

The 7th Ministerial Meeting on Transport & Communications
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Annex VII- UNCTAD 3

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Agenda Item 9 : **Review of the Progress on the
ECO/IDB/UNCTAD Joint Project for Multimodal
Transport Measuring Trade and Transport
Facilitation Instruments for Development**

**SEVENTH MEETING OF THE MINISTERS OF TRANSPORT AND
COMMUNICATIONS OF THE ECO MEMBER STATES, Antalya, Turkey, 15-17
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**Review of the Progress on the ECO/IDB/UNCTAD Joint
Project for Multimodal Transport: Measuring Trade and
Transport Facilitation Instruments for Development**

Elements of Contribution and Discussion

Mr. Chairman,

The introduction of multimodal transport, trade facilitation and logistic is seen as a powerful tool to reduce transaction cost and thereby increase competitiveness

of traders from developing countries in general and with a number of land locked countries, the ECO region in particular.

Building on its continued work, among others, an Expert Meeting on the Development of Multimodal transport and Logistic Services was organized by UNCTAD in Geneva from 24-26 September, 2003. While highlighting the importance of the issues covered by the meeting, the experts in its "Conclusions and the Way Forward" part, noted and stressed inter-alia the following elements:

- ...the need to involve shippers in transport-related policies and projects for their practical knowledge as it is the perspective of the transport users that provides the link to the ultimate goal of improving multimodal transport and logistics services – namely, to increase the competitiveness of countries so that they are able to participate in the globalized economy;
- ...it was recognized that international cooperation concerning capacity-building, policy advice, regional and international coordination or financial and technical cooperation also have an important role to play. In particular, experts highlighted the importance of a uniform international framework for the development of multimodal transport;
- ... practical way forward may also be closer cooperation between traders and logistics providers. Concerning a lack of capacity-building, in several cases a lack of human resource development was identified as the missing complement to investments in infrastructure. Concerning facilitation and investments, stronger regional cooperation and coordination appear to be a viable approach in many developing regions. Particularly in the area of trade and transport facilitation, cooperative efforts between UNCTAD and relevant regional and sub regional organizations are expected to produce positive and practical results;
- ...in order to avoid persistent exclusion from global production processes, especially for least developed, landlocked and small island States, a concerted effort by national Governments and international organizations to overcome these difficulties appears necessary. UNCTAD, in cooperation with other relevant organizations and regional and sub regional organizations of developing countries, was called upon to put in place the necessary mechanisms to support developing countries' endeavours to participate in and fully benefit from opportunities offered by modern multimodal transport and logistics services. This was considered to be a crucial element of a coherent strategy for integrating developing countries into the world economy and enhancing a trade-bas

Similarly, an Expert Meeting on Efficient transport and trade facilitation to improve participation by developing countries in international trade was convened in Geneva from 27-28 September 2007. The meeting looked at the existing international instruments and institutional solutions adopted to allow effective free movements of goods and equipment involved in transit operations to and from land locked developing countries. It further discussed the status of

the implementation of the Almaty Programme of Action. Selected existing regional and bilateral agreements were also considered with the objective of reviewing different situations which could contribute to the better design of regional cooperative solutions for Land locked and transit developing countries to consider in the framework of the implementation of the Almaty Programme of action. Moreover, the expert meeting also discussed the possibility and the opportunity to try and bring forward new design or reforms of existing schemes to make them at least operationally compatible with most widely accepted standards and best practices in transit transport operation. Additional detailed information could be found on the UNCTAD web site.

The proposal for introduction of multimodal operations in the ECO region which many of them are landlocked and are faced with transportation bottlenecks and high cost of transport applicable to their foreign trade traffic was the subject of discussion between IsDB and UNCTAD. These interactions were further followed at various meetings, discussions groups among ECO/UNESCAP/UNCTAD and the IsDB until it was decided to develop a technical assistance project with principle activity of carrying on a comprehensive studies on the introduction of MT operations to help overcome transportation bottlenecks among the ECO member states and which, by the same token, held the prospect of easier intra-trade among the ECO countries, eventually, enhancing the prospects of intra-regional trade and trade with rest of the world.

In order to finalize the arrangement for the implementation of study, relevant seminars, workshops on MT operations a number of Inter-Agency Meetings have been held at various intervals as follow:

- First inter-agency consultation was held in UNESCAP on 30 October 1997 where the terms of reference for the study on MT, its introduction, cost sharing arrangements and the project execution modalities were decided. There were a number of other relevant proposals also discussed but not included in the project. These proposals are mentioned for information only which include comprised of:

- (i) Development of Legal and Regulatory System for Efficient Transport in the ECO Region;
- (ii) Facilitation of Land Transport at Border Crossing and;
- (iii) Multimodal Transport Operations in the ECO Region.

- The above elements were further considered at the second inter-agency meeting held in Jeddah from 27-28 February 1999 where due to logistic reasons, UNCTAD was not present. Taking in to consideration of the availability of limited resources, the Jeddah meeting made several proposals with respect to the implementation of the project activities. While it was agreed that the scope of the project and the terms of reference relating to the study on MT operations in the ECO region remained un-changed, certain elements related to trade and transport facilitation where UNCTAD has traditional role was emphasized. As a

result, UNCTAD was requested to focus on the Trade and transport Facilitation dimension of the Multimodal operations in the ECO region;

- The third Inter-Agency Meeting held in Almaty, Kazakhstan onat the outset of an ECO meeting where issues related to the progress of the project was discussed;

In the interest of efficiency, I will be circulating a list and an internet links of very relevant documents and presentations on the trade, transit, transport including multimodal transport and customs facilitation related subjects which are now accessible and available on internet at the www.unctad.org

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