

Socio-economic response to COVID-19 and post-pandemic recovery

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Preserving Transport Connectivity during COVID-19

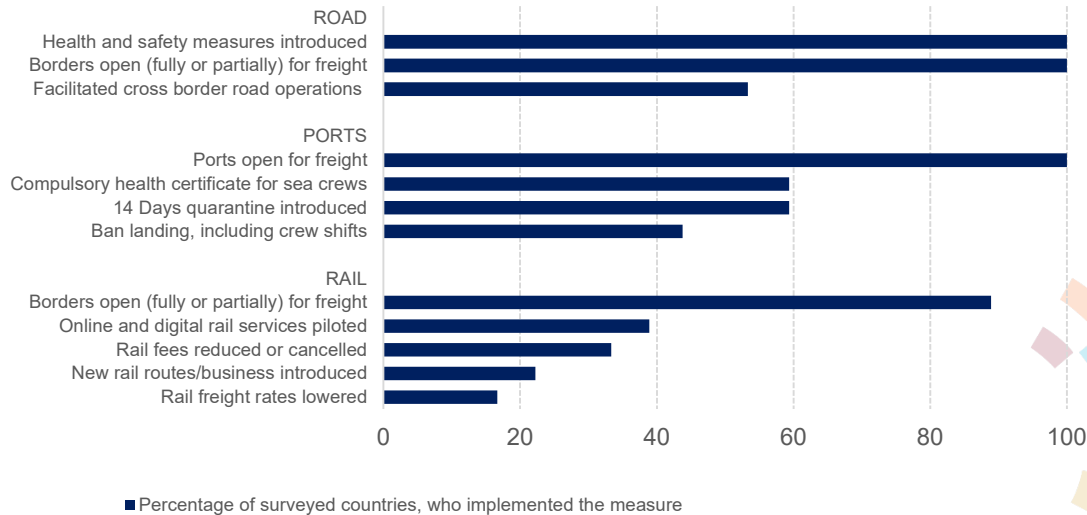
COVID-19 response

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

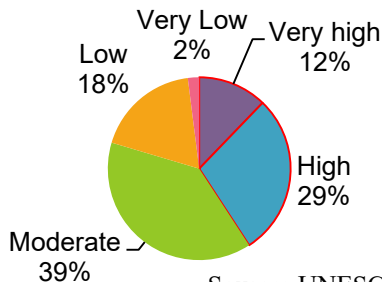
COVID-19 impact

- ❑ **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 volumes by up to 36%** by the end of 2020 with the highest reduction, of more than half, projected for 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 of 25%.**
- ❑ **Widening of the existing connectivity gap**, especially for LLDCs and SIDs, but also other vulnerable countries.

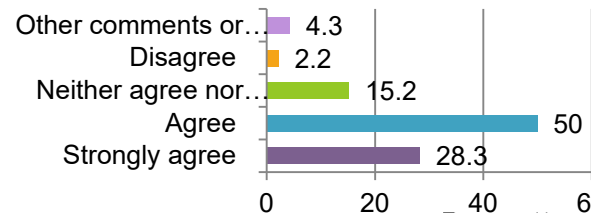
Impact of COVID-19 on Transport Connectivity



Level of disruption on freight transport services



The pandemic increased time and cost of cross-border freight operations



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



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

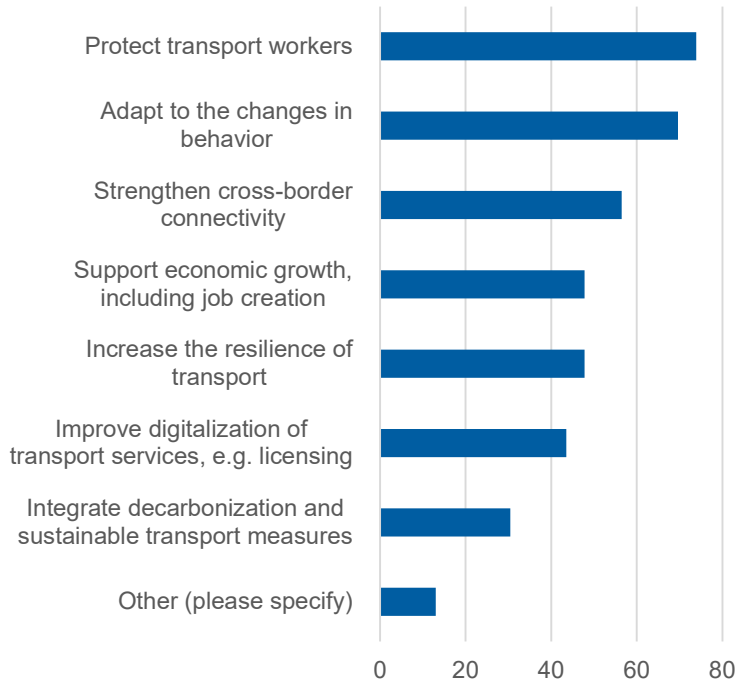
Aftermath



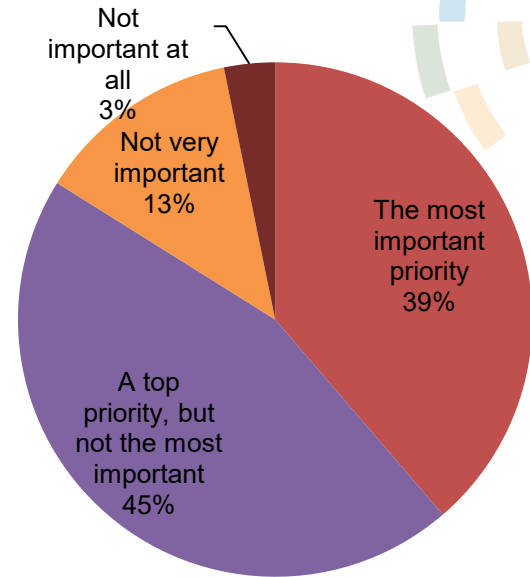
- ☐ **Impact on infrastructure connectivity (investments)**
- ☐ **Impact on operational connectivity (facilitation)**
- ☐ **SDGs and sustainability targets**

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.

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

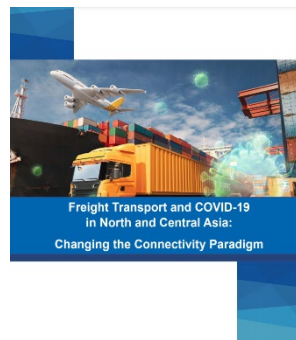
Changing the connectivity paradigm in Central Asia

National and domestic priorities for building back better

- Support the recovery of freight transport operations in the aftermath of COVID-19
- Better leverage innovative solutions to simplify processes and procedures for cross-border freight transport
- Further develop efficient intermodal connectivity
- Continue to improve infrastructure and operational framework
- Support the shift towards more sustainable freight sector

Scaling up regional cooperation on sustainable and resilient transport connectivity

- Cooperate regionally to improve transit terms for landlocked states in North and Central Asia
- Strengthen regional cooperation and coordination on pandemics, emergencies, and disasters response



* <https://www.unescap.org/resources/freight-transport-and-covid-19-north-and-central-asia-changing-connectivity-paradigm>

Multi-stakeholder cooperation on regional connectivity, transport corridors and integrated multimodal transport systems

- ❑ Close engagement with the countries through expert discussions, surveys and individual consultations
- ❑ Raising profile of transport connectivity as part of Building Back Better
- ❑ Tracking tools, policy briefs and technical notes: policy responses and lessons learned
- ❑ Support to sub-regional initiatives (ASEAN guidelines for road freight transport and recovery policies, NCA SDG dialogue)
- ❑ Virtual trainings and capacity building tools

Contactless, seamless and collaborative solutions in cross-border trade and transport COVID 19 response

Transport and trade connectivity in the age of pandemics

UN solutions for contactless, seamless and collaborative transport and trade



A joint project that will implement United Nations solutions, including standards, guidelines, metrics, tools and methodologies to immediately help governments, including Customs and other border agencies, port authorities, and the business community world-wide, to keep transport networks and borders operational to facilitate the flow of goods and services, while containing the further spread of the COVID-19 virus.

Implementing entities:

Lead agencies: ECE, ESCAP, UNCTAD. Additional partner agencies: ECA, ECLAC, ESCWA

Concept note, submitted to DESA on 29 April 2020.

Building Back Better: Reshaping transport connectivity in Asia-Pacific

DIGITALIZED

- Smart infrastructure
- Paperless trade
- Intelligent transport/logistics

RESILIENT

- Multimodality
- Operational connectivity
- Transport facilitation

GREEN/DECARBONIZED

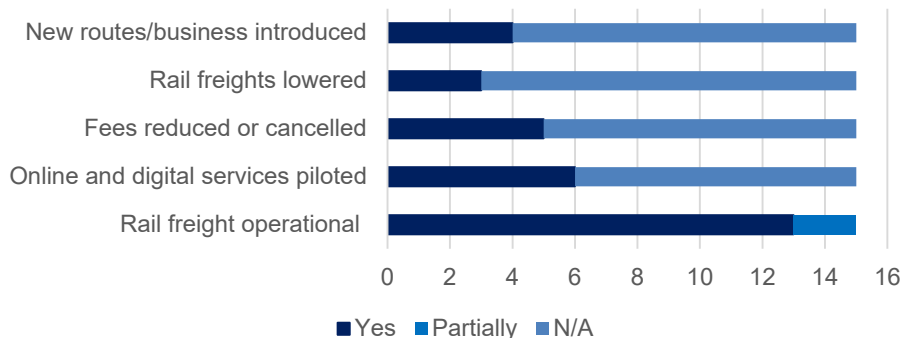
- Rail
- Waterborne transport
- Energy efficiency
- Renewable energy

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 the first quarter of this year, with a total of 1,941 trips run by freight trains carrying 174,000 TEUs (twenty-foot equivalent units) of containers, increasing 15 percent and 18 percent year-on-year.

Source: China Communications News

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

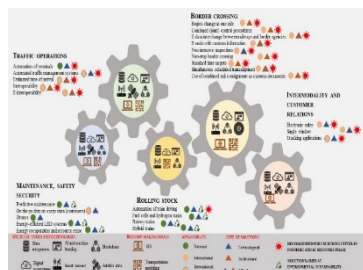
Example: Accelerating digitalization and smart connectivity along the intermodal regional network



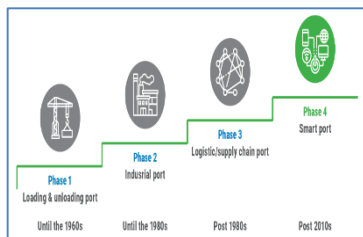
❑ Mobilizing Asian Highway, Trans-Asian Railways and Dry Ports networks

❑ 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



Conclusions

The need for more resilient and efficient cross-border trade and transport connectivity.

Stronger 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 coordinated regional, subregional or even bilateral response to maintain the freight flows with focus on:

- risk sharing,
- early responses and
- rapid alerts mechanism,

Conclusions

“Streamline, harmonize and digitalize” as the guiding principles of the trade and transport response through existing cooperation mechanisms for trade and transport connectivity:

- The intergovernmental agreements on the Asian Highway and the Trans-Asian Railway Networks.
- Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific and
- Institutionalization in future RTA negotiations and relevant regional and bilateral transport agreements.

THANK YOU

