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Inland Transport Connectivity and the 2030 Sustainable Development Agenda: Challenges and Opportunities for Global Economic Growth and Development

Concept note on the 2022 ITC roundtable "Inland transport connectivity and the 2030 Sustainable Development agenda: Challenges and opportunities for global economic prosperity and development"

Note by the secretariat

I. Introduction

1. The Inland Transport Committee (ITC) during its eighty-third (25-28 February 2021) and eighty-fourth (22-25 February 2022) plenary sessions took a leading role in helping build consensus on the important role of transport in leading global recovery from the pandemic and in strengthening resilience against future crises.

2. Despite tireless efforts by member States, recovery and economic prosperity have not yet returned to pre-pandemic levels of sustainable development. The challenges to the implementation of the 2030 Agenda and the achievement of the Sustainable Development Goals remain formidable and inland transport connectivity is key to achieving progress worldwide.

3. To this end, in line with the mission of the Committee to, among others, enhance transport connectivity and mobility both at regional and interregional levels, and following the deliberations of the ITC Bureau, the ITC roundtable of the eighty-fifth session of ITC will be on "Inland transport connectivity and the 2030 Sustainable Development agenda: Challenges and opportunities for global economic prosperity and development". At a time of multiple crises faced by the inland transport sector, the roundtable will bring together global stakeholders for a strategic discussion on the role of inland transport connectivity and the 2030 Sustainable Development Agenda in addressing the outstanding challenges and in identifying ways for capitalizing on opportunities for global economic prosperity and development. The proposed scope of the roundtable dovetails with the ITC mandate to promote the coordinated development of infrastructures for road, rail and inland waterway transport as well as for combined transport across the governments with a view to achieving coherent international transport connectivity.

4. While the round table will dwell mostly on the repercussions that the pandemic and the ongoing geopolitical crisis have had on the international transport system being a key

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enabler of global supply and value chains, it will also touch on other key pressing issues that are impacting heavily on the transformation of contemporary transport systems, including the importance of decarbonization, digitalization and adaptation to climate change.

II. Rationale and background

5. Recent years have witnessed several subsequent external shocks to the international transport system and by extension the entire global value chain. From early 2020 onwards, the pandemic has affected shipping companies' operations along the entire supply chain and across the various transport subsectors, resulting in congestions at land border crossings and maritime ports, labour shortages, a steep increase of maritime shipping costs due to container and work force shortages as well as lack of warehouse space and logistics services. As of February 2022, the consequences of the pandemic were further exacerbated by the war in Ukraine and its resulting blockade of the country's Black Sea Ports in combination with the large-scale destruction of transport infrastructure and the abrupt disruption of its transit possibilities by road, rail, or inland waterways.

6. Important external factors featuring in the background of these important geopolitical transformations include the increased pressure on the transport sector to decarbonize (or at the very minimum diversify its energy consumption), the strong push for digitalization and automation of transport processes as well as the growing necessity considering increased extreme weather events, to adapt existing transport infrastructure assets to climate change challenges.

7. During and in the immediate wake of the pandemic, when the major disturbance of the international transport system and the global supply chains became apparent, there was a widespread belief that globalisation had reached its boundaries and that reshoring (or nearshoring) of supply chains would better meet the conditions for sustainable economic prosperity through offering geographic proximity on the one hand and higher levels of supply chain predictability, especially for time-sensitive products, on the other hand. While nearshoring and regionalization indeed tend to strengthen transport and trade system resilience by reducing transit times and lowering interregional interdependencies, long-distance trade contributes to resilience differently in that it promotes specialization, division of labour and creates economies of scale. In this connection it should be noted that especially the global manufacturing industry may be more prone to continue relying for a longer time on international sourcing since they heavily depend on either foreign demand or foreign suppliers. Whereas the war in Ukraine similar to the pandemic provided an impetus to regionalization of supply chains, to date, the main effect of the war has been to boost long-distance trade with the European Union, for instance, increasing its energy imports from more distant countries to reduce its gas and oil dependence on the Russian Federation. It thus seems that structural reshoring and regionalization of supply chains may not materialize immediately as this is a transformation that will take time but is likely to play a more important role in the medium-term future and will influence on the expectations for inland transport system development.

8. In parallel to the above challenges, the world is also facing a rapidly unfolding climate crisis that is impacting on the way inland transport systems are managed. For the transport sector consequences are twofold:

(a) Bearing in mind that in 2019 for instance, direct Green House Gas (GHG) emissions from the transport sector accounted for 23 per cent of global energy-related CO_2 emissions[1]. It is a significant contributor to climate change and thus has a responsibility to play in undertaking mitigation efforts through decarbonization and modal shift.

(b) Transport infrastructure and operations are at the same time heavily affected by changes in climate and resulting from extreme weather events e.g. heavier and more

[1] Of these, 70 per cent came from road vehicles, while 1 per cent came from rail, 11 from shipping and 12 per cent from aviation. Source: 022, "Climate Change 2022 - Mitigation of Climate Change", Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Working Group III: https://report.ipcc.ch/ar6/wg3/IPCC_AR6_WGIII_Full_Report.pdf

frequent than in the past precipitation which may lead to landslides or floodings or great increases in average temperatures which may lead to damaged infrastructure, or others requiring the sector to develop and implement adaptation measures and intervention programmes for the sake of service continuity.

III. Objectives of the Inland Transport Committee roundtable

9. Building on the above analysis, this year's ITC roundtable is held to take stock of the above-described tectonic movements and their impact on connectivity of inland transport networks as key enablers of global supply chains. The roundtable will offer an opportunity to elaborate on the pros and cons of globalized supply chains and will offer an opportunity to exchange views on what should be the next steps in developing an international transport system that is resilient and prepared to take on the challenges it already faces today and those it may come across in the future.

10. The round table will allow transport and supply chain leaders to exchange views on:

(a) National and international experiences with regional versus global sourcing, the role of the transport sector as a whole and of the inland transport specifically.

(b) Resilience of transport networks and nodes in support of regional versus global sourcing, including resilience to climate change hazard, geo-political emergencies or to pandemics.

(c) Actions required to strengthen the resilience of the transport sector towards all of the future international contingencies contributing to an accelerated global economic recovery.

Annex

Draft programme

Roundtable theme: “Inland transport connectivity and the 2030 Sustainable Development Agenda: Challenges and opportunities for global economic prosperity and development”

24 February 2023, 15:00 – 18:00, Palais des Nations, Geneva

15:00 – 15:15	**Opening statements, welcome speeches**
15:15 – 16:15	**Taking stock of the immediate impact of the ongoing challenges faced by the inland transport system and their impact on global economic development**
16:15 – 16:30	**Break**
16:30 – 17:30	**Current actions and plans by governments and international organizations -global versus regional sourcing and its impact on management of inland transport systems**
17:30 – 18:00	**Strengthening inland transport sector resilience in the wake of unfolding crises, a possible role for the Committee**