency, some of the reforms to be made in developing countries and the least developed countries may induce new ways of doing business. Such reforms are often linked to information technology and intelligent systems and are likely to result in new working methods in public authorities as they adapt to the use of easily available information. New skills, knowledge and mind-sets are also required. Public sector competencies need to evolve from controlling to monitoring and regulatory functions, using intelligence activities and good governance practices to ensure compliance, for example through the application of safety and security standards and the operation of transparent and non-distorted trade and transport markets. This in turn supports the achievement of the Goals, and many of the measures in the Agreement have a direct link to the Goals.

43. Selected articles are addressed in detail as follows:

(a) Article 1: Compliance with this provision, on the publication and availability of information, helps provide, among others, a more transparent and predictable trading environment, encourage stakeholder partnerships and enhance communications between traders and government agencies and the private sector through the improvement of access to the Internet and related information and communications technology infrastructure. Specifically, compliance with article 1.2 (information available through the Internet) helps achieve targets 9.c and 16.10.

(b) Article 2: Compliance with this provision, on the opportunity to comment on new laws and regulations before they enter into force and on holding consultations with border agencies and traders, helps build trust in public administrations, increase transparency and improve governance. Compliance with this article helps achieve targets 16.7 and 16.b.

(c) Article 3: Compliance with this provision, on the issuance of advance rulings, helps create a more transparent and reliable international trading system, encourage developing countries and the least developed countries to take part in the system and build capacities to better negotiate in multilateral settings, strengthen international cooperation for closer integration and allow for a more enriched agenda on aid for trade. Compliance with this article helps achieve targets 17.10 and 17.14.

(d) Article 4: Compliance with this provision, on the provision of procedures for appeal or review, helps build effective, accountable and transparent national institutions and improve trust in the multilateral trading system. Clear and transparent appeals procedures

³⁰ World Trade Organization, 2015, *World Trade Report 2015: Speeding up Trade – Benefits and Challenges of Implementing the Trade Facilitation Agreement* (Geneva).

should be available to all traders, both large and small. Compliance with this article helps achieve target 16.3.

(e) Article 5: Compliance with this provision, on other measures to enhance impartiality, non-discrimination and transparency, helps build strong national institutions, promote policy coordination and coherence and contribute to good governance, thereby helping to reduce corruption and encourage private sector involvement. Compliance with this article helps achieve target 16.5, and is related to article 1 and the achievement of target 9.c.

(f) Article 23.2: Compliance with this provision, on establishing a national committee on trade facilitation, allows for all public and private stakeholders to meet on a regular basis to exchange information and jointly drive forward the trade facilitation agenda at the national level. Public–private partnerships on international trade procedures are important in establishing trusted relationships and collaboration. Compliance with this article is related to Goal 17 on revitalizing the Global Partnership for Sustainable Development.

2. Supporting human and institutional development

44. UNCTAD provides technical assistance and capacity-building to developing countries and the least developed countries in implementing trade reforms, including implementation of the Agreement on Trade Facilitation, and providing transparency and good governance in international trade procedures. Through its empowerment programme for national committees on trade facilitation, UNCTAD assists developing countries and the least developed countries to set up and train stakeholders in public–private partnership frameworks to advance trade facilitation.³¹

45. UNCTAD has developed an electronic regulations tool to help Governments make rules and procedures fully transparent and to facilitate business, trade and investment. The trade portal module of eRegulations, which can be implemented as a stand-alone electronic portal and configured to the specific needs of a country, contributes to greater transparency and efficiency in public service and improved governance.³²

46. The Automated System for Customs Data is a computerized customs management system that takes into account international codes and standards developed by the United Nations, the International Organization for Standardization and the World Customs Organization.³³ The system can be configured to the characteristics of individual customs regimes and national tariffs and legislation, providing both efficiency and transparency for customs administrations, traders and other public administrations linked to the system. In addition, it generates trade data that can be used for statistical economic analysis. Implementation of the system assists in achieving, in particular, Goal 8 (on promoting economic growth, employment and decent work), Goal 9 and Goal 17. Development-oriented policies are encouraged and promoted within customs through the automation of customs procedures and controls, and the automation of customs tax and duty calculation and collection contributes to economic growth (Goals 8 and 17). The system combines state-of-the-art advanced technologies with proven in-the-field expertise to ensure efficient and tailored support to countries, thus contributing to information and communications technology infrastructure upgrading, in particular in the African region and in the least developed countries (Goal 9). In addition, the programme organizes study tours for customs delegations to learn from experiences in implementing new technology and/or infrastructure in other regions, contributing to North–South and South–South international and regional cooperation (Goal 17). Capacity-building is also provided

³¹ See <http://unctad.org/tfc>.

³² See <http://tradeportal.eregulations.org>.

³³ See <http://asycuda.org>.

through the organization of technical and functional training sessions and, with regard to development-oriented partnerships with organizations, agencies and trade associations (Goal 17), the programme has initiated memorandums of understanding and cooperation agreements with other international and regional entities such as the Common Market for Eastern and Southern Africa, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the International Air Transport Association, the International Trade Centre, the United Nations Office for the Coordination of Humanitarian Affairs, the Universal Postal Union and the World Customs Organization.

III. Way forward

47. Trade logistics underpins the realization of several Sustainable Development Goals, and needs to capitalize on its enabling functions in order to support the effective implementation of the 2030 Agenda. Addressing obstacles to sustainable transport and trade facilitation, and ensuring that the international community can move from decisions to actions, requires a leveraging of relevant means of implementation, including as articulated in Goal 17. There is a need to further awareness raising on the transport and trade facilitation and sustainability nexus and to involve relevant stakeholders, in particular in setting priorities. Enabling and empowering relevant institutions, ensuring policy coherence and coordination and ensuring appropriate, harmonized and up-to-date legal and regulatory transport and trade facilitation frameworks are equally important. In addition, leveraging local initiatives, supporting clear monitoring and good practice sharing, agreeing on performance metrics and strengthening statistical capabilities, in particular in developing regions, should be pursued and promoted.

48. The important role of enhanced cooperation at all levels and among all relevant stakeholders, including in key priority areas such as data collection and dissemination, policy and regulatory frameworks, uniform infrastructure standards, customs, documentation, research and investment cannot be overemphasized. In this regard, collaboration between the International Road Transport Union and the United Nations Global Compact through the Global Partnership for Sustainable Transport is a good example of innovative and forward-looking cooperation mechanisms supporting the 2030 Agenda and its implementation. In addition, through the Global Alliance for Trade Facilitation, Governments and the business community have joined together to focus on implementing trade facilitation procedures set out in the Agreement on Trade Facilitation. Collaboration with academia is also important, including in furthering research on the linkages between transport and trade facilitation and the Goals.

49. Mobilizing finance, including from new sources, is essential. In this regard, the commitment on sustainable transport of eight multilateral development banks targets the provision of more than \$175 billion in loans and grants for transport in developing countries in 2012–2022. Under a common reporting framework, these institutions provided about \$23 billion in funding for sustainable transport projects in 2015, in addition to \$20 billion approved in 2012, \$25 billion in 2013 and \$20 billion in 2014.³⁴

50. UNCTAD continues to support developing countries in preparing, planning and implementing sustainable and resilient freight transport and trade facilitation solutions, and to contribute to effective implementation of the 2030 Agenda, including by recognizing significant linkages, direct or indirect, with the Goals. In addition, UNCTAD continues to carry out work in the field of maritime transport law and policy in accordance with its

³⁴ MDB [Multilateral Development Bank] Working Group on Sustainable Transport, 2017, Progress Report (2015–2016) of the MDB [Multilateral Development Bank] Working Group on Sustainable Transport, available at <https://www.adb.org/documents/progress-report-2015-2016-mdb-wg-sustainable-transport> (accessed 8 August 2017).

strengthened mandate with regard to sustainable and resilient transport in the Nairobi Maafikiano (subparagraphs 55 (k) and (l)), with a view to assisting in the implementation of the 2030 Agenda, in particular Goal 14, as well as implementation of the Addis Ababa Action Agenda and other international agreements such as the Small Island Developing States Accelerated Modalities of Action Pathway and the Paris Agreement.

51. Policymakers may note that the implementation of many trade facilitation measures may be an effective tool towards meeting specific targets under Agenda 2030. Obligations, and international financial and technical support, under the Agreement on Trade Facilitation provide an opportunity to engage in reforms that make economic activities more transparent and help small traders enter the formal sector.

52. The fifth session of the multi-year expert meeting may wish to consider the following issues:

(a) The current state of play with regard to the sustainability of transport and trade facilitation in the light of the 2030 Agenda, including opportunities, obstacles and challenges;

(b) Relevant experiences and measures and/or methods reflecting efforts to implement sustainable transport and trade facilitation, including by Governments and in the private sector;

(c) Good practices, successful experiences and opportunities associated with the wider dissemination and potential replication of sustainable transport and trade facilitation solutions in developing countries;

(d) Enabling factors, including financing, capacity-building, technology, research and cooperation, that require further leveraging and scaling up;

(e) The role of UNCTAD in helping developing countries promote sustainable and resilient transport and trade facilitation in support of the 2030 Agenda.
