

UNCTAD Trade and Development Commission 2015

Agenda Item 3:

Presentation of the Report on the Multiyear Expert Meeting on Transport, Trade Logistics and Trade Facilitation ([TD/B/C.I/MEM.7/9](#)):

Small Island Developing States: Challenges in transport and trade logistics

The [third session of the Multi-year Expert Meeting on Transport, Trade Logistics and Trade Facilitation](#) was held at the Palais des Nations in Geneva from 24 to 26 November 2014, as agreed by the Trade and Development Board at its fifty-sixth executive session on 3 and 4 December 2012 (TD/B/EX(56)/2/Add.1). At its opening plenary, on 24 November 2014, the multi-year expert meeting elected Mr. Martin Eze (Nigeria) as its Chair and Mr. Ralph Osterwoldt (Canada) as its Vice-Chair-cum-Rapporteur.

In accordance with the terms of reference, and in line with UNCTAD's mandate as reflected in para 56 (j) of the Doha Mandate, the session focused on some of the particular transport and trade logistics challenges that small island developing States SIDS face in connection with their remoteness and geographical isolation.

Small island developing States share the same environmental and economic vulnerabilities and sustainable development challenges, such as susceptibility to natural disasters; vulnerability to external shocks; remoteness from large markets, low transport volumes and connectivity leading to high freight and logistics costs; and high economic dependency on sea and air transport links. Improved access to global markets and enhanced trade competitiveness is particularly important for these countries, as is ensuring the resilience of critical transport infrastructure. With small island developing States entirely dependent on ports and airports, climate change risks such as rising sea levels, increasing temperatures and more frequent and/or intense storms pose serious threats to vital transport infrastructure, services and operations. Understanding the underlying risks and vulnerabilities and developing adequate adaptation measures is, therefore, essential.

Convened in 2014, the International Year of Small Island Developing States, and following the Third International Conference on Small Island Developing States (Samoa Conference), the meeting offered a renewed opportunity to focus international attention on the unique transport-related challenges facing small island developing States and to consider ways in which these can be better understood and adequately addressed. Discussions were informed by a distinguished panel of expert speakers, as well as a background note prepared by the Secretariat, drawing also in particular on the key outcomes of an Ad Hoc Expert Meeting on Addressing the Transport and Trade Logistics Challenges of Small Island Developing States,

which had been convened in the run-up to the Samoa SIDS Conference in July 2014 (Key outcomes and a summary of the discussions at the AHEM are presented in document UNCTAD/DTL/TLB/2014/3 <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=586>).

Conclusion

There was wide consensus that the meeting had offered experts an opportunity to reconsider the transport and trade logistics of SIDS and further raise the profile of the sector on the international policy agenda. Many delegations commended UNCTAD for its efforts to support resilience building and development of SIDS, while several delegations from SIDS praised UNCTAD for its post-Samoa conference agenda, in particular its support in their request for special status, a review of the graduation rules, a global SIDS technical assistance programme and help in facilitating access to financing.

The role of regional and interregional partnerships as well as cooperation with international development partners, including South–South and SIDS–SIDS collaboration, were especially important. By allowing for lesson and experience sharing, dissemination of best practices, greater awareness raising and capacity-building, these partnerships provided useful mechanisms to support SIDS. Partnerships dedicated to resilience building, disaster risk financing and climate adaptation were particularly relevant. Development partners, including UNCTAD, were encouraged to join in these efforts and help enhance the effectiveness of such partnerships, including through the sharing of expertise in relevant fields, capacity-building and financial support.

A number of experts called for more specific action to ensure that the recognition of SIDS vulnerability was matched by commensurate financial support and capacity-building.

In the context of discussions on disaster risk reduction and climate adaptation, participants pointed, inter alia, to the need to raise awareness about residual risks and manage them effectively, as well as to integrate disaster risk management into relevant policies to ensure more resilient recovery and reconstruction. Experts also suggested that climate adaptation action be integrated with other development activities, such as disaster risk reduction and community-based approaches to development, to achieve better results.

Main messages that emerged from the meeting identifying the potential areas of intervention and specific response measures are detailed in the Report of the meeting which is before you as document [TD/B/C.I/MEM.7/9](#).

[PLEASE NOTE: Should the Chair or Vice-Chair wish to highlight any particular key points set out in the report of the meeting, these are set out, for ease of reference, below]

Let me highlight some of them.

In relation to *Transport for trade and tourism*, for instance, it was highlighted as important:

- (a) to continue to adopt national, regional and subregional grouping approaches and initiatives, aimed at addressing the challenges faced by SIDS and providing more regular, reliable, competitive and cost-effective shipping services among the islands and externally;
- (b) to set up regional maritime services aimed at creating an economic area and infrastructure to attract investors, traders, manufacturers and carriers;
- (c) to collaborate at the regional level in relation to maritime security and in relation to operationalizing and implementing the WTO Trade Facilitation Agreement; and
- (d) to improve government's role and participation and establish public-private partnerships for financing infrastructure in SIDS;
- (e) to increase investment in air transport infrastructure and tourism and introduce appropriate technology and ongoing training of personnel;

In relation to *Disaster risk reduction and Adaptation to climate change impact in transport*, key messages were, for instance, that it was important:

- (a) to intensify efforts on the prevention side as well as in terms of insurance, post-event financing and residual losses; and to ensure that disaster risk reduction, including in transport, is part of development planning;
- (b) to assess country risks to natural hazards and implement a risk-based philosophy into the development of infrastructure; and to integrate disaster risk management into relevant policies for more resilient recovery and reconstruction;
- (c) to integrate disaster risk reduction and climate change adaptation policies;
- (d) to undertake adaptation by reducing socioeconomic vulnerabilities, building adaptive capacity, enhancing disaster risk reduction and building longer-term climate resilience; also,
- (e) to increase awareness of the critical need for port adaptation, set up an international forum to share experiences in port adaptation and conduct case studies worldwide in order to gain practical know-how and for the purposes of risk-assessment; and to adopt an incremental approach rather than a conventional master-plan approach when carrying out port adaptation;

- (f) to provide appropriate technical assistance to strengthen the ability of SIDS to undertake adaptation action in transport; also, to identify and quantify the role of natural ecosystems to enable ecosystem-based adaptation in transport;
- (g) to promote the development of new technologies and systems for port adaptation and encourage multilateral and bilateral financing agencies to incorporate adaptation into port projects;
- (h) and to provide legislation, regulation and economic incentives to ensure that assets, in particular infrastructure assets, are built with resilience in mind.

Key messages in relation to *Financing, energy, cooperation, partnerships and South-South links* include the following:

- (a) UNCTAD should continue to assist SIDS, particularly with respect to enabling them to access capacity-building facilities and available financing mechanisms;
- (b) Scale up and promote international public finance and private sector participation;
- (c) Improve domestic resource mobilization capacities;
- (d) SIDS should be able to maximize the benefits arising from the Green Climate Fund;
- (e) Promote a coordinated donor approach;
- (f) SIDS should take ownership of the problem and, in addition to global partnerships and financial mechanisms, seek financial solutions at the local and country levels;
- (g) Provide assistance in climate and disaster risk underwriting;
- (h) Leverage information to mobilize large amounts of private finance;
- (i) Consider creative ways of developing assets with multiple benefits and flows of finance;
- (j) Take steps to help reduce SIDS's heavy reliance on expensive fossil-fuel imports;
- (k) Investment in alternative energy sources across sectors is important for SIDS and should be supported:
- (l) Support the financing of sustainable shipping;
- (m) Increase coordination of work across United Nations agencies to better understand the problems faced by SIDS and ensure that their special needs are reflected in discussions and negotiations;
- (n) Address the island paradox and middle-income trap that undermine SIDS;
- (o) Support the granting of special treatment to SIDS along the lines of that afforded to LDCs;
- (p) Support the plea of SIDS for SIDS status and a global technical assistance programme for SIDS;
- (q) Share country experiences and best practices;
- (r) Support more effective partnerships and cooperation mechanisms at the interregional level, among SIDS and with international development partners.