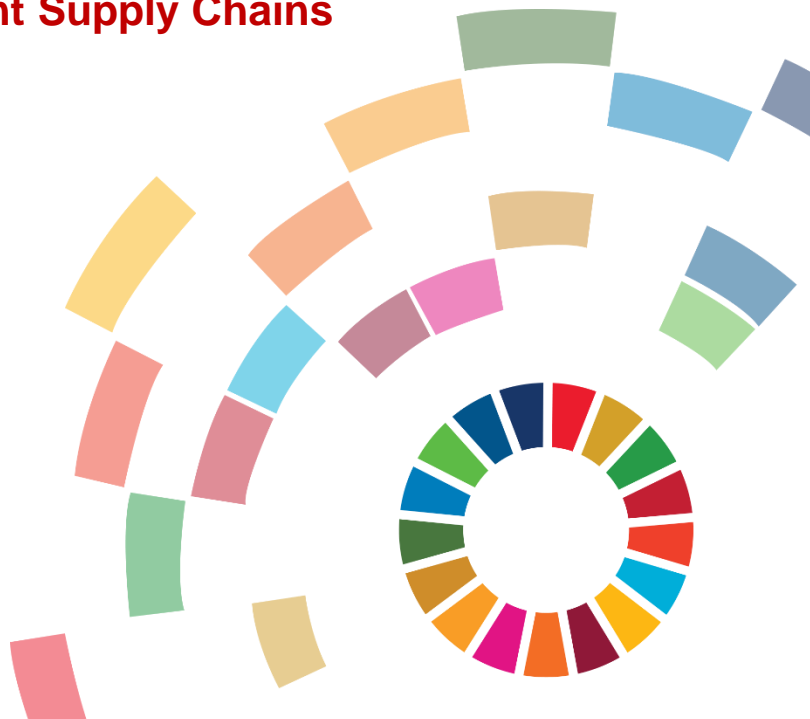


2020 SPECA Economic Forum

“Regional Cooperation to Support Socioeconomic Recovery in the Wake of COVID-19”

Regional Transport Connectivity to Build Resilient Supply Chains

Mr. Weimin Ren
Director
Transport Division
18 November 2020



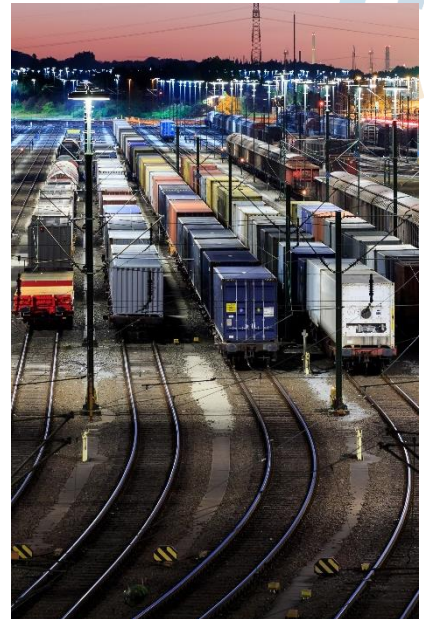
Committee on Transport, Sixth Session

The sixth session of the Committee on Transport was held from 12 to 13 November 2020 in a hybrid format.

The Committee recognized that COVID-19 pandemic has positioned transport connectivity as an integral part of pandemic response and recovery policies and of further progress on the Sustainable Development Goals.

The Committee called to pay special attention to the issue of railway transport that demonstrates their resilience during the COVID-19 pandemic.

The Committee reaffirmed the vital role of regional transport cooperation and recommended that concrete collaborative initiatives be taken up within the ESCAP regional mechanisms.



Committee on Transport, Sixth Session

The Committee stressed that enhanced efforts were needed to further advance regional and interregional transport connectivity, especially for countries with special needs, with regard to:

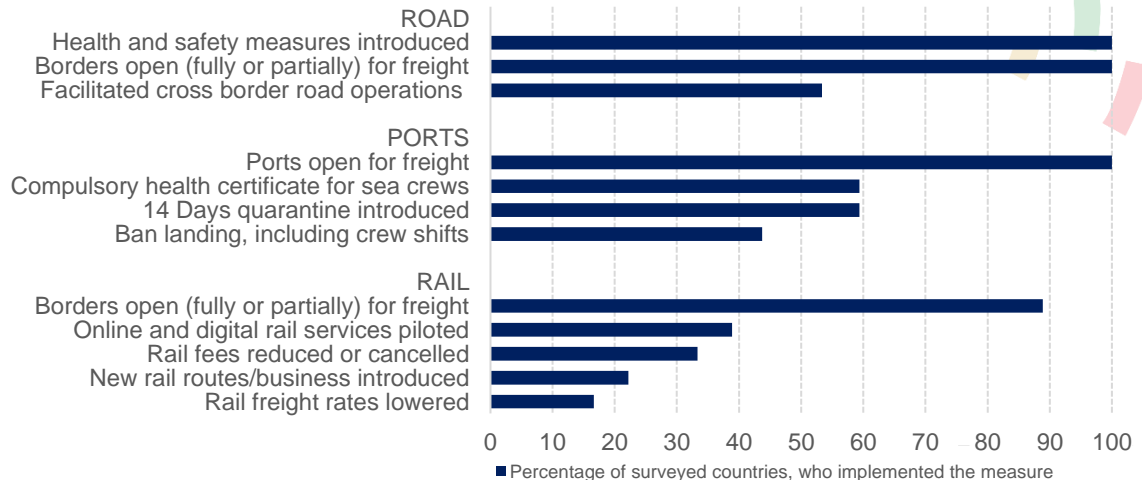
- The Asian Highway network;
- The Trans-Asian Railway network;
- Maritime ports, and;
- Networks and intermodal corridors involving dry ports.

In this context, the Committee supported:

- Further harmonization of technical standards;
- Improvement of legal frameworks;
- Accelerated digitization and electronic data exchange;
- Other relevant measures, and;
- The exchange of best practices that provide for growth of regional connectivity.

Preserving transport connectivity during COVID-19

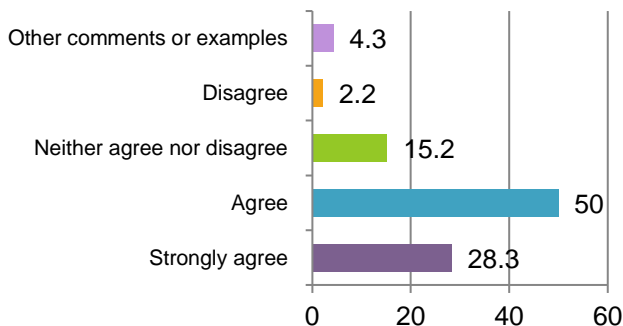
- Great efforts by the countries to keep their borders open for freight, piloting digital/contactless solutions and readjusting their transport operations
- The response capacity was often undermined by pre-existing issues (lack of facilitation and digitalization, road-centric freight system)
- Insufficient coordination in the pandemic response, even at the national level
- Rapidly changing requirements, lack of clarity and limited information resulted in increased cross-border transport waiting time and costs
- Ad-hoc policies and regulations introduced, without consulting with neighbors, often in breach of the international legal instruments



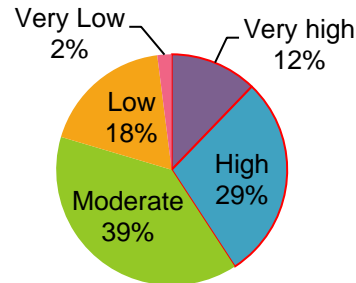
COVID-19 impact on transport connectivity

- Great economic losses and much higher precarity in international freight transport, due to the contracted demand and introduced restrictions
- Containment measures related to Covid-19 could reduce global freight transport by up to 36% by the end of 2020 with the highest reduction in ASEAN, Russian Federation, Central Asia and India
- Additional inspections, reduced hours of operation, road and border closures, increases in transport costs, etc. could lead to an increase in trade costs by 25%
- Widening of the connectivity gap, especially for LLDCs and SIDs, but also other vulnerable countries

Increased time and cost of cross-border freight operations



Level of disruption on freight transport services



Building Back Better: Reshaping transport connectivity in Asia-Pacific (1/2)


Pre COVID-19

- ❑ Infrastructure shortages
- ❑ Lack of digitalization
- ❑ Disbalanced freight modal split (road, rail, maritime)
- ❑ Inefficient or fragile transit arrangements
- ❑ Manual practices/checks at the border crossings
- ❑ Divergent standards on vehicles, drivers and international transit
- ❑ Connectivity gaps across the region

During COVID-19

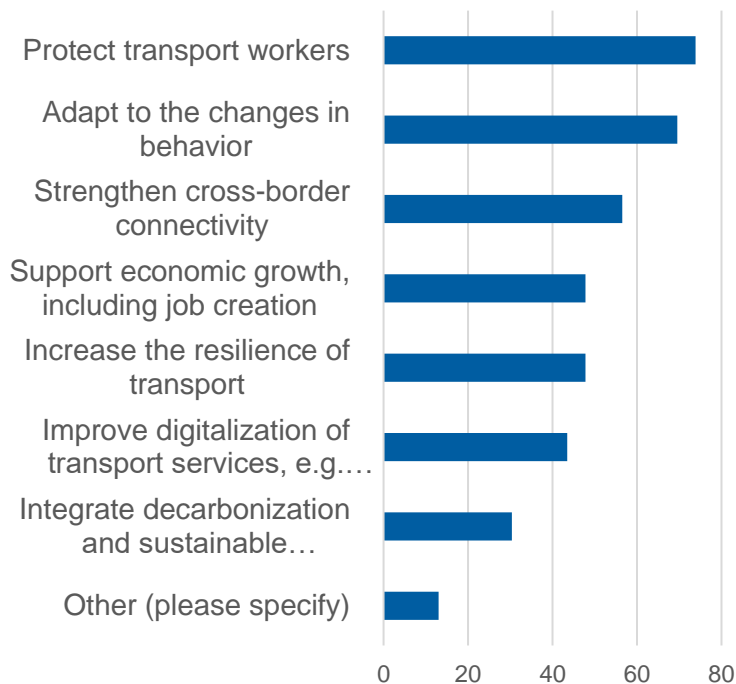
- ❑ Restrictions
 - ❑ New controls
 - ❑ Market inefficiencies
- But also**
- ❑ Transit/green corridors
 - ❑ Electronic platforms for transport operations
 - ❑ No/reduced charges or penalties for storing cargo and other associated services
 - ❑ Emergency Response Centers for shippers and transport operators

Aftermath

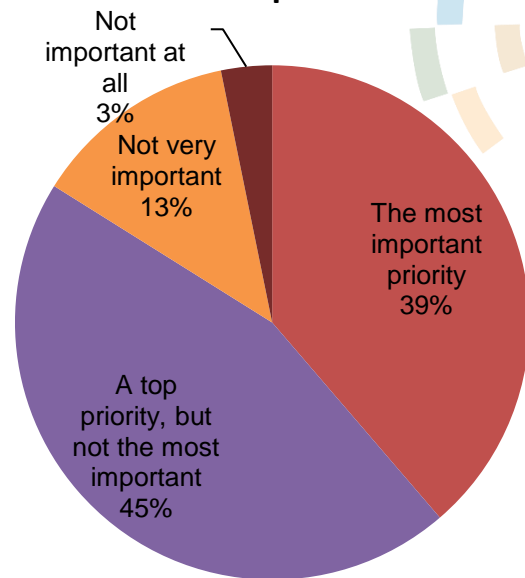
- 
- ❑ **Impact on infrastructure connectivity (investments)**
 - ❑ **Impact on operational connectivity (facilitation)**
 - ❑ **SDGs and sustainability targets**

Recovery policies in Asia and the Pacific

Stated priorities in the recovery policies



Priority given to regional cooperation



Source: UNESCAP survey on Freight Transport Policy Responses to COVID-19, 2020.

Building Back Better: Reshaping transport connectivity in Asia-Pacific (2/2)

DIGITALIZED

- Smart infrastructure
- Paperless trade
- Intelligent transport/logistics

RESILIENT

- Multimodality
- Operational connectivity
- Transport facilitation

GREEN/DECARBONIZED

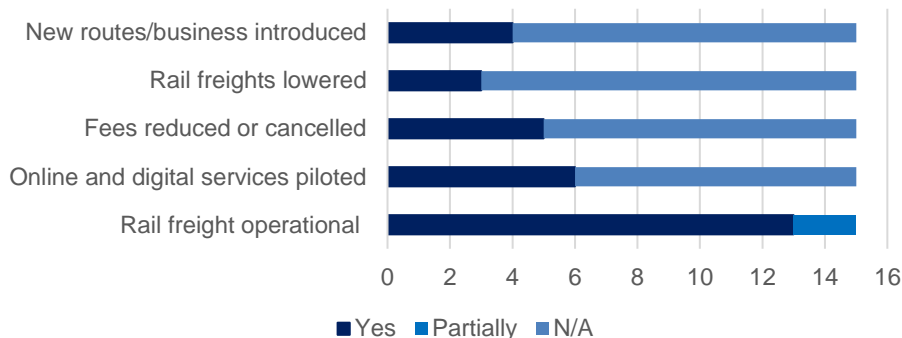
- Rail
- Waterborne transport
- Energy efficiency
- Renewable energy

Intergovernmental Agreements on the Asian Highway and Trans-Asian Network and Dry ports

ESCAP Resolution 76/2: Regional cooperation to address the socioeconomic effects of pandemics and crises in Asia and the Pacific

Next Regional Action Programme on Sustainable Transport Connectivity (2021-2026)

Example: Boost to promoting international rail transport along the Trans-Asian Railway Network



The China-Europe Railway Express saw steady growth in 2020, with a total of 10,108 trips run by freight trains carrying 927,000 TEUs (twenty-foot equivalent units) of containers, increasing 54 percent year-on-year (as of 5 November 2020).

Source: www.gov.cn

Online and digital services piloted	Fees reduced or cancelled	Rail freight rates lowered	New routes/business introduced
China	China	Kazakhstan	China
Kazakhstan	India	Kyrgyzstan	India
Kyrgyzstan	Kazakhstan	Uzbekistan	Kyrgyzstan
Russian Federation	Kyrgyzstan		Uzbekistan
Turkmenistan	Uzbekistan		
Uzbekistan			

COVID-19 crisis showed an important degree of resilience of the network and agility in responses

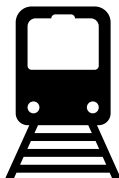
Example: Accelerating digitalization and smart connectivity along the intermodal regional network



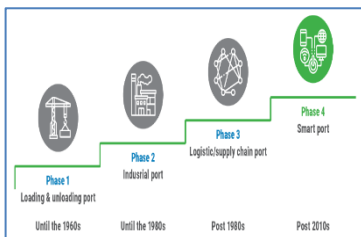
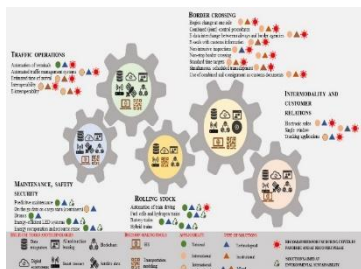
❑ Smart Asian Highway, Trans-Asian Railways and Dry Ports networks

❑ Focus on awareness raising and capacity building

❑ Levelling the playing field across modes but also regions



❑ South – South Cooperation and exchange of lessons learned and best practices



Transport Connectivity as part of the Socio-Economic Response to COVID-19 [ESCAP Framework]

Key Areas



PROTECTING PEOPLE AND ENHANCING RESILIENCE



SUPPORTING ECONOMIC RECOVERY



RESTORING SUPPLY CHAINS AND SUPPORTING SMEs

Overarching Principle



BUILDING BACK BETTER



Approach



STRENGTHENING REGIONAL COOPERATION
AND COLLABORATION



Impact assessment on availability and affordability of international freight transport

Enhancing sustainability of transport connectivity, promoting digitalization and facilitation

Leveraging the ESCAP intergovernmental platforms in COVID-19 response

Conclusions

- There is a need for more resilient and efficient cross-border transport connectivity
- Stronger bilateral, subregional and regional cooperation to maintain trade flows and improve connectivity by coordinated legal and technical/operational efforts
- Better institutional framework at the national and regional level for coordinating pandemic response and recovery
- Stronger efforts for higher digitization and intermodality along transport networks
- Stronger coordinated regional, subregional or even bilateral response to maintain the freight flows with focus on:
 - risk sharing,
 - early responses and
 - rapid alerts mechanism

THANK YOU

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